



Division of Nailor Industries Inc.

STANDARD TERMS & CONDITIONS OF SALES; POLICIES AND PROCEDURES

Sales by Manufactured Air Products ("MAP") are subject to the following terms and conditions. No terms or conditions appearing in Buyer's purchase orders that are contrary to the following terms and conditions shall be binding on MAP unless specifically agreed to in writing.

Proposals & Price Quotations: Proposed prices are valid for 90 days from the date of quotation. Thereafter, any purchase based on that quotation may necessitate an escalation in price. MAP will notify Buyer of any price change prior to the acceptance of the order. All quotations are contingent upon availability of materials. Typographical errors are subject to correction. The quoted price does not include any applicable taxes. Any quotation from MAP to Buyer will be an invitation for an offer from Buyer upon the terms and conditions as stated. Such offer will be accepted only if it is in accordance with these terms and conditions. Buyer is responsible for accurate material take-off and interpretation of project specifications. MAP acceptance of Buyers order as evidenced by MAP order acknowledgment is expressly made conditional on Buyers agreement to all of the terms and conditions stated, and MAP agrees to furnish the products ordered by Buyer only upon these terms and conditions.

Prices: All published prices are subject to change without notice. Prices are net, F.O.B. factory, at point of manufacture. Wiring diagrams, installation and commissioning are not included in MAP's prices. Once an order is accepted, prices will be held firm through shipment for the order providing no changes are made to that order.

Credit Approval: All orders require credit approval prior to acceptance. Any order containing terms of payment, that have not been specifically agreed to in writing prior to receipt, will not be accepted pending clarification of terms, and receipt of documents confirming mutually agreed upon terms.

MAP reserves the right to place orders on credit hold if Buyer's account is past due. When an order is placed on hold, all work on that order is stopped, therefore previously quoted ship dates are no longer valid. Order will be rescheduled after account is brought back within terms.

Terms of Payment for Domestic Sales: MAP terms are Net 30 days from date of shipment.

All invoices, even if disputed, are due and payable on the above terms. Disputed invoice amounts, if legitimate, will be credited accordingly.

Past due accounts are subject to a finance charge of 1 1/2 % per month, calculated monthly.

Terms of Payment for Foreign Sales: Payment should be made in favor of Nailor Industries Inc., by an acceptable confirmed irrevocable Letter of Credit, payable at sight; confirmed by a major commercial bank acceptable to Nailor. Your instructions to the opening bank should include "Wire Payee Upon Receipt" and "Partial Shipment Allowed." Documentary requirements of the Letter of Credit should allow Nailor to draw upon it with the presentation of an inland Bill of Lading and commercial invoices. Expirations should be dated at least 45 days beyond the expected ex-factory completion date, to allow for document preparation, inland transit time and adequate mailing time to negotiate the Letter of Credit.

Domestic Shipments: All domestic shipments are made F.O.B. factory, at point of manufacture either prepaid and add or full freight allowed (depending upon prior contractual agreement). Delivery to the initial carrier constitutes delivery and passage of title to Buyer. Incident to the passage of title, Buyer assumes all responsibilities of ownership, including but not limited to control, risk of loss or damage; regardless of the time or method of shipping, the form of the shipping documents, the consignee, the method of insuring or the terms or method of payment.

Freight allowances, (where applicable) are limited to shipments via common carrier to a single destination only. Shipment by air or other means negates any freight allowance. Split shipments of less than the specified minimum quantity, unless at the discretion of MAP, do not qualify for freight allowances.

On all common carrier shipments (collect, prepaid and add or freight allowed), MAP reserves the right to select the carrier.

Delivery charges (where applicable) will be billed back at actual freight costs plus administrative fees. Domestic packing for normal consignments is included in the price. Special packaging or handling will be charged separately.

Foreign Shipments: All foreign shipments are made either F.O.B. factory, at point of manufacture full freight allowed or C.I.F. (depending upon contractual agreement as stated within the proposal and restated within the letter of credit).

