

AMERITUBE, LLC TERMS AND CONDITIONS OF SALE

These Standard Terms and Conditions of Sale ("Terms") apply to all quotations, acknowledgments, and/or invoices of Seller and to all related purchase orders, order releases, scheduling agreements and/or similar documents received by Seller for the purchase of products ("Products"), and to all products sold by Seller and all agreements for Sale of Products by Seller to Buyer however made or documented whether verbal, written, electronic, by purchase order, special agreement or otherwise ("Agreement"). Orders accepted are accepted only at Seller's General Office at Hillsboro, Texas.

SELLER'S QUOTATIONS, SALES AND AGREEMENTS ARE EXPRESSLY MADE CONDITIONAL ON BUYER'S ASSENT TO THE TERMS CONTAINED HEREIN WHICH REPRESENT THE SOLE AND EXCLUSIVE TERMS AND CONDITIONS UPON WHICH AMERITUBE LLC ("SELLER") OFFERS OR AGREES TO SELL PRODUCTS TO BUYER ("BUYER"). SELLER OBJECTS TO AND REJECTS ANY TERMS PROPOSED BY BUYER REGARDLESS OF WHETHER PROPOSED BEFORE OR AFTER THIS DOCUMENT.

For purposes of the transaction in the Agreement these Terms shall not be amended, modified or rescinded, and no amendment, modification or rescission of the Terms set forth herein will be binding upon Seller, unless such a change is agreed to in writing, makes express reference to amending these terms, and is signed by the President of Seller.

Prices. Unless otherwise provided on the face hereof and herein, prices quoted are not firm. Any prices quoted, unless otherwise specified are in effect for that business day only. Except as otherwise provided as base prices, together with related extras and deductions, are subject to change without notice and all orders are accepted subject to prices in effect at the time of shipment. Blanket purchase orders are rejected and will be treated as scheduling agreements which are subject to price changes made at Seller's discretion at the time specific orders or releases are made. Seller's published prices, if any, are subject to change without notice. All prices are in current costs, including costs of steel or other purchased components or raw materials. If at any time after the date of a quotation or proposal Seller's published prices, if any, are subject to change without notice. All prices are in current costs, including costs of steel or other purchased components or raw materials. If at any time after the date of a quotation or proposal Seller's cost of any purchased component or raw material contained in the Products increases by (5%) or if any surcharge is assessed on such purchased component or raw material, then, in addition to the product price, Buyer will pay such additional purchased component or raw material cost or surcharge effective as of the date such increase or surcharge is levied upon Seller. Unless otherwise expressly provided by the Seller in the Agreement, prices do not include sales, excise, use, value added or other similar taxes or duties now in effect or hereafter levied, insurance costs, transportation charges (such as freight, insurance, weighing or measuring, shipping, storage, packing, handling, demurrage or similar charges) engineering documentation, special packaging, marketing or testing, or raw material surcharges and Buyer shall pay all such charges. In the event that the Buyer requests changes to the Products after the date of quotation, Seller may increase prices to cover all increased costs (plus reasonable overhead and profit) associated with such changes. Seller shall be under no obligation to honor such requested changes, Seller is not responsible for delays caused by Buyer.

Payment. Invoices may be rendered separately for each shipment (including early shipment) made by Seller. Unless otherwise agreed payment will be due net thirty (30) days after the date of shipment. Buyer shall not be entitled to deduct, counterclaim or set off against any amount owing to Seller. A failure to pay an installment within the time for payment is an anticipatory material breach of all other installments and Agreements by Buyer.

Credit. Seller may, at any time and in its sole discretion, limit or cancel (including suspension of production, shipment and/or delivery) the credit of Buyer or make requirements for payment as seller deems necessary. It is Buyer's duty to remain in good credit standing with Seller. Seller is not responsible for delays or interruption caused by restrictions or limitations placed on transactions due to Buyer's credit. Waiver by Seller of any of the terms are subject to Seller's determination of Buyer's credit. Waiver by Seller of any breach of any of terms and conditions of the Agreement or these Terms shall not be construed as a waiver of any other breach, and the failure of Seller to exercise at any subsequent time.

