GENERAL TERMS AND CONDITIONS OF SALE (GOODS AND SERVICES)

1. APPLICATION. These General Terms and Conditions of Sale ("Terms and Conditions") will apply to all quotations and sales for goods, material, equipment and services by Koch Knight, LLC ("Seller") and are hereby incorporated into the quotation, invoice or other document to which they are attached ("Order" and, together with the Terms and Conditions, the "Contract"). All purchases by customer, owner or its agent ("Buyer") are expressly limited and conditioned upon acceptance of the Terms and Conditions. Seller objects to and rejects any provision additional to or different from the Terms and Conditions that may appear in Buyer’s purchase order, acknowledgement, confirmation, writing, or in any other prior or later communication from Buyer to Seller, unless such provision is expressly agreed to by Seller in a writing signed by Seller. For the purposes of these Terms and Conditions, the term “Goods” shall refer to the goods, material and equipment listed on the Order as well as all equipment or other materials provided in connection with any Services, and the term “Services” shall refer to the services listed on the Order as well as all ancillary services provided with any Goods. Terms not defined herein shall have the meanings set forth in the Order.

2. QUOTATIONS. Unless otherwise stated in the Order, any quotation from Seller is valid for 30 days from the date of the quotation. The quotation supersedes all previous quotations or correspondence concerning the same transaction or inquiry. Quotations contain proprietary information of Seller and are provided to Buyer solely for Buyer’s internal purposes. Quotations may not be disclosed to any third party or used in preparation of any request for quotation for goods similar to, or as a substitution for, Goods quoted by Seller.

3. PRICE MODIFICATION AND OTHER CHARGES. Unless otherwise stated in the Order, Seller’s price does not include: (a) transportation, handling, crating or packaging charges, or (b) sales, harmonized sales, goods and services, use or value-added tax or any other tax, excises, duties, tariffs, fees or other governmental charges that Seller may be required to pay or collect under any existing or future law, with respect to the import/export, sale, transportation, delivery or storage of any Goods or the provision of any Services sold by Seller.

4. PAYMENT TERMS. (a) Unless otherwise specified in the Order, payment must be received by Seller net 30 days from invoice date. (b) All payments shall be made in the currency listed in the Order, or, if not so listed, then in U.S. dollars. (c) If the payment due date is not a business day, Seller must receive such payment on the next business day after such due date. (d) Each shipment of Goods and each provision of Services is a separate transaction and payment shall be made accordingly. (e) Interest may be charged on all past due amounts owed by Buyer hereunder at an interest rate equal to the prevailing EURIBOR rate of interest, expressed as an annual percent, plus 3% from the payment due date until paid in full, or the highest interest rate allowed by applicable law, whichever is less.

5. CREDIT TERMS. If, in Seller’s judgment, the creditworthiness or future performance of Buyer is impaired or unsatisfactory, Seller may suspend performance hereunder. Buyer will be responsible for any costs associated with such suspension (including charges for reactivation). In addition, Seller may, for any reason, (a) require prepayment by wire transfer at least two business days prior to a scheduled shipment of Goods or provision of Services, and/or (b) require Performance Assurance at least three business days prior to a scheduled shipment of Goods or provision of Services. “Performance Assurance” means collateral in the form of either cash or letter(s) of credit in a form, and from an issuing bank, acceptable to Seller.

6. DELIVERY. (a) Unless otherwise stated in the Order, all Goods will be delivered to Buyer EX Works the manufacturing facility of the Goods (the “Facility”). (b) If Buyer has not issued inspection and shipping instructions by the time the Goods are available to Buyer, Seller may either, at its sole discretion, (i) store the Goods at Buyer’s risk and cost, or (ii) select any reasonable method of shipment, without liability by reason of its selection, costs and risk of shipment to be paid for by Buyer. (c) Shipments or Goods in storage may be insured at Buyer’s expense, and Seller will not place a valuation upon shipments or Goods stored unless specifically requested in writing by Buyer or required for export purposes.

