



Terms and Conditions of Aero-Mod, Inc. ("Seller")

These terms and conditions of sale supersede all previous editions – and may be updated from time to time as posted to the Aero-Mod website.

1. **Pricing Policies.** All prices are good provided a PO is accepted by Aeromod by the date and invoicing milestones stipulated in the attached proposal, subject to these terms and conditions of sale and shipment and/or storage of completed material occurs within 300 days thereafter (or earlier if both parties agree in writing at the time of sale). If shipment and/or storage terms cannot occur within that time, then an invoice will be sent to the purchaser as if the equipment were on the job site. After that time, all prices are subject to change without notice and shall not be binding on Seller until reduced to writing and signed by Seller. All orders are subject to written acceptance and approval by an authorized representative of Seller. All prices are F.O.B. to the job site. Prices quoted include standard packing according to Seller's specifications. All costs and taxes for special packing requested by Purchaser, including packing for exports, shall be paid by Purchaser as an additional charge. NOTE: This quotation is prepared based on the usual duty-free import conditions governed under the USMCA agreement, as well as other free trade agreements. Should import duties be levied by Aero-Mod suppliers, the import duty will be added to the contract value.

2. **Taxes.** The price for the goods does not include any applicable sales, use, excise, GST, VAT, or similar tax. The purchaser shall have the responsibility for the payment of such taxes if applicable.

3. **Payment Terms.** Unless different payment terms are expressly set forth elsewhere in this offer or agreed to in writing by Seller in any confirmation of sale, goods will be invoiced upon shipment or, in the case of goods to be installed by Seller, upon completion of installation. Payment in full, is due within thirty (30) days from the invoice date. In the event payment is not made when due, Purchaser agrees to pay Seller a service or finance charge of one and one-half percent (1.5%) per month (18% per annum) – or the statutory rate - on the unpaid balance of the invoice from after the invoice due date. Purchaser is responsible for all costs and expenses associated with any checks returned due to insufficient funds. All credit sales are subject to prior approval of Seller's credit department.

4. **Effect of Purchaser's Financial Condition.** If, during the performance of the contract with Purchaser, the financial responsibility or condition of Purchaser is such that Seller in good faith deems itself insecure, or if Purchaser becomes insolvent, or if a material change in the ownership of the Purchaser occurs, or if Purchaser fails to make any payments in accordance with the terms of its contract with Seller, then, in any such event, Seller is not obligated to continue performance under the contract and may stop goods in transit and defer or decline to make delivery of goods, except upon receipt of satisfactory security or cash payments in advance, or Seller may terminate the order without further obligation to Purchaser whatsoever. If the Purchaser fails to make payments or fails to furnish security satisfactory to Seller then Seller shall also have the right to enforce payment to the full contract price of the work completed and in process. Upon default by Purchaser in payment when due, Purchaser shall immediately pay to Seller the entire unpaid amounts for any and all shipments made to Purchaser irrespective of the terms of said shipment and whether said shipments are made pursuant to this proposal or any other contract of sale between Seller and Purchaser, and Seller may withhold all subsequent shipments until the full amount is settled. Acceptance by the Seller of less than full payment shall not be a waiver of any of its rights hereunder.

5. **Risk of Loss, Title.** The risk of loss of the goods shall pass to the Purchaser as soon as they are deposited with the carrier for shipment to the Purchaser, but title to the goods shall remain in the Seller until the full purchase price therefor has been paid, unless otherwise agreed by Seller.

6. **Shipment.** Any stated shipment or delivery dates are approximate only and are contingent upon purchaser's prompt acceptance of Seller's offer. Seller will use every reasonable effort to meet estimated shipment or delivery dates. Seller's obligation with respect to shipment of the goods shall not extend beyond a) putting the goods in the possession of a suitable carrier and making a contract for the transportation thereof as may be reasonable, having due regard for the nature of the goods and b) delivering, within a reasonable time, such

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documents as may be necessary for Purchaser to obtain possession of the goods. Seller shall have the right to ship all of the goods at one time or in portions from time to time within the shipment period. This contract shall be deemed separable as to the goods sold. Purchaser may not refuse to accept any lot or portion of the goods shipped hereunder on the grounds that there has been a failure to ship any other lot or that goods in any other lot were nonconforming. Any such default by Seller will not substantially impair the value of this contract as a whole and will not constitute a breach of the contract as a whole.

7. **Testing, Inspection, and Acceptance.** Purchaser shall have the right to inspect the goods upon their receipt. Purchaser's failure to inspect the goods or failure to notify the Seller in writing that the goods are nonconforming within ten (10) days of their receipt, shall constitute a waiver of Purchaser's right to inspect and/or reject the goods for nonconformity and shall be equivalent to an irrevocable acceptance of the goods by Purchaser.

