***TERMS AND CONDITIONS***

The following terms and conditions, including those on our sales quotation, shall constitute the entire Agreement for the purchase and sale of The Townsend Group, Inc. products. Any acceptance contained herein is made expressly conditional upon the Purchaser’s assent to the terms, which are different from, in addition to, or vary the terms contained in the Purchaser’s purchase order or request for quotations. Such assent should be deemed to occur upon the failure of the Purchaser to object in writing specifically to such term or terms within 14 days from the receipt hereof. Any terms and conditions contained in the Purchaser’s purchase order or request for quotation which are different from, in addition to, or vary The Townsend Group’s terms and conditions shall not be binding upon The Townsend Group, Inc. and The Townsend Group, Inc. hereby objects thereto.

1. **Changes**.

Prior to the date of delivery of any product or products thereunder, the Purchaser shall have the right to make changes in the order only if The Townsend Group Inc. receives written notice of the desired changes and the Purchaser accepts the additional charge therefore as determined by The Townsend Group, Inc. in its sole discretion. Changes, which interfere with or alter The Townsend Group Inc.’s production or delivery schedules, will not be acceptable unless the time for performance is extended for such period as deemed necessary by The Townsend Group, Inc. Failure of The Townsend Group, Inc. to accept a Purchaser’s request to change its purchase order shall not be cause for Purchaser’s cancellation of its order.

2. **Cancellation**.

(a) The Townsend Group, Inc. shall have the absolute right to cancel this Agreement upon breach thereof by the Purchaser, failure by the Purchaser to make any payment required by this Agreement, or the insolvency or bankruptcy of the Purchaser.

(b) Orders are not cancelable by Purchaser unless and until all cancellation provisions, if any, are agreed to by The Townsend Group, Inc. in writing and all cancellation charges determined by The Townsend Group, Inc. in its sole discretion, if any, have been paid by Purchaser.

3. **Limited Warranties**.

(a) Except as set forth in the following paragraph, the only warranties on products and systems sold by The Townsend Group, Inc. are the warranties, if any, provided by the respective manufacturer for such products and systems. Reference should be made by Purchaser to the terms of such manufacturer’s warranties for the conditions thereof.

(b) If The Townsend Group, Inc. has modified, altered or fabricated any of the products or systems sold by it, The Townsend Group, Inc. warrants that such modification, alteration or fabrication shall be free of defects in material or workmanship for one year from the date of shipment to Purchaser. As to such warranties by The Townsend Group, Inc., the liability of The Townsend Group, Inc. is limited exclusively to, at the election of The Townsend Group, Inc. in its sole discretion (i) replacing or repairing the product, or (ii) refunding the price for such modifications if made by the Purchaser, if previously approved in writing by The Townsend Group, Inc. Alterations or repairs (actual or attempted) by or on behalf of the Purchaser to the product or systems supplied by The Townsend Group, Inc. shall void all warranties of The Townsend Group, Inc. unless Purchaser has obtained prior written authorization from The Townsend Group, Inc. consenting to such modifications or alterations

(c) THE TOWNSEND GROUP, INC. MAKES NO OTHER WARRANTY. ALL OTHER WARRANTIES, ORAL OR WRITTEN, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A SPECIFIC PURPOSE, ARE HEREBY EXCLUDED AND DISCLAIMED. IN NO EVENT SHALL THE TOWNSEND GROUP, INC. BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

(d) The Townsend Group, Inc. employees are not authorized to warrant the suitability of products or systems for any particular application.

(e) The Townsend Group, Inc. reserves the right to inspect products claimed defective under warranty either at the Purchaser’s location or at an office of The Townsend Group, Inc. A defective product shall not be returned to The Townsend Group, Inc.’s office unless authorized in writing by The Townsend Group, Inc. Products so returned shall be returned to The Townsend Group Inc.’s office, freight prepaid. Any products which within one year from date of shipment prove defective due to faulty modifications or alterations made by The Townsend Group, Inc. will be replaced or repaired free of charge. The Townsend Group, Inc. assumes no liability for labor charges incidental to the adjustment, service, repairing, removal or replacement of the product or other costs, or for the expense of repairs made outside of its factory except when made pursuant to The Townsend Group, Inc.’s prior written consent. The Townsend Group, Inc., at its options, may ship a replacement or replacements immediately under standard billing and make warranty adjustment after inspection of the defective product by means of credit memorandum.

