

TERMS AND CONDITIONS

1. TERMS OF PAYMENT AND PRICES. All prices are quoted on a net cash basis without discount. All orders are subject to credit approval and if in the judgment of Diversified Air Systems, Inc. (the "Company") previously established terms of payment are no longer justified, the Company reserves the right to require full or partial payment prior to delivery. Payment on all shipments of merchandise due and payable in full, thirty (30) days from date of invoice, unless otherwise agreed to in writing. Invoices which have not been paid in full by due date will be assessed a service charge of 1 1/2% per month, until paid in full. All quotations are given to meet competition for specific projects or jobs on like or equivalent units and such quotations shall have no bearing on prices, which may be quoted on subsequent projects or jobs. This quotation is not a contract, but is an invitation for an order. Orders which may be given based on quotations are subject to acceptance by the Company. Merchandise will be billed at prices per quoted terms. All quotations automatically expire 30 days after issued.

2. TAXES. Quoted prices do not include sales, use, gross receipts, excise or other city, county, state, federal or other taxes. Such taxes will be added to invoices unless purchaser provides the Company with acceptable tax exemption certificate.

3. RISK OF LOSS. All merchandise shall be shipped at the buyer's risk and the Company shall not be liable for loss or damage to merchandise after delivery to the carrier. It shall be the responsibility of the buyer to file claim with the carrier for any loss or damage in transit.

4. FORCE MAJEURE. The Company will at all times attempt to supply the best possible estimates of shipping dates but it shall not be liable for delays or defaults in shipping merchandise pursuant to an order if such delays or defaults are due to acts of God or the public enemy; acts of the government of the United States or any state or political subdivision thereof; fires, floods, explosion or other catastrophes; epidemics or quarantines; strikes, slowdowns or labor stoppages or any kind or other trouble freight embargoes; usually severe weather; delays of a supplier due to such causes; or causes beyond the control and without the fault or negligence of the Company.

5. ERRORS. Stenographic, clerical, illustration and specification errors contained in any quotations are subject to correction and modification.

6. RETURNS. Merchandise may not be returned unless prior written approval shall have been given by the Company. The Company shall have no responsibility for merchandise returned or for cost incurred in connection therewith, unless such approval shall have been given. Returned merchandise will not be accepted by the Company unless and until the Company's merchandise return requirement have been complied with. Merchandise returned for credit shall be shipped within 10 days after original shipment date and must meet the requirements of the Company's return approval. All returned merchandise must be shipped freight prepaid to a point specified by the Company. Fabricated material, special orders, non-stocked items, obsolete or damaged merchandise may not be cancelled or returned for credit, exchange or any type of allowance. A 35% handling charge will be made for all returned merchandise unless the return approval shall provide otherwise.

7. SUPERVISION. No job or project supervision of any kind is expressed, implied or contracted for by the Company unless it is specifically called out, detailed and authorized in writing by an officer of the Company.

8. WARRANTY CLAIMS. Claims or allowances for failures and defective workmanship or material shall be limited to those covered by manufacturer's warranty and shall be subject to manufacturer's inspection and approval. The Company's liability in connection with defective material shall be limited to the amount of the sale price of the merchandise and shall not exceed the manufacturer's liability under its warranty. "No representation is made and no agent of the Company is authorized to present that performance of products sold by the Company will exceed that stated by the manufacturer. The Company shall not be liable for labor costs or any damages for personal injury, property, contingent liability or any indirect, special or consequential damages whatsoever arising from defective merchandise sold by the Company or otherwise."

9. MODIFICATIONS. No waiver, alteration or change may be made in the foregoing conditions unless approved in writing over the signature of an officer of the Company. No oral understandings, representations or agreements are authorized to be made by any officer, employee or agent of the Company.

10. WAIVER of SUBROGATION, REIMBURSEMENT, INDEMNITY. Purchaser further agrees to waive all rights of subrogation that would otherwise be available to its insurers, regardless of theory of recovery, relating in any way to the design, testing, manufacture, sale or installation of any goods, any components, or any related services.

11. DISCLAIMER. Diversified Air Systems assumes no liability for the fitness of any of its products (with respect to fires and explosions) for a particular installation or application.

12. ACCEPTANCE. The placing of an order, either verbal or written, with the Company by the buyer shall be deemed to constitute his full acceptance of all the above terms and conditions. In no way do our terms of sales (including payment) bind us to buyer's contractual terms on which the equipment is being used.