

CARRIER ENTERPRISE, LLC
TERMS AND CONDITIONS OF PURCHASE

1. CONTRACT OF PURCHASE. Subject to the terms and conditions stated herein (including all drawings, specifications and other documents attached to this offer or referred to in this offer), Seller agrees to sell and Buyer agrees to purchase from Seller, the goods or services described in this order. Seller shall acknowledge receipt and acceptance of each purchase order or release within three (3) business days; however, if for any reason Seller shall fail to return to the Buyer the signed acknowledgement copy of this order, any conduct by Seller which recognizes the existence of a contract pertaining to the subject matter hereof shall constitute unqualified acceptance by Seller of this order and all of its terms and conditions. The terms of this order shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties and may be modified only by written instrument executed by the authorized representatives of both parties. Any terms proposed by the Seller which add to, vary from or conflict with the terms herein are hereby objected to. If this order has been issued by Buyer in response to Seller's offer, and if any of the terms herein are additional to or different from the terms of such offer, then the issuance of this order by Buyer shall constitute an acceptance of such offer, subject to the express condition that this order and its terms constitutes the entire agreement between Buyer and Seller with respect to the subject matter hereof and the subject matter of such offer. Further, Seller shall be deemed to have so assented and acknowledged unless Seller notifies Buyer to the contrary in writing within seven (7) calendar days of receipt of this order. Any reference by Buyer to Seller's proposal is solely for the purpose of incorporating the description and specifications of the goods and services contained therein to the extent that such description and specifications do not conflict with the description and specifications on the face of this order.

2. PRICE. The price for the goods or services shall be the price as shown on this order. The Seller warrants that the agreed price is not less favorable than that currently extended to any other Buyer for the same or like goods in equal or lesser quantities.

3. TAXES. Unless exempt therefrom, all duties and taxes which Seller is required by law to collect from Buyer are included in the price stated herein; any such items included in the prices or otherwise payable by Buyer shall be separately identified on Seller's invoice.

4. INVOICES. Unless otherwise agreed in writing, invoices are paid net sixty (60) days from date of receipt of the goods or completion of any required services, and not on the basis of Seller's invoice date. All invoices must contain the following information: Purchase order number, item number, description of items, sizes, quantities, unit prices. Payments of invoices shall not constitute acceptance of the goods and shall be subject to adjustment for shortages, defects and other failures of Seller to meet the requirements of this order. Buyer's tender of payment by check is sufficient, provided such check is honored, upon presentation by the "Payor Bank". Buyer shall have the right to reduce and set-off against amounts payable hereunder any indebtedness or other claims which Buyer may have against Seller however and whenever arising.

5. DELIVERY. Unless otherwise agreed in writing, the goods shall be delivered to Buyer assembled, completed, and ready for use, and the Buyer shall accept delivery of such goods or performance of any required services at the location designated on this order. The obligation by Seller to meet the delivery or performance date is of the essence in this order. Upon request, Seller shall give Buyer advance notice of when shipments will be made. Delivery of goods or performance of any required services is not complete until goods or services have been actually received and accepted by Buyer.

6. EXCUSABLE DELAY. Seller shall not be deemed to be in default on account of delays in the delivery of goods or in the performance of services to the extent it is beyond Seller's control and not occasioned by Seller's fault or negligence, provided that promptly upon the occurrence of any event which may result in a delay, Seller shall give notice thereof to Buyer, which notice shall identify such occurrence and specify the period of delay which may be reasonably expected to result therefrom. In the event delivery of the goods or performance of services shall be delayed due to any cause beyond Seller's control and not occasioned by Seller's fault or negligence for a period of more than thirty (30) days after the end of the calendar month in which delivery is otherwise required hereunder, Buyer shall have the option to terminate this order upon written notice given to the Seller within five (5) business days after the expiration of such thirty (30) day period, and such termination shall discharge all obligations and liabilities of the parties hereunder with respect to undelivered goods, services, data or other items to be furnished hereunder.

