



TERMS & CONDITIONS

1. **PRICES AND TAXES:** All Prices provided by Air Hydro Power (“Seller”) are in US Dollars (Unless otherwise indicated). Prices do not include sales, use, excise, tariff, Duty or other taxes payable (unless otherwise indicated), all of which are the buyer’s responsibility. Quotes and Proposals are good for 14 days from date of issuance. Any orders received from buyer where product is shipped after 30 days, could be subject to manufacturers price increases. Any portion of the price which is not paid in accordance with the terms of payment herein stated bear interest from the due date at the rate of 1-1/2% per month (18% per annum) until paid or the maximum allowed under Federal and State law if less than 18%.
2. **FREIGHT/DELIVERY:** Any dates or schedules which may be specified for the delivery of products are approximate and estimated. Seller shall not incur any liability, either direct or indirect, nor shall any order be cancelled as a result of any delays in meeting delivery dates. Unless otherwise agreed to in writing, Buyer will agree to any freight costs associated with the delivery of product to Buyer’s destination. Any extra or additional charges or services rendered in transit or at the destination including but not limited to: Material Certifications, Certificate of Conformances, Articles of Inspection, Test Reports, and Factory Acceptance Testing, will be Buyer’s responsibility and should be requested at time of quote. Title and risk of loss will pass to buyer upon delivery by a common carrier. However, if delivery is provided by Seller using Seller’s vehicles and employees, title and risk of loss will pass to Buyer upon delivery to Buyer’s designated location. If Buyer uses own collect freight account, title and risk of loss will pass upon pickup by carrier of Buyer’s choice and Buyer is responsible for filing any claims as a result of damages incurred while in transit. Seller reserves the right to pass on a nominal handling charge for all shipments using customer collect accounts.
3. **FORCE MAJEURE:** The Seller shall not be responsible or liable for any delays or failures in manufacture or delivery due to any cause or condition beyond the control of the Seller, including without limiting the generality of the foregoing, strikes or other labor difficulties, fire, floods, inability to secure transportation facilities, actions of the elements, shortage of materials or equipment, riots or other civil commotion, and war.
4. **LAW ORDINANCES AND REGULATIONS:** The Seller shall utilize reasonable efforts to cause products manufactured or designed by it to comply with its interpretation of federal safety regulations and insurance codes of a national scope. However, the Seller shall not be responsible for compliance with local interpretations of such federal regulations or insurance codes, nor with any local laws, ordinances, codes and/or regulations which may at any time be in effect with respect to the products, unless such responsibility shall be expressly assumed by the Seller in writing. Further, the Seller shall have no responsibility whatsoever for compliance with such laws, etc. by products manufactured or designed by others.



5. PRODUCTS MADE TO BUYER'S SPECIFICATIONS: The Seller makes NO WARRANTY WHATSOEVER, except as to title, with respect to products manufactured and/or designed to Buyer's own specifications and the Buyer shall, at its own expense, defend hold the Seller harmless, and indemnify from and against any claim, suit, expense or otherwise which shall be asserted or brought against the Seller by reason if its manufacture or sale of such products.
6. WARRANTY: The Seller MAKES NO WARRANTY WHATSOEVER concerning products manufactured by others but will extend to you such warranties respecting such products as are permissible under the terms thereof.
7. EXCLUSION OF OTHER WARRANTIES: EXCEPT FOR THE EXPRESS WARRANTY AS DESCRIBED ABOVE, THERE ARE NO WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. ALL GOODS OR PRODUCTS ARE SOLD "AS IS". NO WARRANTIES OR REPRESENTATIONS AT ANY TIME MADE BY ANY REPRESENTATIVE OF THE SELLER SHALL BE EFFECTIVE TO VARY OR EXTEND THE ABOVE REFERENCED EXPRESS WARRANTIES OR ANY OTHER TERMS THEREOF.
8. LIABILITY LIMITATION: In no event shall the Seller be liable for consequential, incidental, or special damages resulting from or in any manner related to the products, their design use, or any inability to use the same, including, without limitation damages arising out of or in any manner relating to the delivery of the products or any delay with respect to their delivery, it being understood that the sole and exclusive remedy with respect to defective products manufactured by it shall be the repair, correction, or replacement thereof pursuant to the "WARRANTY" provisions herein above contained. Should be products prove so defective, however, as to preclude the remedying or warranted defects by repair or replacement, the Buyer's sole, and exclusive remedy shall be the refund of the purchase price of the defective products involved upon the return of the products to the Seller.
9. INTENDED USE OF PRODUCTS: The products covered hereby are designed and have been offered for only those applications specified in the Seller's Proposal and Offer. The above-stated "WARRANTY" provisions, as well as all obligations of the Seller to Buyer, respecting the products, are subject to the use of the products for only such applications.
10. CANCELLATION OR CHANGES OF ORDERS: No Modification or Cancellation is effective unless and until accepted in writing by the Seller. Seller's cancellation fee is determined by the Seller at time of cancellation, based on material consumed and time devoted to the order. Goods or services returned without Seller's prior written consent; no credit will be given to buyer for unauthorized returns. In the event Buyer request changes in its order, Buyer shall be responsible for all charges reasonable assessed by the Seller with respect to such changes.



