

## Terms and Conditions of Sale

### Powerex-Iwata Air Technology, Inc.

1. **Binding Effect.** Powerex-Iwata Air Technology Inc. ("Company") shall not be bound by this invoice until buyer ("Buyer") executes and returns to Company an acknowledgement of the invoice. Buyer shall be bound by this invoice and its terms and conditions when it executes and returns the acknowledgement copy; when it otherwise indicates its acceptance of this invoice; or when Company delivers any of its products, whether Company's standard products ("Standard Products") or product engineered and/or manufactured to Buyer's specifications ("Engineered Products") (collectively, Standard Products and Engineered Products referred to as the "Products") ordered herein. This invoice expressly rejects all prior and subsequent terms and conditions of Buyer, whether stated in Buyer's own purchase order or otherwise, and expressly limits acceptance to the terms and conditions stated herein; any additional or different terms or modifications proposed by Buyer are rejected unless expressly assented to in writing by Company.

2. **Product Documentation.** Buyer shall not alter Product documentation, drawings, pump or system design, performance specifications, or installation data without Company's consent.

3. **Labeling and Trademarks.** The trademarks designated in advance by Buyer and approved by Company may be fixed to the Products by Buyer at the places and in the manner designated by Buyer and at Buyer's expense. Buyer shall not remove, obscure or alter Company name or identification embedded in the Product.

4. **Terms of Payment.** All prices for Product are in U.S. dollars. Payment terms are NET thirty (30) days from the date of invoice. Past due accounts are subject to a finance charge of 1-1/2% of the outstanding balance each month or part thereof, or the highest rate permitted by law, until paid. In addition, upon failure of Buyer to make payment as provided herein, Buyer agrees that Company shall have the right to enter the premises where the Products may then be located, with or without legal process, and to repossess and remove such Products for which such payment has not been made. If permitted under applicable law, Company may retain all payments previously made as compensation for use or reduction in value of the Products or Company may resell the Products. In the event of any resale, the proceeds shall be applied first to pay the expenses of retaking, repairing, holding, preparing for sale, selling and the like and, to the extent permitted under applicable law, attorney's fees incurred in connection therewith, and second, to any balance owing to Company. Company may recover from Buyer any resulting deficiency after such application. The rights and remedies of Company hereunder are cumulative and not exclusive and are in addition to all other rights and remedies provided by law.

5. **Price.** Prices for the Products shall be at the then-current published prices specified by Company, subject to adjustment at Company's discretion. Each price provided by Company shall be the complete price for each Product; FOB the loading dock of Company's manufacturing facility. Such price will include costs for such painting, decals and labeling per the specifications or as otherwise agreed to by Company, such standard packaging, shipping materials and shipping preparation for the Product as Company provides for normal deliveries within the continental United States. Notwithstanding the foregoing, any special or non-standard painting, decals, labeling, handling, packaging, shipping materials or shipping preparation required by Buyer shall be at such additional charges as may be agreed to in advance by the parties. The purchase price does not include export boxing.

6. **Shipping Terms.** All goods are sold F.O.B. the loading dock of Company's manufacturing facility, unless otherwise specified in writing by Company. Buyer agrees to furnish complete shipping instructions to Company within a reasonable period of time before the date such shipment is requested to be made. If no instructions are furnished, Company may ship using any method of its choosing.

7. **Title/Claims for Loss or Damage in Transit.** Title and risk of loss shall pass to and be borne by Buyer upon delivery of the goods to the first carrier or shipper. Company shall not be responsible for any damage to goods which occurs during shipment, and no such damage shall relieve Buyer of any obligations to Company. Should Buyer have a claim based loss or damage occurring during transit, it is Buyer's responsibility to file such claim with the transportation company.

8. **Taxes.** Liability for all taxes, licenses, or other fees imposed by any municipal, state or governmental authority upon the production, sale, shipment and/or use of goods covered by this order shall be the liability of Buyer and Buyer shall indemnify Company against any such liability. Applicable sales and/or use taxes will be billed by Company unless a suitable exemption certificate is furnished by Buyer at the time of placing the order.

9. **Shipment.** Company shall attempt to make shipment within the time specified after acceptance of Buyer's order. In no event shall Company be responsible for any delay in or failure to manufacture or deliver goods arising out of acts of the public enemy, fire, flood, or any disaster, labor trouble, riot or disorder, delay in the supply of materials or any other cause, whether similar or dissimilar, beyond the control of Company. In the event it is necessary to revise the design, specifications, or conditions of sale, the shipping date shall automatically be extended by the period of the time required to achieve the mutually agreed upon adjustments.

10. **Cancellations and Returns.** Buyer may cancel all or part of any purchase order submitted to Company by providing written notice to Company thereof.

In the event Buyer cancels all or any part of any Purchase Order, Buyer shall be subject to a cancellation charge of 5% of the order value if the order is entered but the engineering process has not commenced; 10-30% of the order value prorated based upon the degree of completion of engineering and drawings; 35% of the order value if the order is released for manufacture, plus an additional charge based on cancellation charges incurred by Company, and an additional charge prorated based upon the degree of completion of the order (i.e., 100% of the order value if the Product is completely manufactured).

11. **Assignment.** No rights or obligations arising under any contract between Company and Buyer may be assigned or transferred by Buyer without the prior written consent of Company.

12. **Tender.** In the event of failure or refusal of Buyer to accept delivery, no physical tender of the Products by Company shall be necessary, but written notice of Company's readiness and willingness to deliver any quantity of the goods at any time specified shall be equivalent to physical tender thereof.