7. WARRANTY. Seller warrants to Buyer and its Affiliates, its successors, assigns, customers, and users of the goods sold by Buyer that all goods provided hereunder shall be (i) merchantable; (ii) new; (iii) free from defects in material and workmanship; (iv) with regard to goods designed by Seller, free from defects in design; (v) in compliance with all applicable specifications, drawings, and performance requirements; (vi) fit for the purpose intended; and (vii) free from liens and encumbrances on title. Delivery, inspection, test, acceptance or use of, or payment for the goods furnished hereunder shall not affect Seller's obligation under this warranty, and such warranties, and all other warranties, express or implied, shall survive delivery, inspection, test acceptance, payment, and use. If defects are identified before shipment to Buyer's customer, and provided Buyer elects to provide Seller with the opportunity to make the repair or provide the replacement, Seller agrees to correct defects in, or replace any goods not conforming to the foregoing warranty promptly, but in no event, will repair or replacement and delivery be completed more than ten (10) days from notice of such nonconformity by Buyer. A written notice specifying that such goods are corrections or replacements shall accompany deliveries of corrected or replaced goods. In the event that Seller fails to correct defects in or replace nonconforming goods promptly, Buyer, after reasonable notice to Seller, shall have the right to correct or replace such goods and charge Seller for the cost incurred by Buyer in doing so, such right to include, without limitation, Buyer's right to deduct or offset. If defects are identified after shipment to Buyer's customer, goods may be scrapped,

retained, or held for Seller's disposition, at the discretion of Buyer's customer. Seller shall promptly reimburse Buyer for any expenses or damages incurred by Buyer regardless of the nature of such expenses or damages as a result of or relating to Seller's failure to comply with (i)-(vii) above, including but not limited to repair, replacement, rework, removal and reinstallation costs, shipping costs, production delays, payment withholds, field service costs, recall costs, and costs of filing and complying with legal and regulatory requirements, including but not limited to those of agencies such as the Consumer Product Safety Commission. If services or technical data are to be provided by Seller hereunder, Seller warrants to Buyer that such services and/or technical data have been performed or prepared in a professional and workmanlike manner and in compliance with Buyer's instructions or other requirements.

8. QUALITY OF GOODS AND SERVICES. All goods sold by Seller to Buyer pursuant to this order shall conform to Buyer's quality standards and requirements set forth in any specifications, drawings, samples or other document upon which this order is based. Prior to delivery, Seller shall inspect and test the goods for quality in compliance with this order. The Seller shall keep records of all such quality inspections and tests and, if so requested by Buyer, supply Buyer with copies of such records. Buyer, without prejudice to any other rights or remedies, including the right to inspect goods after delivery, shall have the right at all times to inspect and test the goods during manufacture or processing or while stored under Seller's control. Seller shall not make any changes during the term of this order in the quality, in the location of manufacture, or in Seller's processes related to the goods without prior notification to and written acceptance of such changes by the Buyer. Any accepted changes shall become the controlling standard of quality for the remaining term of this order.

9. INDEMNIFICATION. Seller covenants and agrees at all times to protect, hold harmless and indemnify Buyer, its parent affiliated companies, and their respective directors, officers, employees, successors and assigns from and against any and all losses, costs and expenses arising from a breach of this Agreement by Seller, and from and against any and all claims for loss, damage or injury and from and against any suits, actions, or legal proceedings of any kind brought against Buyer, or by such other parties by or on account of any person, persons, or entities, or on account of any injuries received or sustained by any person, persons, or entities in any manner (howsoever arising, including without limitation, by reason of negligence, breach of warranty, defect in design, material or workmanship or otherwise, and even though strict liability be claimed), directly or indirectly caused by, incident to, or growing out of a breach of this Agreement, defects in the design, manufacture, or materials used in the goods, negligence in the manufacture, or provision of the goods supplied, or performance of the services hereunder. If directed by Buyer, Seller shall take upon itself the defense and/or settlement of all such claims and the defense of any suit, suits or legal proceedings of any kind brought to enforce such claim or claims, and to pay all judgments entered in such suit, suits or legal proceedings, and all attorneys fees and other expenses. Seller agrees that in any instance where such claims in any way affect Buyer's interest under this order or otherwise, Seller shall not consummate any settlement without Buyer's prior written consent. Seller's covenants of indemnity herein shall continue in full force and effect notwithstanding the termination or expiration of this order.