Air Freight Charges: When air freight is requested, MAP personnel will make all of the arrangements. However, it is the Buyer's responsibility to specify "next working day" or "second working day" delivery service. No deliveries will be made on a Saturday unless otherwise requested by Buyer. All air freight charges are at the Buyer's expense. An administrative fee will also be added to the order.

MAP is responsible for making air freight arrangements only and cannot be held liable for delivery delays. Air freight requests must be submitted in writing.

Delivery: Scheduled shipping dates shown in MAP order acknowledgments are approximate and represent the best estimate of shipping date at the time the order is processed. MAP assumes no obligation to ship on the scheduled date or to advise Buyer that shipment will be delayed. MAP shall not be liable in contract, tort, warranty, strict liability or other legal theory for any special, indirect, incidental, consequential, penalty or punitive damages such as but not limited to, loss of anticipated profits or revenues, non-operation or increased expense of operation of other equipment, or cost of capital arising from delays or failures in manufacturing or shipping, for any reason whatever.

Shortages or Deficiencies: Any shortages or deficiencies in material shipped must be reported within 14 calendar days after receipt to be considered by MAP for adjustment. Missed or lost items requiring "No Charge" billing to a third party, will be charged back to Buyer at the sole discretion of MAP.

Damage Claims: All claims of damaged goods must be filed directly with the carrier by the Buyer.

Warranty: Only MAP's standard "Limited Product Warranty" will apply to new product sales.

Resale & Reshipments: Buyer agrees that products purchased will not be reshipped or resold to any persons or places prohibited by the laws governing MAP.

Order Acceptance and Cancellations: All orders for MAP products are subject to acceptance by an authorized MAP employee. Cancellation of an order after release for manufacture subjects the order to "Cancellation Charges" not exceeding the amount of actual cost as determined by MAP at the time of cancellation. Orders for products other than standard cataloged items are "Specials" and may not be canceled under any circumstances after release for manufacture by Buyer. Minimum cancellation charges are shown on the Buyers confidential discount schedule and in absence thereof will be charged the normal Nailor cancellation charge.

Changes to Orders Released for Manufacture: Buyers may change sizes and quantities of items on any order if made prior to release of order to manufacturing (subject to these terms and conditions and appropriate confidential discount schedules). Changes after manufacture has begun will result in charges deemed appropriate by MAP to recover the cost of material and labor expended that cannot be utilized because of the change.

Orders Placed on Hold: When shipment of an order is delayed at Buyer's request, partial payment may be required at MAP option in an amount based on MAP's discretion. Storage, warehousing, and administrative fees will be incurred and charged. When an order is placed on hold, all work on that order is stopped. Therefore, previously quoted ship dates are no longer valid.

Return of Material: Material or products may not be returned, without prior authorization from the MAP plant where order originated. Contact Customer Service at plant of origin stating the reason for the request to return. If acceptable, customer will be issued a numbered "Return/Credit Authorization Form". Material must be returned freight prepaid unless authorized otherwise. A minimum 35% net restocking charge will be applied on authorized returns,.

Under no circumstances do we allow the return of material after 60 days from the date of the shipment.

Product Changes: Because of a continuous program of product improvement and uncontrollable factors such as unavailability of certain materials, MAP reserves the right to make reasonable changes in product design and to supply products of revised design against any order without notice.

Minimum Orders: A "Minimum Order" or billing amount is listed in the Buyer's confidential discount schedule. This is also applicable to invoices on which partial shipments are requested by Buyer.

Field Service: MAP maintains a field service staff to solve and correct problems with MAP products in the field. Services available include supervision of product installation and correction of defective workmanship and/or material.

To obtain field service, contact MAP Customer Service and provide full details of the problem.

If it is determined that MAP is to visit a job site, a purchase order will be required. Current charges for MAP field service can be obtained from the MAP Customer Service department.

