



Standard Conditions of Sale

Form No.: F153.3

Date: 8.09

Supersedes: F153.2 8.06

Acceptance:

Buyer's purchase order must be approved by Flow Design, Inc. (Seller) before it is accepted. Acceptance of Buyer's purchase order is according to the conditions and terms set forth herein and according to the prices, shipping schedules, physical description of the goods to be furnished by the Seller, etc. as set forth in the F.D.I. Pricing Guide and other price sheets. Seller will not accept orders which require penalty payments for failure to meet Buyer's specified shipping dates.

No Modifications:

The contract arising by acceptance of Buyer's purchase order pursuant to this acknowledgement shall not be amended, modified or rescinded, except by written agreement signed by an authorized official of each part, expressly referring to this contract.

Terms of Payment:

Terms of payment are at the option of the Seller and shall be either: (a) NET•30 DAYS from date of invoice with an added 1 1/2% Service Charge per month for any unpaid balance; (b) NET•60 DAYS if Buyer's purchase order is accompanied by a Guaranteed Letter of Credit for the full amount from Buyer's bank; (c) Seller may require other payment terms if he deems it necessary. Seller may, at will, withdraw credit and repayments of any issued but unpaid invoices. No part of the damages resulting from any breach may be deducted from any part of the price still due. Buyer shall not withhold any part of payment as retainage. Minimum order value is \$50 net. Orders of less than \$50 will be billed at \$50.

Title:

Title to the goods covered by any invoice shall pass to Buyer upon payment in full of the invoice and not before. Seller hereby retains titles to and a security interest in the goods covered by this agreement to secure payment and performance of all Buyer's obligations under this agreement. Seller may in any jurisdiction file or record this agreement, a financing statement, or release the security interest in the goods covered by the agreement against the rights of the third persons. All costs (court, legal, attorney fees, etc.) resulting from Buyer's breach of the terms of this agreement shall be borne by the Buyer.

Delivery:

Delivery to the initial carrier shall constitute delivery to Buyer and risk of loss shall shift to Buyer at that point. Seller's responsibility ceases upon delivery in good order to such carrier, and all goods are shipped at Buyer's risk. Buyer shall have the right to specify the shipping date or dates. Seller shall make every effort to adhere to the shipping dates so specified but regardless of the cause, delay in shipping does not constitute a breach. Seller may ship the goods in one or more lots and Buyer shall take delivery of goods on the day that the Seller delivers them to the initial carrier.

Freight:

Seller shall make shipment by common carrier of Seller's choice within the continental United States prepaid to the freight station nearest the job site or to port of shipment for goods that are to be shipped outside the continental United States. All freight expenses will be borne by the Buyer.

Damage:

Seller will accept no charges for loss or damage in transit but will assist Buyer in preparing claims against transportation companies, if Buyer will make note of apparent damage when signing freight receipts. All claims must be made within ten (10) days after the receipt of shipment.

Warranty:

Seller supplies products to you which may be used by you or others in consumer products applications. We wish to inform you of the scope of our warranty statement, which is listed below. Because of its limitation and exclusions, our warranty must be designated a "limited" warranty for purposes of potential consumer use of our products.

We warrant that our products will be of good merchantable quality, free from defects in material and workmanship, and will possess the characteristics represented in writing by us. Claim from breach of the above warranty must be made within the time specified below from the ship date to the Original User.

- 12 months - hoses and components
 - 24 months - pressure independent and pressure stabilization
 - 60 months - brass/steel products unless otherwise specified
- (All others please consult factory)

Some states do not allow limitations on how long implied warranty lasts, so the above limitations may not apply to you. Upon satisfactory proof of claim, we will, within a reasonable amount of time, make any necessary repairs, additions or corrections or, at our option, replace any defective parts free of charge. FDI is not responsible for field labor to remove defective products and/or reinstall replacement products. All returned products must have a Return Material Authorization (RMA). The foregoing is in lieu of all other warranties, expressed or implied. This warranty statement sets forth the extent of our liability for breach of any warranty or deficiency in connection with the sale/use of the products.

It is understood that we will not be liable for consequential damages of any nature, including but not limited to loss of profit, delays or expenses, whether based on tort or contract. (Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you.) This warranty gives you specific legal rights, and you may also have other rights which vary from state to state.

Taxes:

Buyer shall pay to Seller in addition to the purchase price, the amount of Federal, State, Local, use taxes, sales taxes and other similar taxes which Seller shall be liable for in connection with furnishing goods or services to Buyer.

Authority:

Sales representatives may not incur liability or make agreement on behalf of Seller contrary to the terms set forth herein.

Shipment Outside the Continental United States:

Before manufacturing will be started on such equipment, Seller must be provided with an initial payment of at least 50% of the total price including prepaid freight plus an irrevocable letter of credit showing the balance of the purchase price, in American dollars, is on deposit in an American Bank payable to Seller upon presentation of evidence of shipment, unless waived by Seller. Import or export duties are to be paid by Buyer.