10. PATENT INDEMNIFICATION. Seller will indemnify and hold Buyer harmless from and against all liability and expenses, including attorneys' fees, arising from actual or claimed

infringement of patent, trademark, copyright, misappropriation of trade secrets, breach of confidential relationship, or other rights occasioned by the manufacture, sale or use of the goods or services provided under this order.

11. INSPECTION AND ACCEPTANCE. Buyer may inspect all goods at any time, including during manufacture at the Seller's facility. Such inspection may at Buyer's option include confirmation of Seller's compliance with all requirements of this order. At no additional cost to Buyer, Seller will permit Buyer and/or its designees access to Seller's facilities at all reasonable times and will provide all tools, facilities and assistance reasonably necessary for such inspection and/or confirmation. All goods are subject to final inspection and acceptance at any time after delivery to Buyer. Buyer, without prejudice to any other rights or remedies, shall have the right to reject defective goods and, at Seller's risk (notwithstanding the terms of delivery) and expense, return the same to Seller or dispose of the same according to Seller's instructions. Payment or transfer of title shall not constitute acceptance. Buyer may return any non-conforming goods to Seller for reimbursement, credit, replacement or correction as Buyer may direct, or Buyer may correct and/or replace such goods at Seller's expense. If Seller fails to do so in a timely manner, Buyer may cancel this order as to all such goods, and in addition, may cancel the then remaining balance of this order. Any goods rejected by Buyer will be held by Buyer temporarily at Seller's risk and expense. Seller will not tender goods for acceptance unless any former rejection or requirement of correction is disclosed. Seller will reimburse Buyer for any packaging, handling and transportation costs Buyer incurs with respect to rejected goods. Buyer may revoke its acceptance of goods at any time, whether or not a substantial modification to the goods has been made, if Buyer finds a previously undiscovered defect in the goods which substantially impairs the value of the goods to Buyer.

12. BUYER'S CHANGES. Buyer shall have the right at any time prior to the delivery date of the goods or services to make changes in drawings, designs, specifications, packaging, time and place of delivery, nature and duration of services, and method of transportation. If any such changes cause an increase or decrease in the cost or the time required for the performance, an equitable adjustment shall be made and this order shall be modified in writing accordingly.

13. CANCELLATION/TERMINATION. In addition to its other rights hereunder, Buyer reserves the right to cancel this order or any part thereof without further cost or liability if Seller breaches any of the provisions of this agreement, or if Seller becomes insolvent or the subject of any proceeding under the law relating to bankruptcy or the relief of debtors. Buyer further reserves the right to terminate this order or any part thereof for the sole convenience of the Buyer. If such termination right is invoked, all reasonable costs incurred up to the date of termination will be reimbursed, provided Seller establishes an entitlement thereto.

14. ASSIGNMENT. No right or interest in this contract shall be assigned by either party to this order without the written permission of the other party. Any attempted assignment or delegation shall be wholly void and totally ineffective for all purposes. The assignor shall remain liable for performance notwithstanding the approval of an assignment. Any person or entity to which this order is assigned pursuant to the provisions of Bankruptcy Code 11 U.S.C., Section 101 et seq., shall be deemed without further act or deed to have assumed all of the obligations arising under this order on and after the date of such assignment. Any such assignee shall upon demand execute and deliver to Buyer an instrument confirming such assumption.