7. TITLE/RISK OF LOSS. Title in the Goods shall pass to Buyer only upon payment in full. The risk of loss or damage to the Goods shall pass to Buyer upon delivery in accordance with the Contract.

8. INSPECTION/REJECTION OF GOODS. All Goods shall be received subject to Buyer’s reasonable inspection and rejection. If Buyer finds any of the Goods not to comply with the specifications contained in the Contract, Buyer, may, at its sole election, reject that portion of the Goods that fail to comply. Rejected Goods will be held at Seller’s risk for a reasonable time, to be returned or disposed of by Buyer at Seller’s written instruction and at Seller’s sole cost and expense. A failure by Buyer to reject the Goods in writing within 30 days after receipt shall constitute an unqualified acceptance of such Goods by Buyer and a waiver by Buyer of all claims with respect thereto.

9. WARRANTY. (a) Seller warrants that (i) the Goods shall be new and good quality and shall conform to the specifications specifically set forth in the Order and title to the Goods shall be free from any security interest, lien or encumbrance upon Seller’s receipt of full payment for the Goods, and (ii) Seller shall perform the Services in a workmanlike manner in accordance with the specifications specifically set forth in the Order. (b) The foregoing warranties last for the following period (the “Warranty Period”): eighteen (18) months after the date that the Goods are available for shipment or one year after first start-up, whichever occurs first. If during the Warranty Period any Goods or Services prove upon examination by Seller not to meet the warranties set forth above, Seller will repair the Goods or supply identical or substantially similar replacement Goods EX Works the Facility, at Seller’s sole discretion, or perform the Services as applicable. Any replacement Goods or re-performed Services will be warranted for the unexpired portion of the Warranty Period applicable to the particular Goods or Services. (c) Seller will not be responsible for transportation costs or for the costs of removal, installation, re-installation or making of access of any Goods or items, where such transportation, removal, installation, re-installation or making of access is required to repair or replace any defective Goods or to re-perform Services. Furthermore, Seller will not be responsible for and assumes no liability for materials or workmanship, labor costs or other related expenses for any work performed by third parties in the repair or replacement of defective Goods or the re-performance of Services. (d) This warranty will be voided if (i) the Goods or the subject of the Services have not been stored, installed, maintained or operated in accordance with accepted industrial practice or any specific instructions provided by Seller; (ii) the Goods or the subject of the Services have been subjected to any accident, misapplication, environmental contamination, corrosion, flame, fire, debris, improper operation, abuse or misuse; (iii) Buyer has modified the Goods or the subject of the Services without Seller’s prior written consent; (iv) Buyer has used or repaired the Goods or the subject of the Services after discovery of the defect without Seller’s prior written consent; (v) Buyer refuses to permit Seller to examine the Goods or the subject of the Services and operating data to determine the nature of the defect claimed; or (vi) Buyer fails to meet its obligations. (e) Goods not manufactured by Seller are subject only to warranties of Seller’s vendors and Seller hereby assigns to Buyer all rights in such vendor’s warranties, however, Seller shall furnish to Buyer reasonable assistance in enforcing such rights. (f) Inexpensive items requiring repair or replacement and routine maintenance-related or consumable items shall be outside the scope of these limited warranties. (g) ALL WARRANTIES OR REPRESENTATIONS NOT SPECIFICALLY INCLUDED IN THE TERMS AND CONDITIONS, INCLUDING THOSE WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WHETHER EXPRESSED, IMPLIED, STATUTORY OR ARISING FROM A COURSE OF DEALING, USAGE OF THE TRADE OR OTHERWISE WITH RESPECT TO ANY GOODS OR SERVICES, ARE EXPRESSLY EXCLUDED. NO EXPRESS OR IMPLIED WARRANTY IS GIVEN AS TO THE CAPACITY, EFFICIENCY OR PERFORMANCE OF ANY GOODS, EXCEPT AS MAY BE PROVIDED IN A SEPARATE WRITTEN AGREEMENT SIGNED BY SELLER. (h) BUYER’S REMEDIES ARE SPECIFICALLY LIMITED TO THE REPAIR OR REPLACEMENT OF THE GOODS OR THE RE-PERFORMANCE OF THE SERVICES, AS APPLICABLE, DURING THE WARRANTY PERIOD, AND ARE EXCLUSIVE OF ALL OTHER REMEDIES. SHOULD THESE REMEDIES BE FOUND INADEQUATE OR TO HAVE FAILED...
11. LIMITATION OF LIABILITY. (a) The liability of Seller and its Affiliates is limited to the price allocable to the Goods or services determined defective, and in no event will the cumulative liability of Seller and its Affiliates be in excess of the total payments received from Buyer under the contract, whether arising under warranty/guarantee, contract, negligence, strict liability, indemnification, defense or any other cause or combination of causes whatsoever. All insurance, bond and bank guarantee or letter of credit proceeds which may be paid to Buyer by the insurers, sureties or banks of Seller or its Affiliates will be credited against the limitation stated above and reduce the amount of the cumulative liability of Seller and its Affiliates. (b) Neither party will be liable for special, indirect, incidental or consequential damages, including loss of profits, revenues or other economic losses, whether arising under warranty/guarantee, contract, negligence (including negligent misrepresentation), strict liability, indemnification, or any other cause or combination of causes, including any theories of concurrent liability arising from a duty of care by operation of law or otherwise. (c) These limitations shall apply notwithstanding any fundamental breach or failure of essential purpose of any limited remedy. Buyer's remedies are limited to those remedies stated herein and these remedies shall not fail their essential purpose because Buyer is limited to the exclusive remedies as stated herein. This section 11 shall apply to any additional purchases of equipment (including spare parts and after market parts) by Buyer from Seller after the date of the order.

