

TERMS & CONDITIONS

1. SCOPE

These Terms and Conditions ("Terms") contained herein shall apply to all quotations and offers made by and purchase orders accepted by Tex-Isle Supply, Inc. ("Seller"). These Terms apply to all sales made by Seller except to the extent these Terms conflict with a separate sales agreement signed by Seller and Buyer. These Terms apply in lieu of any course of dealing between the parties or usage of trade in the industry. These Terms may in some instances conflict with some of the terms and conditions affixed to the purchase order or other procurement document issued by the Buyer. In such case, these Terms contained herein shall govern, and acceptance of Buyer's order is conditioned upon Buyer's acceptance of the terms and conditions herein, irrespective of whether the Buyer accepts these conditions by a written acknowledgement, by implication, or acceptance and payment of products ordered hereunder. Seller's failure to object to provisions contained in any communication from Buyer shall not be deemed a waiver of the provisions herein. Any changes in these Terms contained herein must specifically be agreed to in writing signed by an officer of Seller before becoming binding on either party.

2. PRICE, TAXES AND QUOTATIONS

All prices are exclusive of any present or future sales, revenue or excise tax, value added tax, turnover tax, import duty (including brokerage fees) or other tax applicable to the manufacture or sale of any product. Such taxes, when applicable, shall be paid by Buyer unless Buyer provides a proper tax exemption certificate. Unless otherwise agreed to in writing by the parties, prices quoted by Seller are those current at the date of quotation and shall be subject to variation by Seller.

3. DELIVERY, ACCEPTANCE OF DELIVERY, RISK OF LOSS

Seller shall use commercially reasonable efforts to cause the products to be shipped and delivered. The order is FOB Destination unless otherwise specified. Buyer accepts the products upon delivery. Risk of loss and title shall pass to Buyer upon delivery. Notwithstanding any provisions contained herein to the contrary, Seller shall not be responsible or liable to Buyer for any loss or damage whatsoever resulting from Seller's delay in performance in the manufacture, shipment, or delivery of the products for any reason including loss of income and/or profits, incidental, special and consequential damages. Seller may deliver products in one or more consignment and invoice each consignment separately. Seller reserves the right to ship product that is not subject to cancellation in advance of the agreed shipping date. Unless otherwise agreed in writing, delivery time is not of the essence.

4. PAYMENT TERMS

Unless otherwise agreed in writing, Payment terms shall be net thirty (30) days from the date of invoice, subject to approval by Seller of the amount and terms of credit. Buyer agrees to pay interest on any unpaid balance and such finance charge of one and half percent (1.5%) per month (18% per annum) or fraction thereof shall be added to past due invoice balances until paid in full. Unless otherwise agreed in writing, all payments are to be in United States dollars. For orders outside the United States, Seller may require payment to be secured by an irrevocable letter of credit or a bank guarantee acceptable to Seller. Where payment is made by letter of credit, all costs of collection shall be for Buyer's account. In the event that Seller is required to bring legal action to collect delinquent accounts, Buyer agrees to pay reasonable attorney's fees and costs of suit. Seller shall retain a security interest in the products until Buyer's final payment to Seller for the products.

5. ORDER CANCELLATION, REDUCTION AND RESCHEDULING

Orders may not be cancelled, reduced in quantity or rescheduled without the express written consent of Seller and without payment to Seller of such reasonable charges as Seller may specify.

6. LIMITED WARRANTY

Seller warrants that the products are as described in the order, but no other express warranty is made with respect to the products. SELLER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULARLY PURPOSE, AND ALL WARRANTIES OTHERWISE ARISING BY OPERATION OF LAW, COURSE OF DEALING, CUSTOM OF TRADE OR OTHERWISE.

7. LIMITED LIABILITY

Seller shall not be liable for incidental or consequential damages, including but not limited to, the cost of labor, rework charges, delay, lost profits, or loss of goodwill arising out of the sale, installation or use of any products that are the subject of the order. Seller's aggregate liability for any breach of contract, breach of any implied condition, warranty or representation, shall be limited in respect of any occurrence or series of occurrences to the contractual value of the products that are the subject of the order.

8. FORCE MAJEURE

Neither Seller nor Buyer shall be liable for any delay or failure in the keeping or performance of its obligations under the Terms during the time and to the extent that any such failure arises by reason of Force Majeure. Force Majeure means any of the following causes to the extent such cause was neither foreseen nor reasonably foreseeable and is beyond the reasonable control of the party affected thereby: acts of war or the public enemy, whether war be declared or not, including terrorism; public disorder, epidemics, insurrection, rebellion, sabotage, riots or violent demonstrations; earthquakes, hurricanes, tornadoes, hail storms, torrents, floods, unusually severe weather or other natural calamities, disasters or acts of God; fire or explosion; strikes, lockouts or other industrial action by workers or employees of Buyer or of third parties not under the contractual control and supervision of Seller; acts of the government of the United States, the individual states, or county or local governments or acts of any foreign country. Upon the occurrence of an event of Force Majeure the party affected thereby shall promptly give written notice (setting forth full particulars) to the other party and shall resume the keeping and performance of the respective obligation after the cause of Force Majeure has come to an end. If an event of Force Majeure occurs and continues for a period of fifteen (15) calendar days from the date of occurrence of such Force Majeure event, the parties shall meet and make reasonable efforts to resolve the problem. During the existence of a Force Majeure event each party shall bear its own costs resulting therefrom. If the Force Majeure event continues for a period in excess of thirty (30) calendar days from the date of occurrence of such event, either party may terminate the applicable purchase order(s).

9. EXPORT REGULATIONS

Buyer agrees to comply fully with all laws and regulations concerning the purchase and sale of products. In particular, Buyer agrees to comply with the Export Administration Regulations of the United States in so far as they apply to the sale of products. The products are licensed by the United States for delivery to the ultimate destination as shown on the shipment/invoice address and any contrary diversion is prohibited.

10. ASSIGNMENT AND SUBCONTRACTING

Seller shall be entitled at all times to assign its rights under the order (in whole or in part) as it deems necessary or desirable. Buyer shall not be entitled to assign its rights with respect to the order without the express written consent of Seller.

11. STATUTE OF LIMITATIONS

No claim, action, cause of action arising out of any claimed breach of these Terms or the transaction hereunder contemplated may be asserted or brought by either party in any forum whatsoever more than one (1) year after the date on which cause of action or claim has occurred.

12. WAIVER

Failure by Seller to exercise or enforce any rights hereunder shall not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof at any time or times thereafter.

13. SEVERABILITY

The invalidity or unenforceability of any particular provisions of these Terms shall not affect the other provisions hereof, and these Terms shall be construed in all respects as if such invalid or unenforceable provision were omitted.

14. APPLICABLE LAW

Unless otherwise agreed in writing, the terms and conditions contained herein shall be governed by and construed under the laws of the State of Texas, USA. All actions or proceedings arising directly or indirectly or otherwise in connection with, out of, related to or from this order shall be brought only in a state district court or federal district court located in Harris County, Texas, USA.

15. JURY WAIVER

IN ANY CONTROVERSY OR CLAIMS ARISING OUT OF OR RELATING TO THE CONTRACT OR THESE TERMS, BOTH SELLER AND BUYER WAIVE THEIRS RIGHT TO TRIAL BY JURY.

16. ENTIRE AGREEMENT

As set forth above, these Terms set forth herein constitute the final written expression of all the terms and conditions of sale and are a complete and exclusive statement of those terms. Any and all representations, promises, warranties or statements by Seller's employees or agents that differ in any way from the terms and conditions set forth herein shall be of no force and effect.