AC CONTROLS COMPANY, INCORPORATED

GENERAL TERMS AND CONDITIONS OF SALE

The following terms and conditions apply to all negotiations, orders, acceptances, sales and deliveries. No terms and conditions or other understandings, oral or written, in any way purporting to vary these terms and conditions, whether contained in the purchaser's form or elsewhere, shall be binding on us unless in writing and signed by an officer of this corporation.

1. NO WARRANTIES. WE MAKE NO WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OR AS TO THE FITNESS OF THE MERCHANDISE FOR A PARTICULAR USE OR OTHERWISE AND WE SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, DIRECTLY OR INDIRECTLY, ARISING FROM THE USE OF SUCH MERCHANDISE OR FOR CONSEQUENTIAL DAMAGES.

2. PAYMENT TERMS. Net amount of invoice in full within thirty (30) days of date of shipment. If, in our opinion, the financial condition of the purchaser at any time does not justify continuance of shipment on the terms of payment specified, we may require full payment in advance. No shipments will be made on an open account unless satisfactory credit is established prior to shipping date.

3. INTEREST ON UNPAID BALANCE. Invoices not paid in full within thirty (30) days of date of shipment will accrue interest at the rate of one and one-half percent (1½%) per month on the unpaid principal balance.

4. SHIPMENT. All prices are F.O.B Factory of manufacturer. Method and route of shipment are at our discretion unless the purchaser supplies explicit instructions. All shipments are insured at the purchaser's expense and made at the purchaser's risk. Special handling charges by carrier shall be paid by the purchaser. In case of parcel post and express shipments, actual cost of delivery shall be charged.

5. TAXES. The amount of any present or future sales, revenue, excise, other taxes applicable to the products listed shall be added to the purchase price and shall be paid by the purchaser, or in lieu thereof the purchaser shall provide us with a tax exemption certificate acceptable to the taxing authorities.

6. QUOTATIONS AND PRICES. Prices are subject to change without notice and orders calling for future delivery will be billed according to the price in effect at the time of delivery. A $30.00 net minimum billing applies to all orders. Written quotations automatically expire thirty (30) days from the date issued and are subject to termination by notice within that period.

7. LIABILITY. We shall not be liable for loss or damage of any kind resulting from delay or inability to deliver on account of fire, labor troubles, accident, acts of civil or military authorities, or from any other cause beyond our control.

8. CHANGE ORDERS/CANCELLATIONS. An order once placed with and accepted by us can be changed or canceled only with our consent and upon terms that will indemnify us against loss.

9. RETURNED MATERIAL. In no case are goods to be returned without first obtaining written permission, and then only to the destination directed by us. Only unused material as currently manufactured, which has been invoiced to customer within thirty (30) days will be considered for return. Material accepted for credit is subject to a minimum service charge of fifteen (15%) percent plus all transportation charges. Material built to order is not subject to return for credit under any circumstances. Goods returned must be securely packed so as to reach their destination without damage.

10. PATENTS. The purchaser indemnifies and holds us harmless for any expense or loss resulting from infringement of patents or trademarks arising from compliance by us with the purchaser's designs or specifications.

Upon request we will supply the purchaser a patent indemnity form signed by the corporate officer of the manufacturer of the products sold by us. In no case will the purchaser hold us responsible for claims of patent infringement on equipment manufactured by others.

11. PURCHASE ORDER. If this quotation is accepted and the purchaser's order form is used for that purpose, it is expressly understood and agreed that the terms and conditions herein set forth control and that the terms and conditions set forth in the purchaser's order shall not be binding on us unless consented to by us in writing, and the issuance of such order by the purchaser shall be deemed to indicate the purchaser's assent to the foregoing.