12. DEFAULT. Upon the occurrence of any of the following events: (a) Seller, or any affiliate of Seller, shall not have received a payment due from Buyer, or any affiliate of Buyer, hereunder by the date such payment is due under the Contract and such failure shall remain uncured for a period of three business days after Buyer’s receipt of written notice from Seller of such non-payment; (b) the failure of Buyer or Seller to perform any other obligation in the Contract (excluding section 5, CREDIT TERMS, which is subject to (d) below) and such failure is not excused or cured within 30 days after written notice thereof; (c) the occurrence of a Bankruptcy Event; or (d) the failure of Buyer to timely provide prepayment or Performance Assurance as set forth in Section 5, CREDIT TERMS, then the non-defaulting party, in its sole discretion and without prior notice (other than as provided above) to the defaulting party, may do any one or more of the following: (x) suspend performance under the Contract; or (y) terminate the Contract, whereby any and all obligations of the defaulting party, including payments or deliveries due, will, at the option of the non-defaulting party, become immediately due and payable or non-ascertainable, as applicable. If, as a result of a default by Buyer, Seller suspends performance and withholds delivery of the Goods as permitted above, it may sell the Goods to a third party and deduct from the proceeds of such sale the purchase price and all reasonable costs resulting from Buyer’s default as identified above, including all costs associated with the transportation (including demurrage and other vessel or shipping related charges), storage, and sale of the Goods. The foregoing rights, which shall include specific performance, cause of action under any bankruptcy, insolvency, reorganization or similar law; (b) making of an assignment or any general arrangement for the benefit of creditors; (c) having a bankruptcy petition filed against it and such petition is not withdrawn or dismissed within 30 days after such filing; (d) otherwise becoming bankrupt or insolvent (however evidenced); (e) having a liquidator, administrator, custodian, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; or (f) being generally unable to pay its debts as they fall due.  

