STANDARD TERMS AND CONDITIONS OF MANUFACTURE AND SALE

BIDS, PRICING, CONTRACTS AND PAYMENT

This bid is offered for acceptance within 30 days from the date hereof, and depending upon market conditions, is subject to change without notice. The Customer's acceptance of the quotation, by Customer's purchase order or otherwise, constitutes a contract subject to the terms and conditions set forth herein, and said contract shall not be changed, canceled, altered or suspended, by Customer's purchase order or otherwise, unless made in writing and signed by or on behalf of Sherman Roto Tank LLC by a duly authorized officer. All of our prices are subject to quote. Contracts or orders are subject to approval of our credit department. We shall have the right to modify, change, or withdraw, credit terms at any time without notice and to request guaranties, security, or payment in advance for the amount of credit involved. Any and all necessary inserts or other components must be furnished by the Customer, F.O.B. our plant, in sufficient quantities to warrant continuous operation of the molds. The amount of inserts or other components necessary for assembly to be supplied by the Customer shall exceed by (10%) percent the number required to fill the order for molding pieces. We will not carry products or parts in stock, unless agreed to in writing or they are paid for in advance. We shall have the right to terminate all contracts and orders when any work done and invoiced thereon shall have gone unpaid for sixty days, and interest at a rate of five percent (5%) per month or the maximum amount allowed by law shall be charged. Any unpaid account for any manufactured parts or for mold, jigs, or fixture work shall constitute a lien of any molds, jigs, fixtures, tool, and/or manufactured parts in our possession. In the event a customer's account either for molds, jigs, fixtures, tools and/or parts remain open and unpaid for a period of 120 days, we reserve the right to use customer's molds, jigs, fixtures, and/or tools to make and sell parts therefrom, and further, to sell or dispose of any manufactured parts. Manufactured parts will be shipped and billed as they are produced. In case of dissolution of bankruptcy of customer, molds in our possession shall become our property to apply towards satisfaction of unpaid account, unpaid engineering charges and unliquidated damages.

SHIPMENT

In ordering, the buyer should state explicitly the method of shipment preferred and in absence of shipping directions the seller will use discretion in selecting carrier and classification. All prices quoted herein or otherwise represent our selling prices and are subject to the addition of any Federal, State, or Local taxes which are now in effect or which may be imposed in the future, and also to the addition of other costs resulting from other legal requirements, regulations, or restrictions. This sale is F.O.B. carrier at our plant or other indicated shipping point and buyer shall pay all freight charges. Title is to pass at F.O.B. point of shipment. Seller shall not be liable for any delay, loss, damage or charges after delivery of goods to the carrier F.O.B.

ORDERS

Orders for molds, tools, jigs, and/or fixtures are accepted subject to a deposit payment with order and the balance upon delivery of sample molded parts. This order is accepted upon the basis of the cost of labor and/or materials as of the date of this acknowledgement. A change in the costs of labor and/or materials during production of this order shall give us the right to alter prices hereon to reflect such changes in costs. This order is accepted in expressed agreement that is not subject to cancellation, change, reduction in amount, or suspension of deliveries, except with our consent and upon terms which indemnify us against loss. All verbal agreements except as confirmed in writing are void. This order is accepted on the basis of continuous or intermittent production as indicated on the face of this acknowledgement, and smaller runs as subject to increases in prices. Alterations in molds, approval of samples, changes in delivery specifications, and instructions of every kind must be submitted to us by the Customer in writing and accepted by us in writing.

DELIVERY

Delivery to the customer of finished parts depends upon receipts by us of materials, and of tools, jigs, fixtures, and molds. Estimated delivery dates are based on statements of suppliers and are not guaranteed. We use our best efforts to complete delivery on estimated dates, but we assume no liability for failure to do so.

FORCE MAJEURE

We assume no responsibility for any loss or damage occurring by reason of delay or inability to deliver caused by an act, neglect or default of Buyer, contractor, owner, architect or other sub-contractor, fire, strikes, accident, embargo's, car shortage, delays of carriers, insurrection, riot, acts of civil or military authorities, nor will we assume responsibility for damages of any kind whatsoever on account of failure to deliver at the time specified for any reason whatsoever.

SAMPLES

Samples submitted shall be deemed approved if written notice of rejection is not received within 10 days after date of submittal.