Packaging and Delivery. The Agreement shall be a shipment contract, and the Products shall be delivered F.O.B. Seller's designated facility, unless so otherwise provided in the Agreement. Seller shall use all reasonable efforts to comply with Buyer's request as to method of transportation, but Seller reserves the right, if such method of transportation is not available to use an alternate method of transportation, whether or not at a higher rate. In any such case, Seller shall notify Buyer of any such changes as promptly as possible. Seller determines date of shipment. Title to each shipment of the Products sold hereunder and risk of loss thereon shall pass to Buyer when Seller or its agent delivers such shipment to a common carrier or trucker consigned to Buyer or his agent at seller's designated facility, but such shipment shall remain subject to Seller's rights of stoppage in transit, rights of reclamation and other legal rights of Seller. Seller's breach of the Agreement shall not affect the passing of the risk of loss to Buyer. Buyer assumes responsibility for compliance with all U.S. federal, state and local laws governing exports and re-exports from the United States in connection with the sale and use of the Products as well as all export and import duties, fees, permits, licenses, etc. In the event that Seller delivers any Products to Buyer, title of the Products delivered and risk of loss passes to Buyer when the products depart Seller's facility. If any goods arrive at the buyer destination in a damaged condition or should a shortage exist, the damaged or shortage shall immediately be reported to the delivering carrier and the Seller. In the case of damaged goods, a joint inspection of the loaded car, truck or barge shall be arranged with representatives of the carrier and Seller. Where the carrier's equipment cannot be held for inspection, the material shall be unloaded, protected and held for joint inspection. Before unloading, the alleged damage or shortage shall be photographed and be noted on the carrier delivery receipt and signed by the carrier's agent. Any losses occasioned by shortage or damage in transit shall be for the account of Buyer.

Force Majeure. Neither party shall be liable in damages nor have the right to terminate the Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control, including, but not limited to Acts of God, governmental restrictions, limitation or regulation, wars, labor or materials shortages, supplier or material provider breach of contract or refusal to deliver, insurrections and/or any cause beyond the reasonable control of the party whose performance is affected. Further, the parties recognize that wild fluctuations in the cost of raw material can occur and that such fluctuations are beyond the control of the parties. The parties hereby expressly acknowledge the priority of maintaining continuous product flow and availability and that continues availability of product has such priority that in situation of fluctuation of price the contracted price may be changed by Seller in such circumstances. From time to time Seller may, for the variety of reasons out of its control, be required to impose unanticipated and extraordinary surcharges for raw materials, freight and fuel or other reasons and expenses due to extraordinary and anticipated market events. Buyer agrees to pay these extraordinary charges and recognizes that said charges are extraordinary, unforeseen, impact the entire market and are unavoidable. The amounts of the surcharges will be set by Seller pursuant to the price increases and surcharges imposed by Seller's suppliers at the time of extraordinary activities and events.

Acceptance and Damage. Buyer shall accept any tender of Products which substantially conform to the description of the Products set forth in the Agreement. Seller's standard test procedures conducted by Seller's representative shall be the criteria for inspection and acceptance, unless other specific procedures have been specified in the Agreement. Buyer shall be solely responsible for Product specification and design. Buyer shall be deemed to have PROVIDED to Seller with and approved and accepted drawings, specifications, technical documentation, samples and prototypes of all Products. Unless Buyer gives Seller notice in writing stating with specificity all defects and nonconformities upon which Buyer relies to support rejection within thirty (30) days of delivery, the Products shall be deemed conforming and accepted. Failure to do so act shall constitute an irrevocable acceptance by Buyer of the Products. **ALL DEFECTS AND NON-CONFORMITIES WHICH ARE NOT TIMELY SPECIFIED ARE WAIVED.** If Buyer rejects any tender of the Products and if requested by Seller, Buyer shall return them to Seller, pursuant to Seller's discretion. In the case of Buyer acceptance of non-conforming Products, Buyer shall immediately notify Seller whether or not Buyer will continue to accept similarly non-conforming Products and failure to do so shall constitute a waiver by Buyer of specification requirements for said Products. In any event, if not already accepted as described in these Terms, when any Products shall have been altered from their original state, Buyer shall be deemed to have accepted such Products. Buyer's acceptance of Products tendered under this Agreement shall be final and irrevocable. No attempted revocation of acceptance shall be effective, and Buyer shall be limited to the remedies specifically provided in the Agreement and these Terms. With respect to items manufactured by Seller to Buyer's requested, furnished, accepted or approved specifications or design or accepted by Buyer, Buyer shall defend and indemnify Seller, its successors, officers, directors and agents against, and hold them harmless from, any and all claims, losses or expenses (including attorney fees) arising or alleged to arise, in whole or in part from the manufacture, sale, storage, processing or use of the Product(s), including but not limited to warranty, contract, statute, negligence (ordinary or gross) infringement, or products liability or other alleged tort. Any expense incurred by Buyer in the inspection or testing of Products shall be paid by the Buyer, whether or not the Products have been rejected as defective or non-conforming or the Products have been accepted and a warranty claim has been made for correction of a defect or non-conformity. Seller may charge Buyer a restocking charge up to one hundred percent (100%) of the invoice price of returned products. Returned Products must be returned