13. INTELLECTUAL PROPERTY. (a) Seller will defend and indemnify Buyer from any claim, suit or proceeding brought against Buyer based on a claim that the Goods as manufactured and furnished by Seller and used in the manner for which it was intended and sold to Buyer constitutes an infringement of any United States, Canadian or European Union-member patent, if Seller is notified promptly in writing of any such claim, suit or proceeding. All aspects of the defense and settlement of any such claim, suit or proceeding shall be within Seller’s sole discretion. Buyer remains solely responsible for its own costs, including all fees and expenses of its own counsel, if any, or its personnel, which are incurred in conjunction with the defense of such claim, suit or proceeding. Should it be held that the Goods constitute infringement and the use of the Goods is enjoined, Seller will, at its sole discretion and at its own expense, either procure for Buyer the right to continue using the Goods, provide Buyer with non-infringing goods and modify the Goods to become non-infringing or refund the purchase price for the infringing Goods. This indemnification does not apply to any liability for infringement (i) of any method patent where the Goods are used with other apparatus for carrying out a process resulting in a combination of steps which is deemed to infringe a method patent or patent directed to a combination of steps, (ii) the Goods are modified by Buyer, (iii) the Goods are used by Buyer in a manner different than the use communicated to and understood by Seller at the time the Goods were sold to Buyer and such use constitutes infringement, or (iv) with respect to claims of infringement where the Goods were designed and manufactured in accordance with the design or specifications furnished or required by Buyer. Seller’s obligations under this indemnity, including all of its costs associated with the defense of any such suit or proceeding, shall in no event exceed the purchase price of the infringing Goods. (b) Buyer will indemnify and hold harmless Seller from any suit or proceeding brought against Seller by any third party based on claims resulting from exceptions (i), (ii), (iii) or (iv) as stated above. (c) Seller retains all intellectual property rights, whether registered or unregistered, including rademachers, registered designs, copyright, patents, trademarks, drawing rights, design rights, developed programs, software, models and other data provided or developed in the course of the Contract. Seller will, if so required by Buyer, grant Buyer a non-exclusive, non-assignable royalty free license to use the same only for the purposes of operating or maintenance of the equipment by Buyer. (d) Buyer represents and warrants to Seller that Buyer has all necessary rights and permissions to provide all information provided by or on behalf of Buyer to Seller and shall indemnify Seller from any third party with respect to Seller’s use of such information in connection with the Contract.

14. DELIVERY DATE. Seller shall use reasonable efforts to meet Buyer’s requested delivery date, but Seller does not guarantee a specific delivery date.

15. BACKCHARGES. No back charges will be paid or allowed by Seller unless: (a) Seller is notified in writing of any defect claim or omission pursuant to Section 9, WARRANTY, and (b) Seller provides prior approval of such back charges in writing.

16. CANCELLATION FEE. Buyer may not cancel any part of the Contract except upon written notice and payment to Seller of: (a) all reasonable costs arising from the Order prior to the date of cancellation, (b) all reasonable costs arising due to the cancellation, plus (c) a cancellation fee. Unless otherwise specified in the Order, the cancellation fee shall be
the higher of 35% of the total price of the Contract or $250.00. The parties agree that Seller’s damages following a termination of any part of the Contract by Buyer are difficult to determine and that the cancellation fee provided by this provision is a genuine pre-estimate of loss and not a penalty and is reasonable in light of the circumstances. Seller shall be entitled to the payments set forth above. In the event Seller terminates the Contract pursuant to Section 12, DEFAULT, or Section 17, SUSPENSION. Title to all works in progress and all materials not delivered to Buyer prior to the date of cancellation will remain with Seller.

17. SUSPENSION AND DELAYS. (a) Buyer may only suspend an Order upon receipt of Seller’s prior written consent, which may be withheld by Seller for any reason. (b) If Buyer or any of its agents delays Seller’s performance due to failure to promptly approve drawings or procedures or due to any other action or non-action on part of Buyer or its agents: (i) Buyer shall reimburse Seller for all costs incurred by Seller as a result of such delay (including costs of reactivation), (ii) the delivery time shall be adjusted, and (iii) milestone payments (if applicable) will be adjusted to keep Seller whole for verifiable costs incurred up to the date of delay or suspension. (c) If, due to any action or non-action on the part of Buyer or its agents, Seller is delayed for more than 45 days, or such longer period of time as deemed reasonable by Seller in its sole discretion, Seller may elect to terminate the Agreement, such termination to be at Seller’s sole discretion. Seller will be entitled to the payments provided in Section 16 following any such termination.