FULFILLMENT

Delivery of ten percent more or less than the quantity specified shall constitute fulfillment of this order and any excess not exceeding ten percent shall be taken and paid for by the customer.

LIMITED WARRANTY, DISCLAIMER, LIMITATION OF LIABILITY

Our liability for defective products, parts and/or services shall be limited to the price thereof and credit in full shall be rendered on all such products, parts and/or services provided that we have had an opportunity to inspect the items and authorize their return within 15 days after date of shipment to our customer. No credit will be issued on any products or parts which have been altered or defaced in any way, or upon which any additional operations has been performed. We do not assume liability, nor responsibility for products or parts lost or damaged in transit. This limited warranty is not transferable. The above limited warranty is the only warranty applicable to the parts, products and services and replaces all other warranties or conditions, express or implied, including, but not limited to, the implied warranties or conditions of merchantability and fitness for a particular purpose. Specifically, except as provided herein, Sherman Roto Tank, LLC undertakes no responsibility for the quality of the products or that the products will be for any particular purpose for which the customer may be buying the products. No oral or written information, or advice given by Sherman Roto Tank, LLC, its agents or employees, shall create a warranty or in any way increase the scope of the limited warranty. Sherman Roto Tank, LLC disclaims any warranties of non-infringement with respect to the parts, products and services and shall not have any duty to defend, indemnify, or hold harmless the customer from and against any or all damages or costs incurred by the customer arising from the infringement of patents or trademarks or violation of copyrights. In no event shall Sherman Roto Tank, LLC, (including its subsidiaries, affiliates, officers, directors, employees, agents or subcontractors, all of which are referred to herein collectively as the "Sherman affiliates") be liable under any circumstance to customer or any other party for any special, consequential, incidental or exemplary damages arising out of or in any way connected with the parts, products or services or otherwise, including but not limited to damages for lost profits, loss of the goods or any associated equipment, cost of capital, cost of substitute or replacement equipment, facilities or services, down time, customer time, lost data, injury to property or any damages or sums paid by customers to third parties. Even if Sherman Roto Tank, LLC Has been advised of the possibility of such damages. The foregoing limitation of liability shall apply whether any claim is based upon principles of contract, warranty, negligence or other tort, breach of any statutory duty, principles of indemnity or contribution, the failure of any limited or exclusive remedy to achieve its essential purpose, or otherwise. In no event shall Sherman Roto Tank, LLC Be liable to customer or any other party for loss, damage, or injury of any kind or nature arising out of or in connection with these terms and conditions in excess of the net purchase price of the parts, products or services actually delivered to and paid for by customer hereunder. Customer's sole remedy against Sherman Roto Tank, LLC In any dispute under this agreement shall be under paragraph 13 above, upon which they shall be released from and discharged of all further obligations and liability to customer. Some states do not **allow** the limitation of incidental or consequential damage or limitations on how long an implied warranty lasts, so the limitations herein may not apply to you.

INSPECTION AND TOLERANCES

All dimensions must be limited by specified tolerances; when not specified by the buyer, it is understood that commercially recognized tolerances will apply. When a sample is supplied for duplication without a blue print all dimensions shall be considered as fractional unless otherwise specified, and dimensions of the sample will be considered "mean" dimensions. Commercially recognized spot inspection procedures will be followed by the seller unless specifically arranged otherwise. It is definitely understood that concentricity is not a dimension and when required must be specified separately from dimension and will be subject to inspection only at the point where the relation is shown on the blue print. When concentricity is not specified the work will be manufactured in the most economical manner without particular regard to the concentricity, and quotations are made and orders accepted on this basis. When buyer purchases pursuant to his own specifications, the seller will not be responsible for the design and fitting of parts; the conforming of the seller's product to the specified tolerances is sufficient as to the correctness of the product.

