

Aero-Marine Engineering, Inc. Three-Year Limited Coil Coating Warranty

Aero-Marine Engineering, Inc. ("AME") provides the following three (3) year limited warranty ("Limited Warranty") to its customers purchasing TechniCoat 10-2™ that has been applied as a coil coating by AME ("Purchaser"). This Limited Warranty is subject to the terms, conditions, limitation and exclusions contained herein. Furthermore, this Limited Warranty applies only to TechniCoat 10-2™ coatings that have been applied by AME to coils for use only in the continental United States.

TERMS

AME under this Limited Warranty warrants that for a period of three years from the date of shipment from AME of the coated coil against a failure of the coating to protect the coil from corrosion from the outside to the inside of the coil or loss of adhesion (i.e., failure of the coating or failure in the workmanship in the application of the coating).

EXCLUSION FROM COVERAGE

This Limited Warranty only applies when the coated coil has been properly installed and maintained. The Limited Warranty does not cover coating failures caused by the following:

1. Failure to properly maintain and service the coated coil; (Proper maintenance shall include, but not be limited to, regularly cleaning the coil on at least a three-month basis using only water or soapy water, applied under low pressure to clean dirt, salt accumulation and other foreign matter from the coated coil.)
2. Electrical currents including, but not limited to those occurring due to improper grounding of equipment;
3. Negligence, modifications or alterations made to the coil after coating, falling objects, explosion, fire, abrasive debris, earthquake, flood, hail, unusual weather phenomena (such as high winds or natural disaster), riot, acts of war, vandalism, civil disturbances, acts of God, improper handling, improper installation, physical or mechanical abuse or similar or dissimilar occurrences beyond AME's control;
4. Corrosion occurring from the inside to the outside of the coil;
5. Misuse, abuse or improper application, employment, or operation of the coil;
6. Defects in the coil;
7. Damage caused by third parties, including plant or animal life;
8. Failure to apply AME's Air-Dry TouchUp Formula to touch-up areas of coating damage as needed; or
9. Direct or repeated contact with salt water or other corrosive materials (i.e., wet applications).

DISCLAIMER OF OTHER WARRANTIES

THE LIMITED WARRANTY DESCRIBED IN THIS DOCUMENT SHALL BE IN LIEU OF ANY OTHER WARRANTY, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

REMEDY FOR CLAIMS

During the limited warranty period, after notice of a claim and upon AME's determination that a coil is not in compliance with this Limited Warranty, AME shall, at its option, repair the coating at no cost, coat a replacement coil at no cost for the coating, or reimburse the coating costs paid by the Purchaser to AME on a pro-rated basis. The pro-rated reimbursement will be determined by taking the original cost paid to AME by the Purchaser for the coating, dividing it by thirty-six and then multiplying the result by the number of months still remaining on the three-year warranty period.

LIMITATION OF REMEDIES

AME'S EXCLUSIVE LIABILITY AND THE PURCHASER'S SOLE AND EXCLUSIVE REMEDY UNDER THIS LIMITED WARRANTY, OR OTHERWISE, SHALL BE LIMITED TO, AT AME'S OPTION, THE REPAIR OF THE DEFECTIVE TechniCoat 10-2™ COATING, COATING OF A PURCHASER SUPPLIED REPLACEMENT COIL USING TechniCoat 10-2™ OR REIMBURSEMENT OF THE COATING COSTS PAID BY THE PURCHASER TO AME ON A PRO-RATED BASIS. NO OTHER REMEDY, INCLUDING, BUT NOT LIMITED TO, SPECIAL, ANCILLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR LOST PROFITS, DOWNTIME OR LOST TIME, LOSS OR REPLACEMENT OF REFRIGERANT, FREIGHT, CRANE OR PLACEMENT EQUIPMENT, COST OF REPLACEMENT COIL, TEMPORARY EQUIPMENT RENTAL, LOST PRODUCTION, LOST SALES, INJURY TO PERSON OR PROPERTY, OR ANY OTHER SPECIAL, INDIRECT, ANCILLARY, INCIDENTAL OR CONSEQUENTIAL LOSS, SHALL BE AVAILABLE TO PURCHASER.