18. FORCE MAJEURE. Force Majeure means any circumstances beyond the reasonable control of either party, including fire, explosion, breakdown of machinery or equipment, plant shutdown, strikes or other labor disputes, acts of terrorism or war, riots or other civil disorders or involuntary or involuntary compliance with any law, order, regulation, recommendation or request of any governmental authority, inability to obtain materials necessary for manufacturer of the Goods, total or partial failure of any of Seller’s usual means of transportation of the Goods, or for failure to obtain necessary governmental approvals, permits or licenses. Neither party will have any liability, other than for the payment of monies owing, for their failure to perform any of their contractual obligations arising out of or in connection with events of Force Majeure.

19. ASSIGNABILITY. The rights and duties under the Contract are not assignable or transferable by Buyer, in whole or in part, by operation of law or otherwise, without the prior written consent of Seller that may be granted or withheld in its sole discretion. Any assignment or attempted assignment in contravention of the foregoing shall be null and void, shall be considered a breach of the Contract and shall permit Seller, in addition to any other rights which it may have, to terminate the Contract. Seller shall have the right to assign any rights or obligations under the Contract to any third party.

20. GOVERNING LAW. The Contract and its execution, performance, interpretation, construction and enforcement shall be governed by the law, both procedural and substantive, of the State of Kansas, without regard to its conflicts of law rules. Any action or proceeding between Buyer and Seller relating to the Contract shall be commenced and maintained exclusively in the State or federal courts in Wichita, Kansas, and Buyer submits itself unconditionally and irrevocably to the personal jurisdiction of such courts. BUYER AND SELLER EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION, CLAIM OR PROCEEDING RELATING TO THE CONTRACT.

21. NOTICE. All notices, consents, communications or transmittals under the Contract shall be in writing and shall be deemed received on the day of delivery if personally hand delivered or sent by facsimile or electronic transmission (with written confirmation of the completed transmittal); or within two business days if mailed as certified or registered mail with return receipt, postage prepaid addressed to the party to whom such notice is given at the address of such party stated in the Contract.

22. ENTIRE AGREEMENT; AMENDMENT; WAIVERS. The Contract shall supersede all prior negotiations, discussions, and dealings concerning the subject matter hereof, and shall constitute the entire agreement between Seller and Buyer concerning the subject matter hereof. There are no understandings, inducements, commitments, conditions, representations or warranties of any kind, whether direct, indirect, collateral, express or implied, oral or written, from either party to the other, other than as contained in this Agreement. Neither party shall claim any amendment, modification or release of any provisions hereof unless the same is in writing and signed by both parties. No waiver by Buyer of any breach of any terms, conditions or obligations under the Contract shall be deemed a waiver of any continuing or subsequent breach of the same or any other events set forth above. In the event Seller terminates the Contract pursuant to Section 12, DEFAULT, or Section 17, SUSPENSION. Title to all works in progress and all materials not delivered to Buyer prior to the date of cancellation will remain with Seller.

23. ELECTRONIC TRANSACTIONS. The Contract may be digitally copied and stored on computer tapes and disks (the “Imaged Agreement”). The Imaged Agreement (once digitally regenerated to paper form), and any facsimile, and all computer records of the foregoing, if introduced as evidence in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form and neither party shall object on the basis that such business records were not originated or maintained in documentary form under any rule of evidence.

