

Terms and Conditions of Sale

1. Limits of Liability

A) **Any liability for consequential and or incidental damage is expressly disclaimed.** Aridian Industries LLC (Sellers) Liability in all events is limited to and shall not exceed the purchase price of the goods or the money received whichever is less. (B) **The goods described in this agreement are sold on an "As Is" basis, and Seller disclaims any warranties expressed or implied.** (C) If Seller furnishes technical advice to Buyer, whether or not at Buyers request, Seller shall not be liable for and Buyer assumes all risk of such advice and the results thereof. (D) Buyer assumes liability for all personal injury and property damage connected with the transportation, possession, processing, further manufacture, other use or resale of the goods whether the goods are used alone or in combination with any other materials. (E) Seller makes no representation or warranty of any kind, expressed or implied, as to merchantability, fitness for a particular purpose, or any other matter with respect to the goods whether the goods are used alone or in combination with any other material. (F) Any and all legal activity, action, citation, petition, etc. by either party (Seller or Buyer) will conform to the Jurisdiction of Parker County, Texas. Point of Sale is Aridian Industries LLC 405 Browder Circle Azle, Texas 76020 within Parker County Texas.

2. Patents: Seller does not warrant the use of goods or any materials made therefrom, whether the goods are used alone or in combination with any other materials, will not infringe on a patent. Buyer agrees to defend, protect, and hold harmless Seller against all suits and from all damages, claims and demands for actual or alleged infringement of any patent or trademark.

3. Prices of Prototype and Production Parts: Prices are subject to change with notice prior to acceptance of an order. Prices are determined by manufacturing costs and quantities quoted. Any applicable sales or excise taxes will be added to the price quoted. Prices are quoted Freight on Board (F.O.B.) point of shipment.

4. Acceptance of Quotation and Terms and Conditions: It is agreed by Buyer and Seller that Acceptance of Quotation and it Terms and Conditions is confirmed and agreed to by buyer after any one of the following events:
a) A signed copy of the original quotation is returned to AI LLC. b) Deposit funds are received and deposited by AI LLC (c) A purchase order is received related to a written quotation.
AI LLC may at AI LLC's option begin processing the order without all three conditions being met or may require all three to be fulfilled prior to start of schedule.

5. Customer Purchase Orders: Buyers Terms and Conditions will not be valid or considered as an amendment to AI LLC's Standard Terms and Conditions set forth herein.

Only Purchase order Number, Quantity, and Item number will be considered valid on customer purchase orders- Due dates will be considered requests not firm schedules.

Under circumstances of conflicting provisions between AI LLC's offer to sell (Terms and Conditions) and Buyers Purchase order AI LLC's Terms and Conditions will be applied in all cases. Buyer's issuance of order **will constitute waiver** of buyer's Standard Terms and Conditions **and acceptance** of AI LLC's Terms and Conditions. All work performed is custom in nature. Under no circumstances are any provisions of financial penalty for late delivery, merchantability, and/or fitness for any particular purpose to be considered valid. Acceptance of this quote and attached Terms and Conditions can be by signature, financial deposit, or issuance of purchase order. Purchase orders which do not reflect current quoted costs will not be considered counter offers to quoted costs and corrections will be made at time of billing. Incorrect Purchase orders will be shipped and required to be paid for on a C.O.D. basis.

6. Payment of Tooling: Payment for one half of the value of the engineering or tooling quoted must accompany the initial order. The remaining balance will be invoiced and becomes due upon completion of the tooling. If transferable tooling is quoted, Title will pass to the customer upon payment of the final invoice. The tooling shall be deemed acceptable if written notice of rejection is not received within five days. **No title shall be conveyed to buyer if tooling is quoted as a non recurring engineering charge, temporary tooling or initial production run cost.**

7. Payment Terms of Parts: New accounts are C.O.D. until such time as a credit application is completed and approved. Unpaid balances for invoiced tooling, parts or services shall constitute a lien on any molds, or parts in our possession. No molds may be removed from AI LLC. until all balances are paid in full. In the event that all money owed by Buyer to Seller are not timely paid, Seller reserves the right to and Buyer licenses any patents or copyrights to AI LLC. and agrees to (1) the use or sell the molds or tools to produce an amount of final product sufficient to enable Aridian Industries LLC... to recover its costs and cover its losses. Furthermore, it is agreed that any confidentiality agreements in force will terminated after notice has been provided to customer of start of collection efforts. If seller places collection of the amount due to it under this order in the hands of an attorney after non-payment according to the terms hereof, Seller shall be entitled to reasonable attorney's fees, AI LLC's court preparation costs, and court documentation costs which shall be added to the amount of any court judgment entered in favor of Seller or settlement to the amount due under this contract. Any invoice unpaid after 30 days shall bear interest at the rate of 18% per annum.

8. Changes to or Cancellation of Orders: (A) Any order may be canceled by AI LLC and its liability will be limited to refund or credit to customer account of any moneys paid prior to cancellation

(B) Any cancellation by Buyer must be approved by Aridian Industries LLC. and will be subject to cancellation charges. (C) All orders placed are for custom products and services. Any order canceled prior to completion will be billed for services and materials up to the point of cancellation, resulting in a balance due to AI LLC. or a credit to customer account. (D) In the event of Customer requested cancellation of tooling order after AI LLC. receives deposit funds on tooling and has begun engineering efforts and ordering material refunds of deposits will not be paid. Charges prior to cancellation will be calculated and any excesses will be credited to customer's house account.