8. **Seller's Performance.** Seller shall not be responsible or liable for any delay directly or indirectly resulting from or contributed by limitations on Seller's production capabilities beyond its reasonable control, or to delays due to fires, explosions, acts of God, strikes or other differences with workers, shortage of utility, facility, components or labor, delay in transportation, breakdown or accident, war and acts of war, pandemics, compliance with or actions taken to carry out the intent or purposes of any law or regulation, changes in goods or materials, or any other causes or contingencies not caused by Seller or over which Seller had no reasonable control. In the event that any one or more deliveries hereunder is suspended or delayed by reason of any one or more of the occurrences or contingencies stated above, any and all deliveries so suspended or delayed shall be made after such occurrences or contingencies have ceased to exist, and nothing herein contained shall be construed in any way as lessening the full amount of goods herein being purchased and sold, but only as deferring delivery and payment on the *event(s) and to the extent herein provided for. Neither shall any delay in shipment be considered as a default under this contract nor give rise to any liability on the part of Seller for any incidental, special or consequential damage.

9. **Statement of Limited Warranty; Disclaimer and Limitation of Remedies.** Seller warrants that the goods purchased hereunder (with the exception of membranes, seals, gaskets, elastomer materials, coatings and "wear parts" all of which are not warranted) will be built in accordance with the specifications referred to in this quotation or confirmation of sale, as the case may be, and will be free from defects in material and workmanship for a period of two (2) years from the date of installation or thirty (30) months from the date of shipment, whichever shall occur first. Seller warrants the clarifier equipment purchased hereunder will be free from defects in material and workmanship for a period of five (5) years from the date of installation or five and one-half (5 ½) years from the date of shipment, whichever shall occur first. In no event shall Seller be liable for any loss, damage, injury or expense, resulting from the use or operation of, or from the erosion or corrosion of the goods or from ordinary wear and tear of the goods unless otherwise agreed in writing. Parts or products manufactured by others and provided by Seller are warranted only to the extent of the manufacturer's original warranty. Seller makes no independent warranty or representation with respect to these products.

Purchaser must give written notice to Seller of any defects in material or workmanship of warranted goods within ten (10) days of the date when any defects are first manifest. **UPON SUCH NOTICE, THE SOLE RESPONSIBILITY OF SELLER UNDER THIS LIMITED WARRANTY SHALL BE TO REPAIR OR REPLACE, AT ITS OPTION, A DEFECT IN THE MATERIAL OR WORKMANSHIP DURING THE WARRANTY PERIOD. ALL LABOR REQUIRED TO MAKE SUCH REPAIRS OR REPLACEMENT SHALL BE MADE BY PURCHASER AND AT PURCHASER'S EXPENSE UNLESS OTHERWISE AGREED IN WRITING.** Should these remedies be found to be inadequate or to have failed in their essential purpose for any reason whatsoever, Purchaser agrees that the return of the amount paid by Purchaser to Seller for the purchase of the goods which fail to conform with the warranties shall be considered a fair and adequate remedy and prevent the remedies from failing of their essential purpose.

This limited warranty is void unless the installation, operation and maintenance of the goods are done in accordance with the Seller's instructions. Further, Seller's warranty is void if Purchaser makes any repairs to the goods without Seller's prior written authorization.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, AGREEMENTS, CONDITIONS OR REPRESENTATIONS MADE BY ANY PERSON WITH RESPECT TO THE GOODS COVERED BY THIS OFFER, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WHICH ARE HEREBY SPECIFICALLY DISCLAIMED. IN NO CASE WILL SELLER BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM A BREACH OF WARRANTY OR ANY OTHER CAUSE INCLUDING, BUT NOT LIMITED TO, LOSS OF USE OF THE PRODUCT, LOSS OF TIME, INCONVENIENCE, INJURY, LOSS OR DAMAGE TO PERSON OR PROPERTY, COMMERCIAL LOSS, LOSS OF PROFITS, LIABILITIES OF PURCHASER

Aero-Mod Standard Terms and Conditions of Sale Rev. 0 dated 02/27/2025

TO ITS CUSTOMERS OR THIRD PERSONS OR OTHER MATTERS NOT SPECIFICALLY STATED, WHETHER BASED ON CONTRACT, TORT OR ANY OTHER LEGAL THEORY. IN ANY EVENT, SELLER'S MAXIMUM LIABILITY FOR ANY CLAIMS OR LOSSES ARISING UNDER THIS AGREEMENT SHALL NOT EXCEED THE PURCHASE PRICE OF THE PRODUCT (S) AND SERVICES FURNISHED BY THE SELLER HEREUNDER THAT GAVE RISE TO ANY LIABILITY.

It is specifically agreed that any action for breach of warranty or other action against Seller under this contract shall be commenced within one (1) year and one (1) day after such cause of action accrued.

