



TERMS AND CONDITIONS OF QUOTATION

GENERAL: These terms and conditions apply to all quotations, orders, and contracts (collectively, the "Agreement") for the purchase of goods from FOBI Inc. ("FOBI"). No addition to or modification of these terms and conditions will be binding upon FOBI unless agreed to in writing and signed by an authorized FOBI representative. FOBI objects to other terms and conditions that may be proposed by the Buyer not consistent with these or other terms and conditions.

DELIVERY: Delivery dates are estimates based on present stocks, suppliers' promises, and production schedules.

WARRANTY: Except as otherwise noted on FOBI's quotation or other signed written communication from FOBI, all parts sold by FOBI are warranted to be free from defects in material and workmanship and to conform to FOBI's written specifications applicable to the parts.

NO OTHER WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE, SHALL EXIST IN CONNECTION WITH THE DESIGN, MANUFACTURE, SALE, OR USE OF ANY GOODS OR PARTS SOLD BY FOBI.

Without limiting the generality of the foregoing, this warranty does not cover, and FOBI shall have no liability for:

- a. Failure or damage due to misapplication, abuse, improper installation, or abnormal conditions of use, temperature, moisture, dirt, pollution, or corrosion.
- b. Parts that have been in any way altered after leaving FOBI's facility.
- c. Parts damaged in shipment or otherwise without FOBI's fault.
- d. Expenses incurred by the Buyer in processing any parts before discovery of alleged defects or in attempting to correct same.
- e. Failure or rejection of parts due to incorrect specifications and/or design parameters supplied by the Buyer.
- f. Damage or losses resulting directly or indirectly from the use or resale by the Buyer of defective parts, or for FOBI's parts that have been further processed by the Buyer.

LIMITATION OF LIABILITY: FOBI SHALL NOT BE LIABLE FOR INCIDENTAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES. THE REMEDIES OF PURCHASER SET FORTH IN THESE TERMS AND CONDITIONS ARE EXCLUSIVE, AND THE LIABILITY OF FOBI WITH RESPECT TO ANY CONTRACT OR SALE, WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, EXPRESS OR IMPLIED FOR MERCHANTABILITY, FITNESS, OR OTHERWISE, SHALL NOT EXCEED THE PRICE OF THE PRODUCTS UPON WHICH SUCH LIABILITY IS BASED. FOBI SHALL NOT BE LIABLE OR RESPONSIBLE FOR LOSSES, DETENTIONS, OR DELAYS OCCASIONED BY ACCIDENT, STRIKES, OR FIRES AFFECTING FOBI'S OPERATIONS OR THE OPERATIONS OF FOBI'S SUPPLIERS, OR ANY OTHER CAUSE BEYOND THE CONTROL OF FOBI. THESE DISCLAIMERS AND LIMITATIONS OF LIABILITY WILL APPLY REGARDLESS OF ANY CONTRARY PROVISION OF THE AGREEMENT.

CLAIMS: All claims by Buyer will be deemed waived if not presented within 30 days after receipt of shipment. Upon notice of any such claims, FOBI may inspect any alleged defective parts at the Buyer's place of business or may request their return to FOBI. The Buyer may not return parts without authority from FOBI and FOBI will not be liable for transportation charges if parts are returned without FOBI's permission.

PRICES: Prices are for the quantities and the delivery date quoted. Orders are not subject to cancellation or reduction in quantity, nor may a specified delivery date be postponed for more than 30 days, except with FOBI's consent. If FOBI consents to such change, FOBI shall be entitled to full compensation for all extra costs as FOBI shall determine.

CREDIT: If FOBI reasonably believes Buyer may not perform its obligations under the Agreement, FOBI may suspend or alter credit terms, require payment before shipment or manufacture, or require such other adequate assurance of Buyer's ability to perform. In such event, FOBI shall not be liable for non-performance of any part of the order unless payment was made as requested.

GOVERNING LAW: All transactions with FOBI shall be deemed to have been made and entered into and shall be construed and enforced in accordance with the laws of the State of Texas. Any action to interpret or enforce contracts with FOBI shall take place in Harris County, Texas.

ARBITRATION: Any dispute arising out of or related to FOBI's products or any contract with FOBI, other than an action seeking injunctive relief, shall be resolved by binding arbitration, in Harris County, Texas pursuant to the rules of commercial arbitration. Buyer and FOBI agree to each pay one-half the cost of the arbitration proceeding. Any decision rendered by the arbitrators shall be binding upon the parties and may be filed in any court of competent jurisdiction.