9. Changes in Specifications: (A) Changes in design, tolerance, surface finish or other changes may affect final tooling and part costs. (B) Surface finish includes only such finish as normally obtained from the manufacturing process, with no additional machining or polishing, or cleaning unless otherwise stated in the quotation. (C) Custom colors sometimes require match charges, while we will attempt to avoid these charges, minimum lots charges may be required to procure custom colors and the cost will be passed on to the customer in this event.

10. Lead Times and Delivery: Sellers lead times and shipping dates are estimates and are subject to change. Under no circumstances shall Aridian Industries LLC. be liable for direct, incidental, or consequential damages claimed by Buyer as a result of late delivery, regardless of cause. **Production Order Schedules:** Standard forecasting is six weeks. The cost of expediting orders will be charged as follows: Orders requiring shipments within 5 working days will be billed at 2 ½ times normal costs, 6 to 10 working days at 2 times normal costs, 11 to 20 working days will be billed at 1 ½ normal costs. AI LLC will not accept Verbal Purchase orders all orders are to be faxed or mailed. Any orders that require expediting should include expedited costs on the purchase order. AI LLC may waive expediting charges if our schedule allows for the order without conflict.

11. Removal of Tooling: Customer owned tooling may be removed providing:

(A) Customer must pay for any safety stock of completed goods, partially completed goods at a pro-rated cost based upon percentage of completion and any special materials or services purchased based upon orders in process. (B) If Tooling is removed from Aridian Industries LLC within two years from the initial production order, Buyer agrees to pay Aridian Industries LLC an additional 50% of the total cost of tooling as consideration for loss of expected revenue from said molds and other tooling and manufacturing development costs. (C) All accounts have been paid in full and funds have cleared banking transactions prior to physical removal of tooling. (D) Tooling has been manufactured for AI LLC's machinery and manufacturing processes. We do not guarantee that the molds will fit on other machines or other molder's processes. (E) No maintenance or warranty is offered on tooling once it has been removed from our facility. (F) AI LLC's standard indemnity agreement will be required to be signed prior to release of tooling. (G) Software programs, Cad files, NC code are the property of AI LLC. and are not included in the cost of tooling quoted. (H) Hydraulic cylinders, hoses and fittings used to pull removable cores in molds are not included in mold quote costs and remain the property of AI LLC. **Tooling, molds, manufacturing fixtures, or other goods quoted as "Non-Reoccurring Engineering charges are the property of AI LLC and are non-transferable.**

12. Obsolescence of Tooling: If no corresponding production order is received for a period of one year, any tooling will be deemed obsolete. Aridian Industries LLC cannot guarantee existence of tooling beyond one year. Aridian Industries LLC shall not be required to give written notice of obsolescence.

13. Fulfillment of Production Orders/Shipments Loss or Damage: Overruns and underruns of up to 10% will constitute fulfillment of an order unless specifically otherwise agreed to in writing.

The responsibility of Aridian Industries LLC ends with the acceptance of a shipment in good order by a common carrier. The buyer must make all claims of loss or damage to the carrier. All shipments will be made according to Aridian Industries LLC judgment.

14. Special Costs and Orders involving family molds: AI LLC. does not recommend family molds. AI LLC will strive to balance quantities on family molds, however AI LLC. reserves the right to ship mismatched quantities at prevailing costs to the customer. In the event of significant mismatch AI LLC. will balance the customers inventory on the next scheduled run by the following costing method: Billed Cost = C/P where C= cost of all cavities as if all parts are being produced divided by (P) number of parts being produced. This costing method will be also be used in the event of one part being rejected in a set of parts if the molds are customer supplied molds.

15. Warranty: All goods are sold on an "As Is" basis, Seller disclaims any warranties expressed or implied.

AI LLC does not warrant parts to be free of from porosity or non-visible defects of any kind. Tool and Part Surface finishes, color matches, and part clarity to buyer's satisfaction are strived for but not guaranteed. Blemishes and Knit lines produced during normal molding operations will not be considered as rejectable parts unless clearly called out individually on Customer supplied Manufacturing Quality Control Drawings prior to production. **In cases where no customer drawings exist of the parts in question for AI LLC's use in manufacturing quality control no part will be returnable regardless of cause.** Customer assumes all risk in design, tool life, and quality control of moldings and final use of product on all moldings produced from customer owned tooling.

AI LLC will review and at **AI LLC's discretion** may elect to replace **unused** products claimed to be defective provided: AI LLC. receives written notification of problem by Customer inspection of goods within 5 working days of receipt, including several samples of the part, which exhibits the problem. Return merchandise authorization number is received in writing by AI LLC., or AI LLC. personnel inspect the merchandise. The merchandise is returned freight prepaid for AI LLC's inspection. All Parts returned must have serial Number and/or date code stickers unaltered for consideration.

AI LLC will return, sort, replace or credit the customer account based on its AI LLC's final inspection. Customer agrees that AI LLC's judgment will be considered final. All freight costs will be the financial responsibility of customer unless Return Material Guidelines are followed.

16. Performance of Terms and Conditions

Aridian Industries LLC's failure to insist upon a strict performance of the terms and conditions herein shall not be deemed a waiver of any rights or remedies that Aridian Industries LLC... may have and shall not be deemed a waiver of any subsequent breach or default in the terms and conditions herein contained. In case any one or more of the provisions contained in this contract shall be for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. Original version 1/10/10