15. BUYER'S PROPERTY. All tools, equipment dies, gauges, models, drawings or other materials furnished by the Buyer to Seller or made by Seller for the purpose of this order or paid for by the Buyer, and all replacements thereof and materials fixed or attached thereto, shall be and remain the property of the Buyer. All Buyer's property and, whenever applicable, each individual item thereof, will be plainly marked and otherwise adequately identified by Seller as "Property of Carrier Enterprise, LLC," and will at Seller's expense be safely stored (separate and apart from Seller's property whenever practicable) and will be kept free of all liens, claims, encumbrances and interests of third parties. Seller will not substitute any property for Buyer's property, will not deliver or make available to any third party any of Buyer's property or any property or goods developed, manufactured or created with the aid of any of Buyer's property and will not use any of Buyer's property or any property or goods manufactured, developed or created with the aid of Buyer's property, except in filling the orders of Buyer. Upon completion of this order, or upon the written request of Buyer at any time, Seller will prepare all Buyer's property for shipment and deliver such property to Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted. Buyer shall have the right, at all reasonable times upon prior notice to enter Seller's premises to inspect any and all Buyer's property and any property or goods manufactured, developed or created with the aid of any Buyer's property. Seller shall have such responsibility for Buyer's property as is chargeable to Seller by law by reason of its position as a bailee.

16. BUSINESS ETHICS. Seller shall comply, and take reasonable steps to insure that its suppliers and subcontractors comply, with Buyer's Code of Ethics. Seller warrants that it has not, and will not, offer or give to any employee or representative of Buyer any gift or gratuity with a view toward influencing such person in connection with this order or any other order of Buyer. Any breach of this provision shall constitute a material breach of each and every contract between Buyer and Seller.

17. CONFIDENTIAL AND/OR PROPRIETARY INFORMATION. (A) "Confidential Information" and/or "Proprietary Information" (hereinafter referred to as "Proprietary Information") shall, for the purpose of this Agreement, mean: (i) information, knowledge or data disclosed by Buyer to Seller, regardless of whether disclosed in written, tangible, oral, visual or other form, which is related to the subject of this Agreement; (ii) information, knowledge or data which was obtained from facility visits; and (iii) information, knowledge or data not specifically related to the subject of this Agreement but which is in written or other tangible form bearing a suitable legend identifying its proprietary or confidential nature or is otherwise identified as confidential or proprietary. In the event Buyer furnishes sample products, equipment, or other objects or material, including software, to Seller, the items so received and any information contained therein shall be treated as Proprietary Information disclosed to Seller under this Agreement. Furthermore, any and all information obtained or derived from said items, including results from testing, shall be treated as if they were Proprietary Information disclosed pursuant to this Agreement. All Proprietary Information disclosed in any documentary or tangible form, whether in written or electronic form may be marked "Proprietary" or "Confidential" and if the Information is not so identified, it will be considered Proprietary if by its very nature or the circumstances under which it is disclosed one would reasonably consider it to be Proprietary. Seller shall use Buyer's Proprietary Information solely for the purposes of supporting the current business relationship with Buyer and not for any other purpose. Seller shall not disclose

Buyer's Proprietary Information to any third party without Buyer's express written consent. Seller may disclose Buyer's Proprietary Information to contract workers, consultants and agents of Seller who have a need to know and who have executed agreements with Seller obligating them to treat such information in a manner consistent with the terms of this Agreement. (B) Notwithstanding the foregoing provisions, this Agreement shall not restrict or affect Seller's rights to use or disclose information: (1) which is or may hereafter be in the public domain through no fault of Seller; or (2) which Seller can show, as reflected by its written documents, that it was known to it prior to the disclosure by Buyer; or (3) which is disclosed to Seller by a third party, without restrictions similar to those herein imposed, subsequent to disclosure by Buyer; or (4) which Seller can show, as reflected by its documents, was independently developed by Seller without the use of the Proprietary Information.

