

Terms and Conditions of Sale

The following terms and conditions apply to and govern the sale of the air handling equipment and parts manufactured by both the MagicAire and Continental VAV divisions of United Electric Company, L.P. ("United Electric").

EXCLUSIVE TERMS OF SALE - United Electric quotes and sells its goods on the expressed condition that the buyer assents to the terms and conditions set forth hereon, regardless of any inconsistent or additional terms that may be embodied in any purchase order. United Electric's sale of its goods is expressly conditional on, and the buyer's acceptance and receipt of the goods shall constitute the buyer's assent to, such terms and conditions.

ACCEPTANCE - All orders are subject to Credit and Sales Department approval and acceptance. United Electric reserves the right, among other remedies, to terminate or suspend further delivery against an order in the event the buyer fails to pay any portion of the order when it becomes due. Should buyer's financial condition become unsatisfactory to United Electric, cash payments or satisfactory security may be required by United Electric for further deliveries or for goods already delivered.

CANCELLATION - Buyer shall not cancel the order with-out prior written consent of United Electric. In the event buyer cancels the order with the prior written consent of United Electric after the buyer's offer to purchase is received and acknowledged in writing, United Electric shall be entitled to receive from the buyer United Electric's cost plus a reasonable allowance for over-head and profit. Furthermore, for goods released for production but prevented by buyer from shipping upon completion or by the acknowledged shipping date, whichever is later, United Electric may, at its option, in addition to all other remedies, invoice buyer to be pay-able within 30 days and store the goods at buyer's sole expense

DELIVERIES - Any stated shipping date of the goods is United Electric's best estimate based upon the volume of orders for the goods United Electric has received or expects to receive at the time it receives buyer's order. UNITED ELECTRIC MAKES NO GUARANTEE OF SHIPMENT BY THE ESTIMATED DATE AND SHALL HAVE NO LIABILITY OR OTHER OBLIGATION, INCLUDING, BUT NOT LIMITED TO INCIDENTAL OR CONSEQUENTIAL DAMAGES THE BUYER OR ANY THIRD PARTY MAY INCUR, FOR ITS FAILURE TO SHIP BY SUCH DATE, REGARDLESS OF CAUSE.

SHIPMENTS - United Electric shall not be bound to deliver any goods for which buyer has not given ship-ping instructions. ALL PRODUCTS ARE SOLD F.O.B. UNITED ELECTRIC'S PLANT. TITLE TO GOOD PASSES TO THE BUYER UPON DELIVERY BY UNITED ELECTRIC TO THE FREIGHT LINE. All goods are shipped at buyer's risk. Buyer should examine shipments carefully for loss or damage and should have same noted by transportation agent on the freight bill upon accepting delivery. In the event of concealed damage, buyer has 15 days from receipt of the goods in which to call the freight line for an inspection.

In either case, the equipment cannot be returned to United Electric until after a freight inspection has been completed. In absence of shipping

instructions, United Electric shall use its own discretion in choice of carrier.

TAXES - Sales, use, consumption, storage or other taxes, if applicable, shall be paid by the buyer.

RETURN GOODS - New and unused goods returned for credit will not be accepted unless a Return Goods Authorization number has been issued by United Electric. Goods must be securely packed to reach United Electric without damage and properly identified with the Return Goods Authorization number. RGA numbers are valid for only 30 days after issuance. A mini-mum 35% fee will be charged on all stock products cleared for return that can be returned to stock after inspection. Build-to-order products manufactured and shipped cannot be returned and a 100% cancellation fee applies to any order that has been released for production but has not shipped. All goods must be returned freight prepaid by the buyer.

ALL PRODUCTS LIMITED WARRANTY - United Electric warrants that its goods will be free from defects in material and workmanship under normal use and maintenance for a period of one year from the date of original installation or 18 months from the date of shipment or whichever comes first. A new or rebuilt part to replace any defective part will be provided without charge, PROVIDED the defective part is returned to United Electric. The replacement part assumes the unused portion of the warranty. THIS WARRANTY DOES NOT INCLUDE LABOR or other costs incurred for identifying, repairing, removing, in-stalling, shipping, servicing, or handling of either defective parts or replacement parts.