4. **Delays**.

The Townsend Group, Inc. shall not be liable for damages for delays in performance due to circumstances beyond its reasonable control, including without limiting the generality of the foregoing, any priority system established by any agency of the United States Government, fires, energy shortages, floods, storms, and other acts of God, accidents, strikes, insurrections, war, shortage of materials, lack of transportation and failure of performance of subcontractors and/or suppliers for similar reasons. Failure of The Townsend Group, Inc. to perform for these reasons aforesaid shall not be grounds for Purchaser’s cancellation of its order but the delivery date shall be extended accordingly.

5. **Limitation of Liability**.

No claim made hereunder by the Purchaser, whether as to goods delivered or for non-delivery, shall be greater than the purchase price of the goods in respect of which such claim is made.

6. **Taxes**.

All applicable federal, state or local sales, use, or excise taxes are the responsibility of the Purchaser and shall be in addition to the price or prices stated on the invoice unless otherwise specifically stated. The Townsend Group, Inc. shall have the right to invoice separately any such tax as may be imposed at a later time. Applicable tax exemption certificates must accompany any order to which the same applies.

7. **Payment Terms; Delivery**.

(a) PAYMENTS DUE UPON RECEIPT OF INVOICE UNLESS OTHERWISE EXPLICITLY EXPRESSED IN WRITING BY THE TOWNSEND GROUP, INC. A FINANCE CHARGE AT THE LESSER OF 18% PER ANNUM OR MAXIMUM RATE ALLOWED BY LAW WILL BE CHARGED ON BALANCES WHICH ARE OVER 30 DAYS.

(b) F.O.B. – SHIPPING POINT UNLESS OTHERWISE STATED. ALL RISK OF LOSS OR DAMAGE SHALL PASS TO PURCHASER UPON DELIVERY OF THE PRODUCT TO THE CARRIER.

(c) Acceptance of less than the full invoice amount by The Townsend Group, Inc. shall not be construed as a waiver of the right of The Townsend Group, Inc. to collect the remaining amounts due. The Purchaser expressly agrees and understands that The Townsend Group, Inc. reserves all rights and remedies for nonpayment, breach or default hereunder by the Purchaser.

8. **Returns:**

Stock and non-stock items are subject to a re-stocking fee; non-stock items and special buys may have limited return value.

9. **Miscellaneous.**

(a) This Agreement may not be assigned or otherwise transferred by Purchaser without the prior written consent of The Townsend Group, Inc. which may be withheld in the sole discretion of The Townsend Group, Inc., and any such assignment or transfer without such prior written consent shall be null and void and of no force or effect whatsoever.

(b) The Townsend Group, Inc.’s failure to insist, in one or more instances, upon the performance of any terms of this Agreement shall not be construed as a waiver or relinquishment of its right to such performance or the future performance of such term or terms, and Purchaser’s obligation with respect thereto shall continue in full force and effect.

(c) Any notice or other communication required or permitted hereunder shall be sufficiently given if sent in writing by registered or certified mail, postage prepaid, to the other party thereto at its respective address. Any such notice, if so mailed shall be deemed to have been received on the third business day following such mailing. Either party hereto may change its address for notice purposes by written notice to the other party.

(d) The paragraph headings in this Agreement are used for the convenience only. They form no part of this Agreement and are in no way intended to alter or affect the meaning of this Agreement.

(e) This Agreement may be amended at any time by mutual agreement of both parties hereto by a written amendment to this Agreement signed by each of them.

(f) Validity, in whole or in part, of any provision of this Agreement shall not affect the validity or enforceability of any other of its provisions.

(g) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. As a material consideration for entering into this Agreement, the Purchaser specifically agrees that venue and jurisdiction of any action or proceeding arising out of or in connection with this Agreement shall lie exclusively in the state courts of competent jurisdiction in and for Middlesex or Worcester County, Massachusetts, at the discretion of The Townsend Group, Inc. The Purchaser expressly waives all other venue and jurisdiction. The Purchaser agrees to pay all costs of collection incurred by The Townsend Group Inc. (including attorney’s fees)