18. INTELLECTUAL PROPERTY. (A) Property, Seller Property and Background Property. All inventions, patents, copyrights, trade secrets, know-how or other industrial or intellectual property arising from or incorporated in work performed by Seller in the design and development of Products pursuant to this Agreement (hereinafter "Property") shall be and remain the property of Seller if and only to the extent that such work was funded entirely by Seller without the use of Buyer Proprietary Information or other resources of Buyer (hereinafter "Seller Property"). All inventions, patents, copyrights, trade secrets, know-how or other industrial or intellectual property used in the Products, but owned by Seller prior to entering into this Agreement ("hereinafter "Background Property") shall be and remain the property of Seller. Seller shall grant to Buyer a worldwide, exclusive, fully paid-up royalty-free license in the heating, ventilation, ventilation, air conditioning, and refrigeration industry to make, use, and sell Buyer products incorporating or using all or any of such Background Property or Property for the term of this Agreement. (B) Buyer Property. If the work performed by Seller pursuant to this Agreement was funded wholly or in part by Buyer, or utilized or was derived from Buyer Proprietary Information, all such Property (including tooling) shall belong exclusively to, and is hereby assigned to Buyer (hereinafter "Buyer Property"); and Seller shall have only such rights therein (except as provided in Section (C) herein below) as Buyer may grant for the purposes of manufacturing Products on behalf of Buyer. Seller agrees to execute such assignments and other documents which, in the opinion of Buyer, are necessary at any time to secure Buyer's rights hereunder. In the event that Seller uses other parties in connection with the work called for by this Agreement, Seller agrees to procure from them similar rights and agreements on behalf of Buyer.

19. COMPLIANCE WITH LAWS. Seller warrants that all goods or services supplied hereunder will have been produced or provided in compliance with, and Seller agrees to be bound by, all applicable federal, state and local laws, orders, rules, regulations, guidelines, standards, limitations, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to such laws. In addition, that Seller has complied with applicable federal and state laws, rules and regulations, included, but not limited to E.O. 11246, Section 202, 11625, 11701, and 11758 pertaining to fair employment practices or which prohibit discrimination because of age, color, sex, physical or mental handicap, race, nationality, religion or creed, or other similar federal or state laws or regulations.

20. PERFORMANCE OF SERVICES. Seller agrees that any services it performs constitute work in its status as an independent contractor. Seller confirms that it exercises control over its

employees, contractors, and agents, and that none are acting under the control of Buyer. Seller agrees to indemnify and hold Buyer harmless against any claim by its employees, contractors or agents that they are acting under Buyer's control and qualify in any way as Buyer's employees.

21. MINORITY-OWNED AND WOMEN-OWNED BUSINESSES. Seller agrees to purchase a minimum of three percent (3%) of the content of goods and services provided under this Agreement from businesses which are at least fifty-one percent (51%) owned by racial and/or ethnic minorities (Minority Owned Business Enterprises - "MBE") and three percent (3%) from businesses which are at least fifty-one percent (51%) owned by women (Woman Owned Business Enterprises - "WBE"). Direct and indirect MBE and WBE purchases are acceptable. Indirect purchases are those purchases not directly associated with goods or services the Seller provides under this Agreement but that are part of the burden rates properly allocated to the purchases under this Agreement. Seller agrees to provide quarterly reports to Buyer which include MBE and WBE spend data. If the Seller has not met the percentages defined in this provision, the Seller shall provide a corrective action plan acceptable to Buyer

22. REMEDIES CUMULATIVE. Buyer's remedies shall be cumulative and remedies herein specified do not exclude any remedies allowed by law or equity. Waiver of any breach shall not constitute waiver of any other breach of the same of any other provision. Acceptance of any goods or services or payment thereof shall not waive any breach.

23. TITLE/LIENS. Title to all goods shall vest in Buyer immediately upon full payment. Seller shall pay for labor, services, materials, equipment and parts thereof, and other expenses incurred by it or its suppliers in connection with the order and indemnify and defend Buyer against all claims and liens arising out of unpaid accounts.