to Seller in the original packaging and Buyer must first obtain a written consent from Seller to return the Products. Seller may offset the restocking charge against any amounts Seller owes to the Buyer. It is expressly understood that any technical advice furnished by Seller with respect to the production or use of its Products is given without charge, and Seller assumes no obligation or liability for the advice given or results obtained, all such advice being given and accepted at Buyer's risk. Seller may be generally aware of the intended application of the Products, but is not aware of and has made no studies to determine specifications, requirements, standards, limitations, tolerances or safety factors for such applications. Seller is not an engineering firm. Seller is not aware of Buyer's specific intended purpose or the specifications required for the intended purpose, and make no representation of fitness for use or purpose. See limitations and disclaimers, below. Any issues, concerns, specification or requirements for Buyer's use of the Products is beyond Seller's knowledge and Buyer agrees no reliance is given to any suggestion or advice given by Seller. Seller will manufacture the Products to the process specifications provided by Buyer, only. Buyer represents that it has consulted with or had an opportunity to consult with engineers and any such expert or specialist and has satisfied itself that the specifications required for the Products are satisfactory for its use. Seller has not been provided with and has made no advice, recommendation or representation that the Products specified are adequate for the purpose Buyer intends.

Express Limited Warranties and Limitation of Remedies. SELLER WARRANTS THAT THE PRODUCTS WERE MANUFACTURED ACCORDING TO SPECIFICATIONS SET FORTH IN THE AGREEMENT. NO OTHER WARRANTY IS MADE AND, IN THE EVENT THE PRODUCTS FAIL TO CONFORM TO SPECIFICATIONS, SELLER WILL NOT BE LIABLE FOR ANY LOSS, DAMAGE, EXPENSE OR ANY CONSEQUENTIAL DAMAGES DIRECTLY OR INDIRECTLY ARISING BECAUSE OF THE PRODUCTS OR THEIR USE, BUT WILL BE LIABLE ONLY FOR REPAIR OR REPLACEMENT OF THE PRODUCTS OR, AT SELLER'S SOLE OPTION, REIMBURSEMENT TO BUYER OF THE PURCHASE PRICE AGAINST RETURN OF THE PRODUCTS. THIS REMEDY IS THE SOLE AND EXCLUSIVE REMEDY. ANY CLAIM THAT PRODUCTS FAIL TO CONFORM TO SPECIFICATIONS SHALL BE DEEMED WAIVED BY BUYER UNLESS MADE IN WRITING WITHIN THIRTY (30) DAYS FROM THE DATE OF RECEIPT OF THE PRODUCTS.

EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN, ALL SALES ARE, "AS IS", AND "WITH ALL FAULTS."

IF BUYER IS NOT THE END USER OF THE PRODUCTS, IT SHALL TAKE STEPS TO ADVISE THE END USER OF THE DISCLAIMERS AND LIMITATIONS CONTAINED IN THESE TERMS. Seller's warranties are conditioned upon (i) installation, maintenance and normal use in conformity with process specifications as ordered pursuant to the Agreement, with environmental, mechanical or electrical requirements or thermal or stress limits specified, if any. If none are specified, none are warranted, and improper installation, operation contrary to instructions provided by Seller (if any are provided), or Buyer, repair or improper testing in any respect which, in the judgment of Seller, adversely affects the condition or operation of the Products. Unless specifically provided in the Agreement, Seller has furnished no instructions on use or performance criteria. Unless specified in the Agreement, Buyer uses the Product at its own risk and according to its own performance criteria and limitations. This warranty may not be expanded or modified in any way except in writing by the President of Seller.

Limitation of Warranties and Liability; Disclaimer of Implied Warranties. THE LIMITED EXPRESS WARRANTIES IN THESE TERMS ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND SELLER DISCLAIMS ALL IMPLIED WARRANTIES INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, AND NON-INFRINGEMENT. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF (THE AGREEMENT AND THESE TERMS).

All descriptions, shipping specifications and illustrations of the Products in catalogues, brochures and price lists otherwise provided by Seller and not expressly and specifically incorporated in the Agreement were and are for general guidance only, and Seller is not responsible for any errors or omissions therein or for any loss or damage resulting from reliance thereon. Seller does not warrant that it or the Products are in compliance with any industry standards, guidelines, or procedures, or with the requirements of any safety or environmental code or regulation of any federal, state, municipality or other jurisdiction unless otherwise specifically provided in the Agreement. Buyer affirms that it has not relied upon Seller's skill or judgment to select or furnish Products for any particular purpose beyond the specific express warranties in this Agreement. Seller has no continuing or future obligation to produce, maintain inventory or retain the technology or ability to produce any Products sold.

