Backer Hotwatt, Inc. is herein referred to as the "Seller" and the customer or person or entity purchasing goods ("Goods") from Seller is referred to as the "Buyer." These Terms and Conditions, any price list or schedule, quotation, acknowledgment or invoice from Seller relevant to the sale of the Goods and all documents incorporated by specific reference herein or therein, constitute the complete and exclusive statement of the terms of agreement governing the sale of Goods by Seller to Buyer. Seller's acceptance of Buyer's purchase order is expressly conditional on Buyer's assent to all of Seller's terms and conditions of sale, including terms and conditions that are different from or additional to the terms and conditions of Buyer's purchase order. Buyer's acceptance of or payment for the Goods will manifest Buyer's assent to these Terms and Conditions. Seller reserves the right in its sole discretion to refuse orders.

1. PRICES: Prices for Goods, whether specified in Buyer's price list or schedule, acknowledgment or written quotation, are subject to change without notice. Such prices shall be adjusted to reflect Seller's prices for Goods as in effect at the time of requested shipment date, and each shipment will be invoiced at such prices. All prices are exclusive of taxes, transportation and insurance, which are to be borne by Buyer.

2. TAXES: Any current or future tax or governmental charge (or increase in same) affecting Seller's costs of production, sale, or delivery hereunder on which Seller is required to collect, whether Seller is required to charge such taxes or not, shall be added to the purchase price. The seller reserves the right to change designs and specifications for the manufacture of the Goods, is limited, hindered, made impracticable due to causes set forth in the preceding paragraph, Seller may allocate its available supply of the Goods or such material (without obligation to acquire other supplies of such Goods or materials) among itself and its purchasers on such basis as Seller determines to be equitable without liability for any failure of performance which may result therefrom.

3. CANCELLATION: Buyer may cancel orders only upon reasonable advance written notice and upon payment to Seller of Seller's cancellation charges which include, among other things, all costs and expenses incurred, and to cover commitments made, by the Seller and a reasonable profit thereon. Seller's determination of such termination charges shall be conclusive.

4. ASSIGNMENT: Buyer shall not assign its rights or delegate its duties hereunder or any interest therein without the prior written consent of Seller, and any such assignment, without such consent, shall be void.

5. REPLACEMENT / SERVICE GOODS: Upon the cancellation or fulfillment of this order, Seller will have no obligation to sell and Buyer will have no obligation to purchase the Goods sold hereunder, including, but not limited to, the supply of replacement parts for Goods or Buyer's consumer service division. Seller is not obligated to sell Buyer or its consumer service division Goods: (i) for any fixed period of time after production of the Goods supplied hereunder ceases or after the last date of shipment made under this order; or (ii) if any pre-established price to fulfill Buyer's or its consumer service division requirements during or after production of the Goods ceases or after the last date of shipment under this order. Seller shall have the absolute right to revise the price of Goods and the terms of sale and to modify or discontinue the sale of the Goods, and such action shall not form the basis of any claim by any buyer against Seller. Seller can cancel any order due to unforeseen circumstances or any events or causes beyond Seller's reasonable control. Deliveries or other performance may be suspended for an appropriate period of time or canceled by Seller notice to Buyer in the event of any of the foregoing, whether caused by causes beyond Seller's control, and the balance of the agreement shall otherwise remain unaffected as a result of the foregoing.

6. Tooling, Die, and pattern charges, if any, are in addition to the price of the Goods and are due and payable upon completion of the tooling. All such tools, dies and patterns shall be and remain the property of Seller. Charges for tooling, dies, and patterns do not convey to Buyer, title, ownership interest in, or rights to possession or removal, or prevent their use by Seller for other purchasers, except as otherwise expressly provided by Seller and Buyer in writing with reference to this provision.

7. Export/Import: Buyer agrees to accept all risk of loss and title to the Goods shall transfer to Buyer for sales in which the end destination of the Goods is outside of the United States immediately after the Goods have passed beyond the territorial limits of the United States. For all other shipments, risk of loss and responsibility shall pass from Seller to Buyer upon delivery to and receipt by carrier at Buyer's shipping point. All shipments are F.O.B. Seller's shipping point. Any claims for shortages or damages suffered in transit shall be filed by Buyer and must be promptly acknowledged or rejected by the carrier at Seller's direct cost. Any damages must be identified and signed for at the time of delivery.