CLAIMS

All claims made under this Limited Warranty shall be waived unless made by the Purchaser in writing to AME within the applicable warranty period, and within thirty (30) days after the Purchaser is informed of the subject defect, discovers the subject defect, or should have reasonably discovered the subject defect. AME must be given a reasonable opportunity to inspect any coil coating claimed to be defective. Each claim shall include the purchase order number, date of shipment and date of installation of the allegedly defective coil coating. Purchaser must demonstrate that the failure was due to a breach of this limited warranty. Upon approval of AME of the limited warranty claim and at AME's option: (1) AME will reimburse the Purchaser the pro-rated cost of the coating charges paid to AME for the original coating; (2) repair the coating upon return of the defective coil to AME; or (3) coat a replacement coil provided by the Purchaser to AME. If AME selects option (2) or (3), Purchaser must return the coil to AME for coating repair or send a replacement coil for coating, respectively. The shipping and handling costs and the cost of a replacement coil, if any, will be the responsibility of the Purchaser.

All notices and claims given under or pursuant to this Limited Warranty shall be in writing and sent by certified or registered mail, postage prepaid, return receipt requested.

MERGER CLAUSE

ANY AND ALL REPRESENTATIONS, PROMISES, WARRANTIES OR STATEMENTS, EXPRESSED OR IMPLIED, BY AME'S REPRESENTATIVES THAT DIFFER IN ANY WAY FROM THE TERMS OF THIS WRITTEN LIMITED WARRANTY SHALL BE GIVEN NO FORCE OR EFFECT. ANY SUCH REPRESENTATIONS, PROMISES, WARRANTIES OR STATEMENTS DO NOT CONSTITUTE WARRANTIES, SHALL NOT BE RELIED UPON BY THE PURCHASER AND ARE NOT PART OF THIS LIMITED WARRANTY OR THE CONTRACT OR AGREEMENT FOR THE COATING OF PURCHASER'S COIL USING TechniCoat 10-2™. THIS LIMITED WARRANTY SHALL BE DEEMED TO BE PART OF THE CONTRACT OR AGREEMENT BETWEEN PURCHASER AND AME FOR THE COATING OF PURCHASER'S COIL USING TechniCoat 10-2™. THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN AME AND PURCHASER WITH RESPECT TOT EH COATING WARRANTY IS EMBODIED IN THIS WRITING.

NON-WAIVER

In any instance or series of instances, the determination of AME not to exercise any right hereunder or not to require compliance with any term or condition hereof, shall not constitute a waiver of AME's rights to exercise all rights and to require compliance with all terms and conditions herein on all occasions prior and subsequent to such instance or instances, and no such determination or series of determinations by AME shall constitute an alteration or waiver of the rights and liabilities of AME and Purchaser as otherwise set forth herein.

CONDITION PERTAINING TO LIMITED WARRANTY ISSUANCE

This Limited Warranty shall only become effective upon payment in full to AME of all bills or statements for the TechniCoat 10-2™ coating and its installation on Purchaser's coil.

CHOICE OF LAW

THIS LIMITED WARRANTY SHALL BE DEEMED A CONTRACT AND SHALL BE DEEMED ENTERED INTO UNDER AND PURSUANT TO THE LAWS OF THE STATE OF TEXAS (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF) AND SHALL BE GOVERNED AS TO ALL MATTERS AND QUESTIONS WHATSOEVER, WHETHER OF VALIDITY, CONSTRUCTION, INTERPRETATION, ENFORCEMENT OR OTHERWISE, BY AND IN ACCORDANCE WITH SUCH LAWS. ANY LEGAL ACTIONS INVOLVED WITH THIS WARRANTY SHALL BE BROUGHT IN A COURT IN JACK COUNTY, TEXAS.

Effective for coils coated by AME after January 1, 2005.