10. **Installation and Start-up.** Unless otherwise agreed to in writing by Seller, installation shall be the sole responsibility of Purchaser. Where start-up service is required with respect to the goods purchased hereunder, it must be performed by Seller's authorized personnel or agents, otherwise, Seller's limited warranty is void. In the event Purchaser has engaged Seller to provide an engineer for start-up supervision, such engineer will function in supervisory capacity only and Seller shall have no responsibility for the quality of workmanship of the installation. In any event, Purchaser understands and agrees that it shall furnish, at Purchaser's expense, all necessary foundations, supplies, labor and facilities which might be required to install and operate the equipment.

11. **Cancellation.** No order may be canceled unless requested in writing by either party and accepted in writing by the other. In the event of a cancellation by Purchaser, Purchaser shall, within thirty days of such cancellation, pay Seller a cancellation fee which shall include all costs and expenses incurred by Seller prior to the receipt of the request for cancellation including, but not limited to, all commitments to its suppliers, subcontractors and others, all labor and overhead expended by Seller in the preparation of the Equipment prior to the cancellation, plus an amount equal to 15% of the aggregate of all the foregoing.

12. **Specifications.** Changes in specifications requested by Purchaser are subject to approval in writing by Seller. In the event such changes are approved, the price for the goods and the delivery schedule shall be changed to reflect such changes.

13. **Drawings.** All drawings are the property of Seller. Seller does not supply detailed or shop working drawings of the goods; however, Seller will supply necessary installation drawings. The drawings and bulletin illustrations submitted with Seller's quotation show general type, arrangement and approximate dimensions of the goods to be furnished. Seller reserves the right to alter such details in design or arrangement of its goods which, in its judgment, constitute an improvement in construction, application or operation. All engineering information necessary for installation of the goods shall be forwarded by Seller to Purchaser upon written acceptance of Seller's quotation. After acceptance of the quotation, any changes in the type of goods, the arrangement of the goods, or application of the goods requested by Purchaser will be made at Purchaser's expense. A parts list and general assembly and installation instructions necessary for erection and maintenance will be supplied when the goods are shipped.

14. **Patents.** The goods being provided by Seller may be covered by patents pending or issued. Seller grants Purchaser a license and the right to use these goods without further charge. Seller does not grant Purchaser the right to use the goods, or protection against patent infringement claims arising from use of the goods, in any patented processes controlled by others, unless specifically set forth in this quotation.

15. **Assignment.** No right or interest in this contract shall be assigned by Purchaser without the prior written permission and consent of Seller.

16. **Indemnification.** Purchaser hereby agrees to indemnify, defend, and save Seller, its directors, officers and employees, harmless from any and all losses, liabilities, damages, costs and expenses (including attorney's fees and other expenses of litigation) judgments, settlements, fines, penalties, or interest, resulting from or relating to: (i) any claim or action for personal injury or death or damage to or loss of property arising out of this Agreement; (ii) violation of or failure to comply with any applicable law, regulation, rule or order arising from the use by Purchaser, its employees, agents, customers, invitees or by other third parties of the goods and services to be provided under this contract; or (iii) Purchaser's negligence or more culpable act or omission (including recklessness or willful misconduct). Seller shall have the right, but not the duty, to participate in the defense of any such claim or suit with attorneys of its own selection without relieving Purchaser of any of its obligations hereunder. This indemnity shall survive delivery of the goods or performance of the services under this contract.

17. **Entire Agreement.** The terms and conditions contained herein and in any accompanying quotation or proposal of Seller, shall constitute the entire and complete agreement between Seller and Purchaser and shall supersede all prior oral or written statements or understandings of any kind of whatsoever made by the parties or their representatives. No modifications or additions to these terms and conditions shall be binding on Seller.

unless specifically agreed to in writing and signed by an authorized representative of Seller. Further, no oral or written statement made subsequent to the acceptance of Purchaser's order by Seller which purports to modify in any way these terms and conditions shall be binding upon Seller unless such statement is clearly adopted and agreed to in writing by a duly authorized representative of Seller.

18. **Limited Authority of Sales Agents.** The sales agents and representatives of Seller have no authority to enter into agreements, contracts or understandings, or to bind or incur any liability or obligation on behalf of Seller. Orders and contract proposals taken by the sales agents and representatives of Seller are subject to written approval by an authorized representative of Seller.

19. **Interpretation of Contract.** This offer and any related confirmation or contract of sale shall be governed by and construed in accordance with the laws of the State of Kansas and is intended also as a complete and exclusive statement of the terms of the contract. No prior course of dealing between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this contract. Acceptance or acquiescence in a course of performance rendered under this contract shall not be relevant to determine the meaning of this contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection. Waiver by Seller of a breach by Purchaser of any provision of this contract shall not be deemed a waiver of future compliance therewith, and such provision shall remain in full force and effect. If any portion of these terms and conditions is deemed invalid by a court having jurisdiction over the parties, the remaining provisions shall remain fully effective. Any term used in this contract which is not defined herein shall have the same definition as that contained in the State of Kansas Uniform Commercial Code.