



Terms and Conditions of Sale

ACCEPTANCE

All orders are subject to approval by an officer or authorized official of Book Automation Inc. (hereinafter referred to as "Seller") at its office in New Milford, Connecticut. Orders submitted on Buyer's own purchase order forms or contracts, which forms or contracts may contain statements, clauses or conditions modifying, adding to, repugnant to, or inconsistent with the terms and provisions of the Seller herein contained will be accepted by the Seller only upon condition and with the express understanding that notwithstanding any such statements, clauses, or conditions contained in any order form or contract of the Buyer the liabilities of the Seller shall be determined solely by its own terms and conditions of sale, and in accepting and consummating any such order the Seller shall be deemed not to have in anyway changed, enlarged or modified its liabilities or obligations as fixed by such terms and conditions of sale as stated by the Seller herein.

2. PRICES AND TERMS OF PAYMENT

This contract is accepted subject to Seller's selling prices stated on the face hereof. Remittances are to be made in funds collectible at par. Unless otherwise specifically agreed to by Seller in writing on the reverse side hereof the terms of sale shall be net thirty (30) days based on the date of shipment by Seller. All prices are c.i.f. Port of New York. Published prices are subject to change without notice, and all written quotations expire after thirty (30) calendar days from the date of quotation unless withdrawn, in writing, at an earlier date, except when a quotation expressly provides otherwise.

3. TAXES

Prices of all the products specified herein are exclusive of all City, State and Federal Taxes, including without limitation, Federal, State or Municipal Taxes on manufacture, sales, receipts, gross income, occupation, use and similar taxes. Such tax or taxes are not included in our quoted prices and will be added to the price as a separate charge and paid by Buyer. If any of said taxes are required to be collected by Seller, or imposed on the equipment or on Seller resulting from this transaction or any part thereof, purchaser shall pay said tax or taxes upon receipt of the invoice from Seller,

4. CREDIT

Buyer agrees to make prompt payment in accordance with the terms hereof. When requested by Seller, Buyer shall duly acknowledge this contract and execute, acknowledge and deliver to Seller, in Sellers usual form a security agreement or financing statement, or other appropriate instrument to constitute the equipment as the unencumbered security for the obligations of the Buyer herein, or to enable Seller to comply with all applicable filing or recording laws. Buyer hereby authorizes Seller, or its assignee, where permitted by applicable state law, to sign and file financing statements in order to protect the security interest of Seller herein.

5. INSURANCE

When requested by Seller, Buyer shall furnish to Seller an insurance policy in such company as Seller shall approve, on the equipment, against fire and extended coverage perils in an amount equal to the full value of the equipment, with loss first payable to Seller as its interests may appear. Buyer will maintain such insurance until full payment shall be made to Seller, in default of which Seller may obtain the same at Buyers expense, for which Buyer shall promptly reimburse Seller.

6. SHIPMENT

Seller will establish shipping schedules as closely as possible in accordance with the Buyer's expressed needs, will state expected shipping dates when requested and will exercise diligence in meeting these estimated dates. However, Seller shall not be liable for delays in the performance of any shipments under this contract or default in delivery arising out of cases beyond the control and without the fault or negligence of Seller. Should shipment be held beyond scheduled shipping date at the request of Buyer, equipment will be or supplies, or any other cause or causes (whether or not similar in nature to any of those hereinabove specified) beyond its control.

7. CANCELLATION AND ADJUSTMENT

Orders for equipment accepted herein by Seller cannot be

countermanded or deliveries deferred by Buyer except with Seller's prior written consent and then only upon such terms as shall be acceptable to Seller.

8. INSTALLATION

Seller is responsible for the installation of the equipment.

9. TITLE, DAMAGE AND RISK OF LOSS

Title and risk of loss shall pass at the time of delivery to the Customer's dock.

In no event shall Seller be liable for anticipated profits on account of negligence, or for incidental or consequential damages. Buyer agrees to indemnify Seller against all claims, whether on account of negligence or otherwise, except those asserted by Seller's employees, arising out of or resulting from the erection, operation or use of the equipment.

10. INSPECTION AND ACCEPTANCE

The equipment covered hereby shall be deemed finally inspected and accepted within ninety (90) days after receipt thereof unless notice of claim is given in writing to the Seller within that period.

11. WARRANTY

Seller warrants for a period of one (1) year from date of successful installation, that equipment manufactured by it will be free under normal use and service from substantial defects in material or workmanship and that all products manufactured or furnished by Seller to Buyer's special order or to specifications furnished by buyer will conform within reasonable tolerances to such specifications. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, EXCEPT AS PROVIDED IN THE PRECEDING SENTENCE. SELLER EXPRESSLY EXCLUDES ANY WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, APPLICATION OR USE. BEFORE PURCHASING, BUYER SHALL DETERMINE THE SUITABILITY OF THE PRODUCTS FOR ITS INTENDED USE.

12. LIMITATION OF SELLER'S LIABILITY

If any equipment fails within one (1) year from the date of manufacture, or within such other time as is specified by the Seller on the face hereof, to be as warranted herein, Seller agrees, provided Seller is promptly notified upon discovery of such claimed defect, at Seller's option, (a) to remove the equipment at its expense and to refund to Buyer all payments made thereon, without interest (if other equipment has been accepted by Seller as part payment and is not available for return to Buyer, then Seller shall pay to Buyer the agreed upon value thereof as shown on any trade-in agreement attached hereto), or (b) to repair or replace or cause to be repaired or replaced equipment or parts upon the return thereof f.o.b.. Seller's factory within the period set out above. THE REMEDY PROVIDED IN THE PRECEDING SENTENCES SHALL BE THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER. SELLER'S LIABILITIES SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE PRODUCT. SELLER SHALL NOT BE LIABLE IN ANY EVENT FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES RESULTING FROM LATE, OR NON-DELIVERY, FROM USE, SALE, HANDLING OR POSSESSION OF THE EQUIPMENT, OR FROM ANY OTHER CAUSE WHATSOEVER.

13. MISCELLANEOUS

Seller before or after hereof is authorized to insert in this contract as a part hereof the serial or other identification number of the equipment described herein, and the maturity dates of the promissory notes if any, herein provided for. Any or all of Seller's right or obligations hereunder may be assigned by Seller without notice to Buyer and maybe exercised by any assignee thereof. Each provision of this contract is severable and, in the event that one or more thereof may be declared invalid, the remainder of this contract shall nevertheless remain in full force and effect. The acceptance of any payments after the specified due dates thereof shall not constitute a waiver of Buyer's obligation to make future payments on the specified date.