TOOLS AND MOLDS

Any and all required gauges must be furnished by the Customer. Unless otherwise specified, commercial tolerances established by the material's manufacturer will prevail. Within the exception of normal wear and tear, we agree to maintain all Customer's molds and tools in our possession in conditions to furnish molded pieces to original specifications, however, our liability in this regard shall not extend for more than two years after completion of most recent production order, and in no event shall we be liable for loss or damage to molds and tools caused by fire, act of God, or other cause of damage beyond our control, and we shall be considered gratuitous bailee of such molds and tools. Customers shall bear the risk of loss with respect to all molds and tools in Sherman Roto Tank, LLC's possession and shall carry sufficient insurance on said molds at Customer's expense. Sherman Roto Tank, LLC does not and shall have no obligation to insure tools in its possession. Molds exhibiting excessive wear and requiring excessive maintenance will be replaced by the Customer, at the Customer's expense. Sherman Roto Tank, LLC will notify the Customer in writing when such a condition exists. If the molds are not replaced by the Customer, Sherman Roto Tank, LLC reserves the right to refuse to product parts or the tools unless print deviations are granted by the Customer in writing to cover the mold discrepancies. Should alterations or changes be necessary after construction of mold or tools has been started, Customer agrees to pay for and accept responsibility for such changes in tools made necessary by changes in prints or specifications originally accepted by Sherman Roto Tank, LLC A mold will be considered inactive if no orders have been received for production for six (6) months. A monthly storage fee of $75.00 plus $2.00 per square foot of storage space will be charged. This clause will not be invalidated by lack of notification of expiry. A mold will be considered obsolete if no orders have been received for production for one (1) year and we accept no responsibility for its continued existence or availability after such period of inaction. This clause will not be invalidated by lack of notification of expiry.

ENGINEERING

In consideration of the engineering service for which no charges are made but are necessary in the design of molds and tools, all molds and tools shall remain in our possession for at least one year and/or until the cost of the parts produced there from equals ten times the price of said molds and equipment as billed to the Customer, and in the event the Customer, after the expiration of such period desires delivery thereof. The Customer will accept them as is and pay prior to shipment and additional change of ten (10%) percent of the price at which they were originally billed.

TAXES

Any and all state and local sales, use, excise, privilege and similar taxes imposed on Sherman Roto Tank, LLC or which Sherman Roto Tank, LLC has a duty to collect in connection with the sale, delivery, or use of any product will appear as separate items on the invoice and will be paid by Customer. If sales to Customer are exempt from such taxes, Customer shall furnish to Sherman Roto Tank, LLC a certificate of exemption from the applicable taxing authority.

PATENT/TRADEMARK INDEMNIFICATION

The Customer herby agrees to indemnify and hold harmless against all loss resulting from infringement of patents or trademarks in any way related to the work done or goods produced pursuant to this quotation.

WAIVER

The failure of either party to enforce at any time any provision of these terms and conditions shall not be construed to be a waiver of such provision or the right thereafter to enforce each and every provision. No waiver by either party, either express or implied, of any breach of any of these terms and conditions shall be construed as a waiver of any other breach of such term or condition.

ASSIGNMENT

Customer may not assign or otherwise transfer its rights or obligations hereunder without the prior written consent of Sherman Roto Tank, LLC No attempt to assign or transfer in violation of this provision shall be binding upon Sherman Roto Tank, LLC

GOVERNING LAW AND VENUE

The rights of the parties hereunder shall be governed by the State of TEXAS, exclusive of choice of law rules. Any action hereunder shall be in BRAZORIA COUNTY, TEXAS.

COSTS AND ATTORNEY FEES

Customer will pay such costs, collection agency commissions, expenses and reasonable attorney fees (including at trial and on appeal) as Sherman Roto Tank, LLC may incur in any manner of collection of any sums past due. If this invoice becomes the subject of any suit, arbitration or other proceeding or if Customer becomes the subject of any bankruptcy proceeding (including with respect to any motion for relief from the automatic stay, objection to a plan or reorganization or confirmation or other similar proceeding), the prevailing party will be entitled to its costs and attorney fees, whether incurred in such proceeding or in any post judgment proceeding.

ENTIRE AGREEMENT; MODIFICATIONS; SEVERABILITY

This invoice, together with any credit application submitted by Customer, contains the entire understanding between the parties. Customer acknowledges that there are no other terms, conditions, warranties or representations other than those contained in those documents. No supplement, modification or amendment of those documents will be binding unless it is executed in writing by an officer of Sherman Roto Tank, LLC Any portion of this invoice that is found to be unenforceable will not invalidate the remainder of this invoice. The Seller is an equal opportunity employer and affirms that all applicable State and Federal laws and executive orders, including the Civil Rights Act of 1964, have been complied with in the manufacture of the Seller's products which are covered by this instrument.