24. INSURANCE. Seller will maintain the following types and amounts of insurance coverage: (1) statutory Worker's Compensation; (2) Employers Liability \$500,000; (3) Comprehensive General Liability (including blanket contractual liability): Bodily Injury \$1,000,000 per person, per occurrence and per aggregate, Property Damage \$500,000 per occurrence, Broad Form Property Damage, Personal Injury \$500,00; and (4) Comprehensive Automobile Liability: Bodily Injury \$1,000,000 per occurrence and per person, Property Damage \$500,000 per occurrence. Seller will furnish a Certificate of Insurance reflecting such coverage to Buyer upon request. Items (1), (2) and (4) shall be relevant only if Seller enters upon Buyer's premises for the performance of this Agreement.

25. ANTI-KICKBACK ACT. By accepting this order, Seller represents, covenants and warrants to and with Buyer that Seller and all subcontractors below Seller are in full compliance with the Anti-Kickback Act of 1986 ("The Act"). Seller further agrees to indemnify and hold harmless Buyer, its parent, and their respective directors, officers and employees from any violation of The Act by Seller or any subcontractors below Seller. All defined terms set forth in The Act apply to this clause.

26. AUDIT RIGHTS. Upon reasonable notice Buyer shall have the right to audit at Seller's facility Seller's compliance with any of the provisions of this Agreement.

27. GOVERNING LAWS. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED ACCORDING TO THE LAWS OF THE STATE OF DELAWARE, EXCLUDING ITS "CHOICE OF LAW" OR "CONFLICT OF LAW" RULES.

28. SEVERABILITY. If any provision of the Agreement shall be held by a court of competent jurisdiction to be contrary to law, the

remaining provisions of the Agreement shall remain in full force and effect.

29. NO WAIVER. The failure of a party to enforce any provision of this Agreement promptly shall not be construed as a waiver of such provision or of the right of such party to enforce such provision at a later time

30. EXCLUSION OF U.N. CONVENTION ON INTERNATIONAL SALES. Unless otherwise agreed by Seller and Buyer in writing, there is excluded from this order (including any amendments or changes thereto) the application of the United Nations Convention on Contracts for the International Sales of Goods.

31. DUTY DRAWBACK. Upon request, Seller agrees to furnish completed drawback certificates and retain substantiating documentation pursuant to 19 U.S.C. Section 1313.

32. C-TPAT. If the goods are to be imported into the U.S., Supplier shall confirm in writing whether or not it is C-TPAT certified. If C-TPAT certified, Seller shall also provide Buyer a copy of documentation verifying the certification. If not C-TPAT certified, Seller shall (a) confirm in writing if Seller participates, or has participated, in a WCO accredited security program administered by the Customs Administration of Seller's country, and (b) provide a security questionnaire in Buyer's approved format. Seller shall comply with the security criteria described in this U.S. Customs & Border Protection web site: http://www.cbp.gov/xp/cgov/import/commercial_enforcement/ctpat/security_criteria/security_criteria_foreign_manuf/ If Seller uses or contracts for transportation or logistics services in connection with the performance of this order, it shall use only those carriers which are C-TPAT certified, or which meet C-TPAT security criteria. Seller shall maintain documentation of the C-TPAT security compliance of such service providers. Seller accepts responsibility for factory and container security until such time as the goods are delivered to the ocean terminal, authorized yard, or consolidation point. Seller shall have effective controls and processes in place which are consistent with C-TPAT security criteria to insure the integrity of the shipment. These controls shall include as a minimum: (a) verification of the integrity of the shipment container and its locking mechanism; (b) the use of high security seals which meet PAS ISO 17712 standards; (c) written policies and procedures regarding the control, issue, affixation, and verification of seals; (d) the presence of at least two (2) company-authorized individuals at the time a shipment is sealed; and (e) notification to Buyer (and the customer in the case of direct shipment) of the seal number. Seller will immediately report all seal changes and the reason for changes, or the discovery of a broken or altered seal, to Buyer (and the customer in the case of direct shipment) and to the U.S. Customs Representative at the port of shipment. Seller shall permit Buyer's representative to review and audit Seller's compliance with the above requirements upon reasonable notice.