

STANDARD TERMS AND CONDITIONS OF SALE

GOODS AND SERVICES SOLD BY AZEL ENTERPRISE INC. ARE EXPRESSLY SUBJECT TO THE TERMS AND CONDITIONS SET FORTH BELOW. ANY DIFFERENT OR ADDITIONAL TERMS OR CONDITIONS IN BUYER'S PURCHASE ORDER OR SIMILAR COMMUNICATION ARE OBJECTED TO AND SHALL NOT BE BINDING ON AZEL ENTERPRISE INC. UNLESS AGREED TO IN WRITING BY AN AZLE CORPORATE OFFICER. BUYER'S ACCEPTANCE OF SHIPMENT OR PERFORMANCE AND/OR PAYMENT FOR THE GOODS OR SERVICES CONSTITUTES ACCEPTANCE OF AZEL'S TERMS AND CONDITIONS.

PRICE: Prices in effect at time of shipment of goods or performance of services shall prevail. All prices quoted by AZEL are subject to change without notice. Prices do not include any present or future sales, use, excise, value-added or similar taxes and, where applicable, such taxes shall be billed as a separate item and paid by Buyer. A standard shipping charge is applied to each invoice for goods to cover the material preparation, packaging, freight and/or any additional costs associated with each shipment based on the value and/or weight of the shipment. Additional charges for local delivery may also apply.

PAYMENT TERMS: Unless otherwise agreed in writing, terms of payment are thirty (30) days net, without setoff or deduction, from date invoice was mailed or goods are delivered, whichever is earliest, if Buyer's credit has been approved prior to sale. A late payment charge of 1 1/2% per month (an annual percentage rate of 18%) shall be charged on all past due accounts and Buyer shall pay AZEL all costs incurred by it in collecting any past due account from Buyer, including, but not limited to, all court costs and attorney's fees. However, if the foregoing charges exceed that rate which is the maximum permitted by law, then such charges shall be calculated to be the highest allowable lawful rate. The remittance portion of the invoice shall accompany payment. Alternatively, payments and other adjustments must reference the invoice number to assure proper credit.

CREDIT BALANCE: Any credit balance issued will be applied within one (1) year of its issuance. IF NOT APPLIED WITHIN ONE (1) YEAR, THE BALANCE REMAINING SHALL BE CANCELLED, AND AZEL SHALL HAVE NO FURTHER LIABILITY EXCEPT AS REQUIRED BY APPLICABLE LAW.

<u>DELIVERY:</u> Unless otherwise noted, all sales of goods are made f.o.b. point of shipment and, in all cases, title shall pass upon delivery to the carrier at point of shipment and thereafter all risk of loss or damage shall be upon Buyer. Delivery dates given in advance of actual shipment of goods or performance of services are estimates and shall not be deemed to represent fixed or guaranteed delivery dates.

WARRANTIES: Goods are sold only with such warranties as may be extended by the manufacturer of the product. AZEL warrants that all services, supplies, and equipment delivered hereunder shall be free from all defects in materials and workmanship and shall comply with all the requirements of this order for a period of one (1) year from the date of the delivery. Services performed by third parties are subject only to those warranties extended by such third parties. AZEL MAKES NO WARRANTY AND ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS ARE HEREBY EXCLUDED. Buyer is responsible for installation and use in accordance with manufacturer's instructions. AZEL personnel are not authorized to alter this policy.

LIMITATION OF LIABILITY: AZEL's liability on any claim for loss or damage arising out of this contract or from the performance or breach thereof, or connected with any goods or services supplied hereunder, or the sale, resale, operation, or use of goods, whether based on contract, warranty, tort (including negligence) or other grounds, shall not exceed the price allocable to such goods or services or part thereof involved in the claim, REGARDLESS OF CAUSE OR FAULT. This limitation of liability reflects a deliberate and bargained-for allocation of risks between AZEL and Buyer and constitutes the basis of the parties' bargain, without which AZEL would not have agreed to the price or terms of this contract. AZEL shall not, under any circumstances, be liable for any labor charges without its prior written consent.

AZEL SHALL NOT IN ANY EVENT BE LIABLE whether as a result of breach of contract, warranty, tort (including negligence) or other grounds FOR INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES including, but not limited to, loss of profits or revenue, loss of use of goods or associated products, cost of capital, cost of substitute products, facilities or services, downtime costs, or claims of customers of Buyer for such damage. If AZEL furnishes Buyer with advice or other assistance regarding any goods or services supplied hereunder, or any system or equipment in which any such goods may be installed, and which is not required pursuant to this contract, the furnishing of the advice or assistance will not subject AZEL to any liability, whether based on contract, warranty, tort (including negligence) or other grounds.

CANCELLATION AND RETURNS: Buyer may cancel an order by mutual agreement based upon payment to AZEL of reasonable and proper cancellation charges. Goods shall not be returned by Buyer without AZEL's prior written authorization and payment by Buyer of a minimum restocking charge of 15%. Authorized returns shall be returned at Buyer's sole expense, freight prepaid There are NO returns of special order, CUSTOM or made-to-order items. No returns shall be accepted following 60 days after delivery. No credit will be issued for shipping charges or other special expenses.

SHORTAGE/OVERAGES: All shortages and/or overages must be identified within 14 days of the date of shipment.

FORCE MAJEURE: AZEL shall not be liable for failure to deliver or for delay in delivery or performance due to: (i) a cause beyond its reasonable control; (ii) an act of God, act or omission of Buyer, act of civil or military authority, governmental priority or other allocation or control, fire, strike or other labor difficulty, riot or other civil disturbance, insolvency or other inability to perform by the manufacturer, delay in transportation; or (iii) any other commercial impracticability. If such a delay occurs, delivery or performance shall be extended for a period equal to the time lost by reason of delay.

GENERAL: All orders are subject to acceptance by AZEL. Any representation, affirmation of fact and course of dealing, promise or condition in connection therewith or usage of trade not incorporated herein, shall not be binding on either party. If any provision hereof shall be unenforceable, invalid, or void for any reason, such provision shall be automatically voided and shall not be part of this agreement and the enforceability or validity of the remaining provisions shall not be affected thereby.

<u>SPECIAL TOOLS:</u> Unless specifically agreed in writing by AZEL, and unless paid for by Buyer as shown on the invoice, all special tools, dies, jigs, patterns, machinery and/or equipment needed by AZEL for the performance of this sale are, and shall remain, the property of AZEL.

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CONFIDENTIAL DOCUMENT UNCONTROLLED IF PRINTED F-842-5 Rev. B