NOTWITHSTANDING ANYTHING SET FORTH IN THE AGREEMENT AND THESE TERMS, AND TO THE EXTENT PERMITTED BY LAW, IN NO EVENT SHALL SELLER BE RESPONSIBLE OR LIABLE TO BUYER FOR ANY LOSS OF USE, REVENUE OR ANTICIPATED PROFITS, OR FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL, CONTINGENT OR PUNITIVE DAMAGES IN CONNECTION WITH ANY BREACH OF WARRANTY OR OTHER BREACH OF SELLER'S OBLIGATIONS UNDER THE AGREEMENT AND THESE TERMS OR ANY OTHER CLAIM (IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE PRODUCTS. SELLER'S AGGREGATE LIABILITY FOR ANY DAMAGES OR CLAIMS ARISING OUT OF OR RELATING TO ANY PRODUCTS SHALL IN NO EVENT EXCEED THE AMOUNT BUYER PAID FOR THE PRODUCT(S) GIVING RISE TO THE CLAIM OR DAMAGES. Buyer waives any causes of action or theories of liability including, but not limited to, those arising under contract, tort, strict liability, product liability, statutes, or otherwise, except as specifically provided for as modified and limited herein. Buyer further waives any right of implied contractual or common law indemnity against Seller for any claim, including, but not limited to, liability for claims for damages to person or property arising out of the use of Products sold to Buyer under the Agreement and these Terms. The replacement or repair of Products by the Seller does not give rise to a new warranty except the warrant period provided for herein shall be extended by the length of any period in which defective or non-conforming Products are in possession of Seller. The Agreement and these Terms are only for the benefit of the parties, except that all disclaimers and limitations applicable to Seller and all indemnification to which Seller is entitled shall be also for the benefit of Seller's parent, subsidiary and affiliate companies (and their respective officers, directors, employees, agents, contractors and suppliers) and effective as against any end user of the Products. If any other provision of the Agreement or these Terms are determined to apply to other parties, all other provisions including limitations, waivers and disclaimers shall also apply.

Certification. Seller certifies that any Products produced in the United States shall be produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the United States Fair Labor Standards Act, as amended, and of the regulations and orders of the United States Department of Labor issued under Section 14 thereof. No other certifications or waivers regarding payments to Seller's suppliers or laborers are required.

Claims and Arbitration. A proceeding for breach of the Agreement or these Terms or any other right arising from or in connection with the Agreement and these Terms cannot be filed or maintained, unless (i) the parties have participated in good faith in a mediation session to attempt to resolve the dispute, (ii) it is commenced within one (1) year after the cause for action has accrued, (iii) Buyer has given timely written notice to Seller of its claim as provided herein, and (iv) Buyer deposits any unpaid portion of the purchase price for Products with the tribunal pending final adjudication. An action shall accrue no later than shipment of the Products. Any controversy or claim arising out of or relating to the Agreement or these terms, or the breach thereof, shall be resolved by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules in Dallas, Texas, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Costs (including the fees of the American Arbitration Association and the costs and expenses of the arbitrators) shall be divided equally between the parties. Attorney's fees are not awardable to the prevailing party and each party shall bear its own attorney's fees and costs. The decision shall be made by a panel of three (3) arbitrators and shall be a reasonable award.

Applicable Law, Jurisdiction and Venue. The Agreement and these Terms and all ancillary services or sales shall be governed, construed and enforced under the law of the State of Texas including the Uniform Commercial Code in force on the initial date of the Agreement (the "UCC"), without regard to its conflict of law rules and except as provided herein. The U.N. Convention on the International Sale of Products shall not apply. State courts in Dallas County, Texas and federal courts in the Northern District of Texas shall have exclusive jurisdiction over the parties and the claims arising under the Agreement and these Terms, subject to the arbitration provisions contained herein.

Buyer Ownership Change. If controlling interest in the ownership of Buyer is sold or otherwise transferred during the term of the Agreement, Buyer shall disclose such transfer and Seller shall have the right to cancel the Agreement immediately.

Merger. The Agreement and the Terms contained herein constitute the entire and exclusive agreement of the parties. The Agreement and the Terms form a binding contract and cannot be cancelled for convenience without the mutual consent of both Buyer and Seller. No oral or written prior or contemporaneous agreements or representations were made or relied upon by the parties. The Agreement and these Terms may only be modified or amended as provided herein. Seller Terms may be amended from time to time for future agreements. The latest version of the Terms is available at Seller's website www.ameritube.net. Any quotations, orders, confirmations, acknowledgements made via email or on the website are subject to the terms then posted thereon.