8. LIMITATION OF LIABILITY: Subject to the limitations of Section 6, Seller warrants that the Goods manufactured by Seller will be free from defects in material and workmanship and meet Seller's published specifications at the time of shipment under normal use and regular service and maintenance for a period of one year from the date of shipment of the Goods by Seller, unless otherwise specified in particular special sales literature. Products purchased by Seller from a third party for resale to Buyer ("Resale Products") shall carry only the warranty extended by the original manufacturer. The warranty set forth in this section is exclusive of any warranty extended by the original manufacturer or any other warranty, express or implied, by any trade practice or course of dealing. In the event of any conflict between this warranty and any warranties extended by the original manufacturer, this warranty shall control.

9. Governmental Restrictions: The validity, performance, and all other matters relating to the interpretation, enforcement and all other matters relating to the introduction of the Goods hereunder are subject to change without notice. In no event shall Seller be bound by the limitations therein, including Section 6. Buyer agrees to provide such subsequent transference, copyright, written notice of the provisions of the Sections 5 and 6.

10. LIMITATION OF REMEDY AND LIABILITY: THE SOLE AND EXCLUSIVE REMEDY FOR BREACH OF ANY WARRANTY HEREUNDER (OTHER THAN THE WARRANTY PROVIDED UNDER SECTION 11) SHALL BE LIMITED TO REPAIR, CORRECTION OR REPLACEMENT OF THE PURCHASE PRICE UNDER SECTION 11.

11. SELLER SHALL NOT BE LIABLE FOR DAMAGES CAUSED BY DELAY IN PERFORMANCE AND THE REMEDIES OF BUYER SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE. IN NO EVENT, REGARDLESS OF THE FORM OF THE CLAIM OR CAUSE OF ACTION, WHETHER BASED IN CONTRACT, TORT, NEGLIGENCE, PRODUCT LIABILITY, OR OTHER THEORY, SHALL SELLER'S LIABILITY TO BUYER AND/OR ITS CUSTOMERS EXTEND THE PRICE PAID BY BUYER FOR THE SPECIFIC GOODS OR SERVICES RESULTING FROM ANY BREACH OF THIS AGREEMENT, WHETHER DIRECTLY OR INDIRECTLY, TO INCLUDE INTEREST, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. The term "consequential damages" shall include, but not be limited to, loss of anticipated profits, business interruption, loss of property, goodwill, loss of reputation, reputation, data, costs incurred, including without limitation, for capital, fuel, power, loss of productive capability.

12. PATENTS AND COPYRIGHTS: Subject to the limitations of the second paragraph of Section 6, Seller warrants that the Goods sold, except as are made specifically for Buyer according to Buyer's specifications, do not infringe any valid U.S. patent or copyright or any foreign equivalent. This warranty is limited to infringement arising solely out of the inherent operation according to Seller's specifications and instructions (i) of such Goods, or (ii) of any combination of Goods acquired from Seller in a system designed by Seller. In the event such Goods shall be held to infringe such a U.S. patent or copyright in such suit, and the use of such Goods is enjoined, or in the case of a compromise or settlement by Seller, Buyer shall have the right, at its option and expense, to procure for Buyer the right to continue using such Goods, or replace them with non-infringing Goods, or modify same to become non-infringing, or grant Buyer a credit for the depreciated value of such Goods and accept return of them. In the event of the foregoing, Buyer may, at its option, cancel the agreement as to future deliveries of such Goods, without liability. No license or rights in any of Seller's intellectual property associated with the Goods is granted hereby.

13. EXCUSE OF PERFORMANCE: Seller shall not be liable for delays in performance or for non-performance due to acts of God; acts of Buyer, war, fire, flood; weather; sabotage; strikes or labor disputes; civil disturbances or riots; governmental requests, restrictions, allocations, laws, regulations, orders or actions; unavailability of or delays in transportation; default of suppliers; or unforeseen circumstances or any events or causes beyond Seller's reasonable control. Deliveries or other performance may be suspended for an appropriate period of time or canceled by Buyer notice to Buyer in the event of any of the foregoing, whether caused by causes beyond Seller's control, and the balance of the agreement shall otherwise remain unaffected as a result of the foregoing.

14. The validity, performance, and all other matters relating to the interpretation and effect of this agreement shall be governed by the law of the state of Delaware without regard to its conflicts of laws principles. Buyer and Seller agree that the proper venue for all actions arising in connection herewith shall be only in Delaware and the parties agree to submit to such jurisdiction. No action, regardless of form, arising out of transactions relating to this contract, may be brought by either party more than two (2) years after the cause of action has accrued. The U.N. Convention on Contracts for the International Sales of Goods shall not apply to this agreement.