



AIRMARK MANUFACTURING TERMS AND CONDITIONS

APPLICABILITY: These terms and conditions ("Terms") apply to all sales of products by AirMark Manufacturing ("AirMark") and the performance of any services by AirMark to the buyer designated in the attached quotation or order confirmation. No other terms apply, and all other terms included in any documents provided by buyer (or otherwise alleged by buyer to apply) are expressly rejected. If these Terms are included in an order confirmation, then such confirmation is not an acceptance of buyer's terms but is a counteroffer expressly conditioned on acceptance of these Terms without additional or conflicting terms. Any modification or waiver of any of these Terms must be in writing signed by the parties.

PAYMENT TERMS: Payment terms are 1% 10 days, net 30 days from invoice date. A finance charge of 1-1/2% or the maximum allowed by law will be assessed on all past due amounts. All orders are subject to a minimum \$20 billing. All orders payable in US funds.

FREIGHT TERMS: All shipments are F.O.B. Humble TX, freight prepaid and added to the invoice. "Will Call" orders will not be assessed freight charges, regardless of size.

FREIGHT CHARGES: All accessorial charges assessed by the freight company, including drop charges, detention charges, lift gate charges, etc., will be passed on to the buyer.

DROP SHIPMENTS: There is a three-drop limit per truckload, with a 50-unit minimum per drop.

POOLING ORDERS: AirMark will group orders together whenever possible in order to minimize freight charges. Doing so will not incur future obligation.

METHOD OF SHIPMENT: In lieu of shipping instructions, AirMark shall select the freight carrier.

BUYER DELAYED DELIVERIES: Product shipment cannot be delayed beyond a requested or agreed to delivery date once production has begun. If buyer cannot or will not accept delivery as scheduled, AirMark will charge a storage fee of \$75.00 per day for each truckload or partial truckload that remains in AirMark's shipping facility. Buyer agrees to promptly direct such merchandise to be shipped to a secondary location if possible in order to minimize such charges.

WARRANTY: AirMark warrants all merchandise is accordance with its standard product warranties, copies of which are available on request. AirMark's warranty varies according to product. Buyer should consult the warranty documents relevant to the products he is purchasing. **ALL OTHER WARRANTIES ARE EXPRESSLY DISCLAIMED.**

ORDER AND LINE ITEM MINIMUMS: The minimum order quantity is fifty units. The minimum line item quantity is ten.

RECEIPT OF SHIPMENT: Risk of loss of merchandise sold by AirMark transfers to buyer when AirMark tenders such merchandise to the carrier for delivery to buyer or its designee. AirMark's Bill of Lading is acknowledgment by the freight carrier that they have accepted the shipment in good condition. Responsibility for shipment is the carrier's. Damaged merchandise must be reported to the carrier directly by the buyer. The buyer should insist that such damages are itemized on the freight bill. Deductions for damage will not be allowed because AirMark's responsibility ends with consignment to the carrier. If there are shortages, they should be noted on the freight bill and the carrier should be notified immediately. AirMark must receive notification of shortages within 24 hours of receipt of shipment.

RETURN POLICY: No merchandise will be accepted for return unless accompanied by a preauthorized AirMark return authorization tag. Credits for new material accepted for return will be at the original sales price or current market price, whichever is lower, less handling and restocking charges of 20%. Buyer must prepay all return transportation charges. No goods will be accepted for return more than six months after shipment unless under warranty. Obsolete products or products made to special order are not returnable.

ORDER ACCEPTANCE: All orders must be in writing and are subject to acceptance by AirMark. A purchase order number must appear on all orders. No agent, salesman, or other representative, has any authority to waive, alter, or enlarge these standard terms, unless authorized in writing by an officer of AirMark.

CHANGE ORDERS: Change orders cannot be accepted during the order freeze period. The length of this period is usually two weeks, but may vary. For current status of the freeze period contact your AirMark representative. Quantity increases and line item additions will usually be acceptable.

ORDER CANCELLATION: Notice of partial or total cancellations of orders by the buyer must be received by AirMark in writing in advance of the start of production. No partial or total cancellations will be effective after production starts, unless agreed by AirMark in writing.

CREDIT APPROVAL: If, during the performance hereof, the financial responsibility of buyer is determined at the sole discretion of AirMark's Credit Department to be unacceptable or if buyer fails to make any payments in accordance with the terms hereof, AirMark may defer or decline to make any shipments hereunder except upon receipt of Cash payments in advance, or AirMark may terminate this order without further obligation of AirMark to buyer.

TAXES: Any direct or excise tax which may now or hereafter be imposed by federal or state government or any subdivision thereof or other governmental authority upon the manufacture, sale, or delivery of the goods covered by this order may be added by AirMark to the purchase price of such goods, and if so added, shall be paid by the buyer.

CREDITS: Accounting credits expire one year from date of issuance. Credits can only be applied toward the purchase of AirMark equipment (not parts). Cash reimbursement for credits in lieu of equipment purchases is not allowed.

DELIVERY DATES: Any delivery dates, which may be indicated, are estimates only and are not guaranteed. Buyer's requested delivery date is considered to be approximate and subject to AirMark's acceptance.

PROPERTY DAMAGE: In case of product failure resulting in property damage, the factory should be contacted as soon as possible. No corrective action should be taken without prior written authorization from the factory.

PRODUCT CHANGES: AirMark reserves the right to change specifications, design and material in the interest of product improvement, without incurring obligation to the buyer.

FORCE MAJEURE: AirMark is not liable for delays or defaults in performance when due to acts of God, including fire, floods, wind, storm, labor disorders, strikes, work stoppages or other labor trouble, accidents, riots, civil commotion, terrorist acts or threats, closing of the public highways, and other contingencies beyond the reasonable control of AirMark.

GOVERNING LAW: These Terms and all sales of products by AirMark and the performance of any services by AirMark to the buyer, and any disputes arising in connection therewith, are governed by the laws of the state of Texas, excluding its conflicts of laws provisions, and the parties submit to exclusive jurisdiction in the federal or state courts located in Harris County, Texas, for resolution of all such disputes, and agree that venue is proper and convenient in such forum. These Terms shall not be governed by the United Nations Convention of Contracts for the International Sale of Goods, the application of which is expressly excluded.

LIMITATIONS: IN NO EVENT SHALL AIRMARK BE LIABLE TO BUYER OR ITS AFFILIATES OR CUSTOMERS FOR INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES, SUCH AS LOST PROFITS AND LOST BUSINESS OPPORTUNITIES, EVEN IF SUCH DAMAGES WERE REASONABLY FORESEEABLE AND EVEN IF NOTICE WAS GIVEN OF THE POSSIBILITY OF SUCH DAMAGES.