11. **NO PROTECTION FROM CLAIM OF INFRINGEMENT:** The Seller makes no representation or warranty that the delivery or subsequent use of the products ordered shall be free from the claim of any third party by way of infringement.
12. **APPLICABLE LAW:** The terms and conditions applicable to all transactions provided for herein, as well as all transactions between the Seller and Buyer shall be determined and construed in accordance with and shall be governed by the laws of the Commonwealth of Kentucky. Buyer and the Seller consent to all actions relating to the transactions between them being instituted and maintained in the Jefferson County, Kentucky circuit or district courts and/or the United States District Court for the Western District of Kentucky (at the Seller's discretion) for all purposes of enforcing and/or resolving any disputes or claims arising in connection with all transactions between them. Buyer waives any objection to any such action based upon lack of personal or subject matter jurisdiction or improper venue and agrees that any process or other legal summons in connection with any such action or proceeding may be served by mailing a copy thereof by certified mail, or any substantially similar form of mail, addressed to the Buyer at Buyer's last known address, as contained in the Seller's records. Buyer also agrees that it will not commence or maintain any action in any court, administrative agency, or other tribunal other than the Jefferson County, Kentucky, Circuit Court, or the United States District Court of the Western District of Kentucky.
13. **NUCLEAR, AVIATION, MILITARY INDEMNITY:** If the products are to be used in any nuclear, aviation, or military installation or activity, then Buyer or the ultimate user (I) shall secure and maintain the maximum property damage liability insurance protection available. (II) shall enter into and maintain a indemnity agreement, and (III) shall waive and require its insurers to waive all rights of recovery or subrogation against the Seller. Buyer shall indemnify and hold the Seller harmless from and against any claims, losses, or damages (including consequential or special damages of any kind) arising out of a Nuclear, Aviation, or Military incident.
14. **CREDIT AUTHORIZATION:** The Buyer hereby authorizes Seller and its agents, representatives, employees, accountants, and/or attorneys to access any credit histories, credit reports, or credit services to acquire information regarding the Buyer in order for Seller to determine whether to extend credit to the Buyer or at any time after credit is extended to the Buyer to determine if Buyer remains credit worthy. Buyer waives any right or cause of action against Seller and its agents, representatives, employees, accountants, and/or attorneys predicated upon any federal or state statute or common law right of privacy.
15. **PAYMENT TERMS:** Seller's obligations are subject to its approval of Buyer's credit. If Payment Terms are granted, Buyer agrees to Seller's standards Payment Terms of Net 30 days for payment. For purposes of clarification of "Net 30" day payment terms, payment is due on or prior to the 30th calendar day following delivery of product(s) regardless of when Buyer receives invoice from Seller. Seller at its sole discretion, may change or alter Buyer's Payment Terms to the Seller at any time.



16. BUYER ACCEPTS COMPANY'S TERMS AND CONDITIONS: By acceptance of Seller's quote, contract, proposal or offer, the Buyer agrees to the payment terms listed above unless otherwise agreed to by the Seller in writing. All payment terms including but not limited to negotiations, quotations, RFP's, RFQ's, purchase orders, contracts or agreements from buyer are superseded by Seller's Terms and Conditions in this agreement. These Terms and conditions may not be amended, altered, modified, or changed except by a written agreement by Seller's senior management.

17. In the event that the Seller refers any amount(s) owed to it by Buyer to any attorney or collection agency for collection, Buyer shall pay to the Seller all fees, attorney's fees and costs, as well as court costs, incurred in collecting the attorney fees and costs are reduced to judgment, the judgment shall bear interest at the rate or one and one-half (1-1/2%) per month (18% per annum).