

TERMS AND CONDITIONS

McKinley Service & Equipment, Inc, ("MSE") hereby sells the described product to Purchaser ("Purchaser") subject to these Terms and Conditions.

The purchase price does not include applicable sales, excise, use or other taxes in effect or later levied. Any such taxes are the sole responsibility of Purchaser.

Title to product and risk of loss or damage shall pass to Purchaser F.O.B. place of shipment.

The warranty period for this product is twenty-four (24) months from date of delivery. MSE's obligations under any product are limited, at MSE's option, to the repair or the replacement of the product or a portion thereof, or to a refund or a pro-rata portion of the purchase price paid by the Purchaser, based upon the number of months remaining under the applicable warranty. Any refund will be paid to the Purchaser when the product is returned to MSE. Any product warranty is made on condition that MSE receives written notice of a product defect during the warranty period and within thirty (30) days following the discovery of the defect by the Purchaser. MSE's obligations under any product warranty do not apply to any product defects resulting from improper or inadequate maintenance by the Purchaser or its agents. MSE does not provide a warranty for any third party products furnished to the Purchaser by MSE under this quotation; however, MSE shall use reasonable efforts to extend to purchaser the third party warranty for the product. The obligations of MSE described above are MSE's only obligations and the purchaser's sole and exclusive remedy for a breach of product warranty. Third party product warranties are available from MSE upon request.

The liability, if any, of MSE for damages whether arising from breach of the terms of this agreement, breach of warranty, negligence, indemnity, strict liability or other tort, or otherwise with respect to products is limited to an amount not to exceed the price of the product as stated above.

IN NO EVENT SHALL MSE BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUES, OR PROFITS, OR ATTORNEY'S FEES, WHETHER CLAIMED BY REASON OF BREACH OF WARRANTY, IN TORT OR OTHERWISE, AND WITHOUT REGARD TO THE FORM OF ACTION IN WHICH SUCH CLAIM IS MADE. MSE SHALL HAVE NO LIABILITY FOR ANY GRATUITIOUS ADVICE PROVIDED TO PURCHASER.

If any legal action or proceeding, including any arbitration of disputes, arising out of, or relating to, this transaction is brought by either party, the prevailing party as determined by the Court, shall be entitled to receive from the non-prevailing party, in addition to any other relief that may be granted, reasonable attorney's fees, costs and expenses incurred in the action or proceeding by the prevailing party.

Jurisdiction shall be by the laws of the State of Alaska without regard to the principles of choice of law. Venue shall be Borough of Kenai Peninsula.

These terms and conditions are incorporated by reference into the quote and constitute the entire agreement between Seller and Purchaser and supersede any previous understandings between the parties whether written or oral regarding this sale. No additional terms, or modifications shall be binding unless in writing and signed by the parties hereto.