24. COMPLIANCE. (a) Buyer and Seller shall comply fully with all applicable laws and regulations in their respective performances of the Contract and shall neither take nor refrain from taking any action that could result in liability for either Buyer or Seller under applicable law, including the U.S. Foreign Corrupt Practices Act, the OECD Anti-Bribery Convention or any other applicable anti-bribery law or treaty, or those regulations maintained by the U.S. Treasury Department’s Office of Foreign Assets Control (31 C.F. R. Chapter V) or the U.S. Commerce Department’s Bureau of Industry and Security (15 C.F.R. Parts 730 et. Seq.). Neither Buyer nor Seller shall be required to take or refrain from taking any action impermissible or penalized under United States or other applicable laws. (b) Without restricting the generality of the foregoing: (i) Buyer does hereby acknowledge that any distribution, sale, transfer or re-export of the Goods is governed by and subject to the trade control laws of the United States. (ii) Buyer will not distribute, sell, transfer or re-export the Goods, except in conformance with United States law. (iii) If Buyer knows or has reason to know that any of its customers intends to distribute, sell, transfer or re-export the Goods, either directly or through incorporation into other products, then Buyer shall inform the customer that the customer is responsible for obtaining any licenses or other approvals from the U.S. Government before such distribution, sale, transfer or re-export, by including the following language in Buyer’s purchase order acknowledgement or other appropriate documentation to its customer: NOTICE: The products, technical data, and/or software included in this Order were provided in compliance with the laws and regulations of the United States. Customer is responsible for obtaining all licenses, permits or other approvals that may be necessary under the laws of the United States before any distribution, sale, transfer or re-export of such items and for ensuring that the end-user and end use of these products are permitted under U.S. law. Re-export, diversion, transshipment, or use contrary to U.S. law is prohibited and is cause for cancellation of this “purchase order.” (c) Buyer’s breach of this Section shall constitute cause for immediate termination of the Contract by Seller.

25. INDEPENDENT CONTRACTORS. Seller and Buyer are independent contractors only and are not partners, master/servant, principal/agent or involved herein as parties to any other similar legal relationship with respect to the transactions contemplated under the Contract or otherwise, and no fiduciary, trust, or advisor relationship, nor any other relationship imposing vicarious liability shall exist between the parties under the Contract or otherwise at law.

26. NO THIRD PARTY BENEFICIARIES. The Contract is solely for the benefit of, and shall inure to the benefit of, Buyer and Seller, and shall not otherwise be deemed to confer upon or give to any third party any right, claim, cause of action or other interest herein.

27. SEVERABILITY. The invalidity or unenforceability of any provision of the Contract shall not affect the validity or enforceability of its other provisions and the remaining provisions shall remain in full force and effect.

28. CONFIDENTIALITY. All information that Buyer acquires from Seller hereunder, directly or indirectly, and all information that arises out of the sale of the Goods or Services hereunder, concerning such Goods, Services, and/or proprietary processes involved, including information concerning Seller’s current and future business plans, information relating to Seller’s operations, know-how, and other Seller-furnished information shall be
deemed Seller’s “Proprietary Information”. Buyer shall (a) hold Seller’s Proprietary Information in strictest confidence, (b) not disclose it to others, (c) use it solely for purposes of this Agreement and (d) upon Seller’s request, either promptly deliver to Seller all such Proprietary Information that is in written, electronic or other form, including copies and summaries, or, at Seller’s option, destroy such Proprietary Information and provide Buyer certification of such destruction. The obligations under this Section shall survive the expiration or termination of the Contract.

29. MISCELLANEOUS. The captions and section headings set forth in the Contract are used for convenience only and shall not be used in defining or construing any of the terms and conditions set forth in the Contract. The term “days”, as used herein, shall mean actual days occurring, including, Saturdays, Sundays and holidays where banks are authorized to be closed in the city where Seller’s chief executive office is located. The term “business days” shall mean days other than Saturdays, Sundays and holidays where banks are authorized to be closed in the city where Seller’s chief executive office is located. The term “including” or any variation thereof means “including, without limitation” and shall not be construed to limit any general statement that it follows to the specific items immediately following it. Unless the context indicates otherwise, words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, association, partnerships and corporations, including public bodies and governmental entities, as well as natural persons, and words of masculine gender shall be deemed to include correlative words of the feminine gender and vice versa as the circumstances may require. The United Nations Convention on Contracts for the International Sale of Goods shall not apply.

[End of General Terms and Conditions of Sale]