

Sales by GEM shall be subject to the terms and conditions herein and buyer's purchase order shall constitute acceptance of such terms and conditions. Buyer's purchase order, if at variance with the terms and conditions herein, shall not be binding upon GEM unless specifically accepted by GEM in writing.

Price Terms

All prices F.O.B. point of shipment.

Credit Terms

Prompt pay cash discount terms are 2%-20 days, net 30 days. Delinquent payments are subject to 1.5% monthly service charge (18% annual rate). GEM further reserves the right to reclaim any GEM goods which may be in buyer's possession in the event of buyer's breach of the payment terms. GEM shall not accept deductions from payments by buyer for any reason that has not been preapproved by the plant manager, and which is in accordance with GEM's stated warranty and claims policy.

Price Changes

Subject to change without notification.

Minimum Billing Charge

\$50.00 per order.

Delays

There will be no penalty or liability for delays due to act of God, acts of the Government, strikes, material shortages, any conditions or circumstances beyond GEM's control.

Warranty

GEM warrants, for a period of one year from the date of shipment (warranty period) that the products will be free from defects in material and workmanship. Parts of the product manufactured by others are warranted only to the extent of the original manufacturer's warranty. GEM's obligation under this warranty is limited to repair or replacement, as it shall determine in its sole discretion. In the case of a replacement, GEM will pay the freight to the location of the defective product. WHEN A PRODUCT IS BELIEVED TO BE DEFECTIVE, BUYER MUST NOTIFY GEM WHICH SHALL BE GIVEN AN OPPORTUNITY TO INSPECT THE PRODUCT PRIOR TO THE BUYER TAKING CORRECTIVE ACTION WITH THE INTENT TO MAKE CLAIM.

This is GEM's sole warranty. GEM makes no other warranty of any kind, express or implied. All implied warranties of merchantability and fitness for a particular purpose

General Terms and Conditions (continued)

which exceed GEM's aforementioned obligation are hereby expressly disclaimed by GEM and excluded from this warranty. GEM does not assume any other obligation for items which have been repaired or altered without GEM approval, or have been misused or have been damaged by accident.

Partial Shipments

Unless specifically indicated in writing on the buyer's purchase order, we reserve the right to make partial shipments.

Claims

Any claims against GEM arising hereunder shall be deemed waived unless they are presented in writing, with particulars, within ten (10) days after they arise, and proper notification as per GEM's stated warranty policy was followed. Damage or shortage claims should be filed with the delivering carrier.

Shipping and Delivery

All orders must be accompanied by a Purchase Order or a signed GEM Quote Sheet. When an order is released from scheduling, each customer will be notified of a tentative date for shipment. GEM will not be responsible for damages of any kind, liquidated or unliquidated, including damages for lost profits due to conditions beyond our control that may affect the delivery time or date. All claims for shortages of material must be noted on the bill of lading at receipt of shipment.

All jobs are shipped and priced F.O.B. the plant. You will find that consolidated shipping results in lower freight cost. At the jobsite, you will be given a set of unloading instructions that will expedite that unloading of your job. We ask that your personnel pay attention to these instructions as GEM does not hold the driver responsible for unloading the wrong material.

1. The request to return material should be addressed to your distributor and they, in turn, through the appropriate plant. The request must include the description of material, reason for return, customer order number and/or customer invoice number to enable the request to be processed. No materials may be returned without this information.
2. When the request is approved, a Return Authorization form will be completed and include a predetermined number for reference and advise where the material should be returned. The Return Authorization form will contain a packing list copy which must accompany materials when they are returned. Return Authorizations are valid for 30 days only from date of issue.
3. No credit will be issued for returned materials without an approved Return Authorization.
4. Materials being returned due to order entry and/or shipping errors will be credited at full value providing the materials are returned within 30 days from the date of the original shipment.
5. Full credit will be issued for defective materials only after the material has been inspected and verified by the Plant Quality Control Department.
6. Special purchased items may be returned under the manufacturer's terms and conditions only. If the manufacturer will not accept the materials, credit will not be issued. Non-stock manufactured items will be evaluated on an individual basis with credit being issued if the items can be resold or converted to stock. If not, credit will be issued for salvage value.
7. Credit will not be issued for discontinued items. Items no longer manufactured or items superseded by another model are defined as discontinued.
8. Sprinkler heads must be less than 3 years old for return consideration and of reasonable quantities.
9. To receive consideration for credit, materials must be in resalable condition. In cases where materials must be reconditioned and/or missing parts replaced, the customer will be charged the normal 20% restocking charge plus the actual plant cost for labor and material required to put the items in new condition and available for resale. Credit will not be issued for materials previously installed unless covered by Item No. 5 above.
10. Material that has been approved for return must be packed in such a way as to prevent damage during shipment. The use of original packaging is preferred. Credit cannot be issued for materials damaged in transit due to improper packaging.

Effective Date 3/20/03