Limitation of Liability: The liability of MAP with respect to any contract or anything done in connection herewith or from the manufacture, sale, delivery, repair, replacement or use of its products covered by or furnished hereunder, whether by contract, tort, warranty, strict liability or other legal theory shall not exceed the purchase price of the product upon which liability is based and in no event shall MAP or its subcontractors or vendors be liable in contract, tort, warranty, strict liability or other legal theory for any special, indirect, incidental, consequential, penalty or punitive damages such as, but not limited to, loss of anticipated profits or revenues, non-operation or increased expense of operation of other equipment, or cost of capital.

Company Name: _____

Authorized Signature: _____

Witness Signature: _____

Date: _____

Print Name: _____

Print Name: _____

LIMITED PRODUCT WARRANTY

Products manufactured by Manufactured Air Products ("MAP") are warranted to be free from defects in material and workmanship under normal use and maintenance for a period of three hundred sixty-five (365) days from the date of original shipment by MAP. THIS WARRANTY IS VOID IF THE PRODUCT SERIAL IDENTIFICATION TAG IS REMOVED OR DEFACED TO A POINT WHERE THE UNIT CANNOT BE IDENTIFIED. MAP warrants only that it will furnish replacement material, or at its option, repair any product of its manufacture that is proven to MAP's satisfaction to be defective in material or workmanship during this described warranty period. To determine defects MAP may require material claimed defective to be returned to the MAP factory that originally shipped the product. A "Return/Credit Authorization Form" must be obtained from MAP Customer Service prior to the return to origination point. If any defects are determined by MAP to exist, freight charges relative to replacement material will be paid by MAP. Products not manufactured by MAP will be warranted by MAP only to the extent that they are warranted to MAP by their manufacturer. Electric motor warranties and claims are administered by the motor manufacturer only.

MAP SHALL HAVE NO RESPONSIBILITY FOR: (i) the operation or performance of any products in any manner other than that which the product is usually tested and applied under industry standards; (ii) for any damage or repairs to a product necessitated by abuse, misapplication, unauthorized repairs, abrasion, erosion, corrosion, or the like due to abnormal temperatures, or the influence of foreign matter; (iii) for the design or operation of any system of which any product may be made a part, or for the suitability of any product for any particular application; (iv) damages or repairs as a result of improper servicing, unauthorized alteration, faulty installation, failure to perform routine maintenance or improper operation; (v) damage or repairs as a result of flood, wind, fire, lightning, earthquake, snow, ice or other events or conditions beyond the control of MAP; and (vi) damages or repairs as a result of voltage conditions, blown fuses, open circuit breakers or the inadequacy or interruption of electrical service. MAP shall have no liability under this warranty until the products are paid for in full. No warranty is included against property damage, personal, or physical injury to any person or persons resulting from handling the product or as a result of improper installation. MAP shall not be liable for any cost or expense, including, without limitation, labor expenses, in connection with removal or replacement of alleged defective equipment or any part or portion thereof nor for incidental or consequential damages, lost profits or lost sales of any kind, or under any circumstances for any damage beyond the price of the goods sold.

THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL OR IMPLIED, IN FACT OR IN LAW (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE).

Purchaser's acceptance of product shall confirm the purchaser's review and agreement to be bound by this warranty solely. No other written or oral warranty of the product shall be enforceable by the purchaser. Correction of non-conformities, whether patent or latent, in the manner and within the period of time provided above, shall constitute fulfillment of all liabilities of MAP whether based on contract, tort, strict liability or other legal theory with respect to MAP products. MAP neither assumes, nor does it authorize any other person to assume on its behalf, any other liability in connection with the sale of its products. No guarantees, express or implied, other than herein stated or issued in writing by an authorized employee of MAP shall for any purpose be binding upon MAP. If any clause or provision of this warranty is illegal, invalid or unenforceable under present or future laws affected during the term of this warranty, then, in that event, the remainder of this warranty shall not be affected thereby.