

General Conditions of warranty and sales

MAHILD warrants the equipment of its own manufacture which it installs, pursuant to this contract, against defective workmanship and materials for a period of one year from the date of shipment providing equipment has been used in the ordinary and normal course as contemplated under this agreement and which our examination shall disclose to our satisfaction to be defective. MAHILD will not be liable for ordinary wear and tear in the use of the equipment. MAHILD's liability shall be limited to the fixing or replacement of any equipment or its parts F.O.B. shipping points. Any equipment not manufactured by MAHILD will not be covered under this warranty, but MAHILD does hereby assign to purchaser any warranties made available to MAHILD by the manufacturer of the equipment or materials. This warranty is expressly in lieu of all other warranties, expressed or implied, including the warranties of merchantability and fitness for use and of all other obligations or liabilities on our part. We neither assume nor authorize any other person to assume for us any other liability in connection with this contract. This warranty shall not apply to the equipment manufactured and installed by MAHILD if said equipment has been subject to accident, negligence, alteration, abuse or misuse.

MAHILD makes no warranty as to the fitness of the equipment for a particular use and shall not be liable for any direct, indirect or consequential damages in connection with this agreement and/or use of the equipment. Purchaser agrees to indemnify and save harmless seller from and claims or demands against seller for injuries or damages to third parties resulting from purchaser's use or ownership of the equipment. MAHILD specifically makes no warranties and assumes no responsibility regarding the construction of the dry kiln, buildings or improvements which are performed by other subcontractors or material furnishes even is the same is a part of the contract. Purchaser agrees to look solely to any such subcontractor, architect, engineer, contractor or material furniture.

MAHILD will not be responsible for costs incurred from work performed by others on MAHILD equipment unless written authorization is given by MAHILD. MAHILD shall not be liable to the purchaser for any loss or damage suffered by the purchaser, directly or indirectly, as a result of MAHILD's failure to perform or delay in performing, which is a result of circumstances beyond MAHILD's control.

MAHILD will not be obligated for claims of shortages or errors unless such claim is made promptly on receipt of shipment. MAHILD will not be obligated for claims of back-charges unless they have been approved in advance, in writing by an executive officer of MAHILD.

Purchaser agrees to provide and maintain casualty insurance with extended coverage in the name of the purchaser and MAHILD, as their interest may appear, to the total value of the contract until the equipment is finally accepted and the contract price is paid in full.

The kiln equipment shall remain the property of MAHILD until the contract is paid full.

For late payment the applicable interest rate is 12,5%.

These general terms and warranties cannot be changed or altered except in writing and signed by an officer of MAHILD. This contract shall be construed according to the laws in Germany.

This contract is based on the use of non-union labor.