

## STANDARD TERMS AND CONDITIONS

1. **INTRODUCTION** It is understood and agreed that all orders placed for systems, products or services with ZA Control Services (herein after referred to as "ZA") and any other form of communication shall be subject to these terms and conditions, which shall take precedence over any terms and conditions that may form a part of the customer's order, or other form of communication by the customer. Any provisions or conditions of customer's order or other form of communication by the customer, which are in conflict with, or in addition to these terms and conditions shall not be binding on ZA except as agreed to in writing by duly authorized representative of ZA.

2. **ACCEPTANCE** All orders are subject to acceptance and credit approval by ZA at its Houston, Texas office.

3. **VALIDITY** Unless expressly otherwise provided, this proposal shall expire thirty days from the date of issue. All printed, typed or written terms and conditions of this quotation are subject to change only if agreed to in writing by ZA.

4. **PAYMENT** Terms are thirty (30) days net from the date of invoice, F.O.B. shipping point, and if required by ZA, an irrevocable letter of credit issued by a bank and confirmed by a United States of America bank. Labor only projects may require specific payment terms such as fifteen (15) days net for labor. These payment terms are issued on a case by case basis and the customer will be notified at the time of proposal if a different payment term is required for their project. Also, at ZA's option, progress billings may be submitted to Buyer. The portion billed will be a prorated portion of the complete job or on a unit basis, which ever is applicable. Late payments by Buyer shall be subject to a charge of 1 ½% per month. Buyer shall also pay to ZA any cost or expenses, including attorney's fees, incurred by ZA with respect to the collection of any late payments or otherwise delinquent monies. Title to any and all goods sold hereunto shall pass to Buyer only upon payment in full to ZA for such goods and services.

5. **SHIPMENT AND DELIVERY** (a) all goods shall be shipped FOB shipping point, unless otherwise agreed to in writing by ZA. Notwithstanding any herein to the contrary, risk of loss shall pass to Buyer upon delivery of goods to the carrier. (b) all shipping dates will be calculated from the date of receipt of the order with complete specification or final approved project drawings and Buyer supplied material(s). (c) any shipping or delivery date stated herein is an estimate which ZA shall attempt to meet (d) if Buyer does not accept conforming goods delivered pursuant to said agreement within a reasonable time after ZA tenders delivery, in addition to such other remedies as may be available to ZA, Buyer shall be responsible and shall reimburse ZA for all reshipping, storage and warehousing costs, whether such costs are the result of storage by an independent party or by ZA.

6. **FREIGHT ALLOWANCE** Any quotations that include freight allowance are based upon the lowest actual station-to-station freight rate in effect on the date and are subject to increase or reduce to the extent of any changes in the freight rate which may become effective before shipment is made. Choice of carrier is at ZA's discretion unless otherwise agreed by ZA. Buyer assumes all responsibility and cost for unloading said goods from the carrier and transporting them to their final destination.

7. **TAXES** Unless otherwise agreed, the prices stated herein do not include any excise, sale, use or similar tax in the event that the Buyer is not the end user. The amount of any such taxes which are payable in accordance with the provisions of any statute or rules, regulations or decisions of any taxing authority, will be paid by the end-user Buyer by reimbursing ZA for the amount of such taxes shown on its invoice.

8. **WARRANTIES** ZA has a one-year warranty on its services to be free of defects in material and workmanship. More specifically the services of

assembly and wiring of control systems and equipment supplied by ZA Control Services for the project is under warranty, but the equipment supplied by customer is not. Manufacturer's warranty periods (of equipment installed in control systems) can be requested at any time.

This limited warranty pertains to defects in material (provided by ZA Controls) and workmanship only. Damage caused by improper use or care is not covered by this warranty. Examples of damage that is not covered are:

- Improper field installation or malicious tampering.
- Allowing water, snow, or ice to pool or puddle on or inside equipment.
- Breakage or rips caused by failure to protect the equipment from sharp objects.
- Wind damage due to improperly securing the equipment.
- Cabinet discoloration or failure due to chemical exposure (includes tree sap, bird droppings, oil, and gas).
- Mildew caused by resting on the equipment, or the product being stored while damp.
- Damages caused by acts of God.

Under the terms of this warranty, equipment/services found to be defective will be replaced or repaired, at ZA Control Services' option. If minor repairs can return the product to useful service, it will be repaired at no charge. If the product is beyond minor repair, the cost of replacement will be calculated by subtracting the residual value of the defective equipment from the current actual retail price for the same item. When you call for a Return Goods Authorization (RGA)#, we can estimate the replacement cost of the equipment.

All potentially defective products must receive a Return Goods Authorization (RGA)# before they are returned to ZA Control Services. Products returned without an RGA# will be refused, and the product will be returned to the sender. To receive a RGA#, call us at 713-461-3411. Freight on defective products is the responsibility of the end-user. Repaired or replaced products will be shipped back to the end-user freight prepaid.

This warranty is in lieu of all warranties, express or implied, and under no circumstances shall ZA Control Services be liable for any damages in excess of the control systems' original fabrication price.

9. **TERMINATION AND CANCELLATION** Orders are not subject to termination or cancellation except upon written consent of ZA and payment by Buyer to ZA of a sum set by ZA which fairly compensates ZA for the percentage of the work completed.

10. **WORK PERFORMED ON BUYER'S PREMISES** If work is to be performed on Buyer's premises, buyer warrants that it will furnish a place of employment which is safe and free from recognized hazards that are likely to cause death or serious physical harm and which is in compliance with OSHA and its standards.

11. **LIMITATION OF LIABILITY** ZA's liability with respect to any claim or damage whatsoever arising out of or related to the subject matter hereof shall in no event exceed the contract price with respect to that subject matter. In no event shall ZA be liable for any collateral, consequential, incidental, special or indirect damages, costs, or claims of any nature whatsoever arising out of or related subject matter hereof.

12. **APPLICABLE LAW** This agreement shall be governed by the laws of the State of Texas.