UNITED ELECTRIC WILL NOT BE RESPONSIBLE FOR:1. Normal maintenance.2. Damage or repairs required as a consequence of faulty installation or application by others.3. Failure to start due to voltage conditions, blown fuses, open circuit breakers, or other damages due to the inadequacy or interruption of electrical service.4. Damage or repairs required as a consequence of any misapplication, abuse, improper servicing, unauthorized alteration, or improper operation.5. Damage as a result of floods, winds, fires, lightning, accidents, corrosive atmosphere, or other conditions beyond the control of United Electric.6. Parts not supplied or designated by United Electric.7. United Electric products installed outside the United States and Canada.

FOR SERVICE OR REPAIR, FOLLOW THESE STEPS IN ORDER: FIRST: Contact the installing contractor. SECOND: Contact the distributor or nearest authorized United Electric representative. THIRD: Contact: UNITED ELECTRIC CO., L.P. 501 Galveston St. Wichita Falls, Texas 76301 (940) 397-2100

THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

BUYER'S EXCLUSIVE REMEDY - The buyer's acceptance of the goods shall confirm the buyer's review and acceptance of United Electric's All Products Limited Warranty, notwithstanding any other written or oral warranty of the goods that may be given to the buyer.

THE BUYER'S EXCLUSIVE REMEDY AGAINST UNITED ELECTRIC SHALL BE LIMITED TO UNITED ELECTRIC'S ALL PRODUCTS LIMITED WARRANTY. NO OTHER REMEDY, INCLUDING, BUT NOT LIMITED TO, RECOVERY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR LOST PROFITS, LOST SALES, INJURY TO PERSON OR PROPERTY, OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL LOSS, SHALL BE AVAIL-ABLE TO THE BUYER.

FIELD MODIFICATIONS - Should the installing contractor believe that the goods do not meet the requirements of the original submittal or do not operate according to the submittal, the buyer should immediately con-tact the selling distributor or authorized United Electric representative as outlined in the All Products Limited Warranty section. Upon United Electric's acceptance of responsibility to make modifications to the goods, United Electric will, at its sole discretion, either direct the contractor to make the modifications, send its own field service technicians to make the modifications, or engage another contractor to make the modifications. If United Electric directs the installing con-tractor to make the modifications, United Electric will issue a Field Repair Order (FRO) specifying the work to be done and the price to be paid. DO NOT BEGIN ANY MODIFICATIONS WITHOUT AN FRO NUMBER. United Electric will not be responsible for any costs incurred in modifying the goods, unless it has approved the modifications in advance.

EXCUSE OF PERFORMANCE - United Electric shall not be liable for its failure to perform due to causes be-yond its reasonable control, including but not limited to strikes, fire, war, acts of God, whether such events occur at or about United Electric's plant or at the plant of its suppliers.

CASH DISCOUNT AND TERMS - Unless otherwise specified, a 1% discount may be taken if paid within ten (10) days after invoice date. Net due thirty (30)days from date of invoice. United Electric may charge 1-1/2% each month on all sums more than 30 days past due, the first such charge to accrue on the 61st day after date of invoice.

MISCELLANEOUS - THESE TERMS AND CONDITIONS FOR THE SALE OF THE GOODS SHALL BE CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF TEXAS. ALL SUMS DUE UNITED ELECTRIC FOR THE SALE OF ITS GOODS ARE PAYABLE, AND ALL MATTERS ARISING PURSUANT TO SUCH SALE ARE PERFORMABLE, IN WICHITA COUNTY, TEXAS. The terms and conditions stated hereon constitute the full understanding between United Electric and the buyer, and no terms, conditions, understanding or agreement purporting to modify or vary these terms shall be binding unless here-after made in writing and signed by United Electric and the buyer.

United Electric has a policy of continuous product improvement, and reserves the right to change de-sign and specification without notice. United Electric has no system design or application responsibility to buyer or any third party.