



July 7, 2010

To: All M.A. Ford® Authorized Channel Partners

From: Judy Brauer, Senior Marketing and National Accounts Manager

Re: M.A. Ford® Distributor Terms

Attached, please find the current M.A. Ford® Distributor Terms and Conditions document. This document covers M.A. Ford® policies such as: Freight, Payment terms, Return requests, Delivery, Minimum Order Requirements, Special Tools, etc.

Please keep this document for your reference. If you should have any questions, don't hesitate to contact Customer Service or me at 800-553-8024/563-391-6220.

I would like to take this time to thank you for your past and continued support of the M.A. Ford® brand, and remind you we have no minimum order requirements to drop ship to your customers!

Regards,

M.A. FORD MFG. CO., INC.

A handwritten signature in blue ink that reads "Judy Brauer".

Judy Brauer

Cc: Tim Martin
Greg Peters
Jim Ellis
Diane Quiram

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DISTRIBUTOR TERMS

FREIGHT: FOB shipping point, UPS charges will be prepaid and added to invoice.

TERMS: Net 30 days. M.A. Ford reserves the right to assess a 10% annualized monthly fee for invoices not paid within 30 days of the date of the invoice.

MINIMUM ORDER REQUIREMENTS: Standard Product – No minimum order requirement. Special Product – Contact Customer Service.

CLAIMS: No claims will be allowed unless reported within thirty days after receipt of goods invoice.

RETURNS: No returns will be accepted without a prior written Return Materials Authorization (RMA) from M. A. Ford. Please contact our sales department for an authorization number and shipping instructions. Merchandise that has been approved for return must be returned on a pre-paid basis in original packaging.

MISCELLANEOUS RETURN RESTOCKING CHARGES:

Miscellaneous returns are subject to the following restocking fees:

- Purchased within 30 days, 5%
- 31-180 days, 10%
- 6 months – 1 year, 15%
- No miscellaneous returns for materials purchased beyond 1 year (See annual Stock Rotation Option)

ANNUAL STOCK ROTATION OPTION:

A stock rotation is allowed once every 12 months per the following terms:

- Stock rotation of less than 2% prior year sales: 5% restocking fee with offsetting stock order
- Stock rotation of 2-5% of prior year sales: 10% restocking fee with offsetting stock order
- Stock rotation greater than 5% of prior year sales: subject to pre-approval and review

ALL RETURNS ARE SUBJECT TO THE FOLLOWING CONDITIONS:

- Returned items must be current M.A. Ford products per the current price schedule
- Standard products that are scheduled to be removed from the catalog and/or slow moving items are subject to review and may not be eligible for return.
- Damaged product packaging, marked/defaced labels and/or packages are not eligible for return
- Products that have been altered or coated by a third-party are not eligible for return.
- Returned products must be properly packaged for shipment with the RMA number indicated on the shipment and noted on the return goods documentation. Any carrier damage is the responsibility of the Distributor.

SPECIALS:

- In quantities of less than 10 pieces, we reserve the right to over ship by 1 piece or under ship by 2 pieces.
- In quantities of 10 or more, we reserve the right to over or under ship by 10%.
- Orders specifying "No Over Shipments Accepted" will be manufactured in the exact order quantity and must be quoted as such.

DELIVERY: Shipping dates given prior to shipment shall be deemed to be estimated only, and the Company shall not be liable for failure to meet such dates, nor for delays or for failure to manufacture or deliver resulting from causes beyond its reasonable control, or caused by factory or labor conditions, errors in manufacture, fire, government orders, regulations or requests, or failure or delays in its usual sources of supply of raw materials; nor shall the Company in any event be liable for consequential or special damages on account of any delay or failure to manufacture or deliver.

GUARANTEE: No oral, statutory, or implied warranties other than title shall apply to the products sold by the Company to the Purchaser and the Company's obligation to the Purchaser in respect to said products shall be limited to refunding the purchase price, repairing, or replacing FOB its factory or such other point as it may designate, any part of any such product which proves to be defective in workmanship within 60 days from the date of shipment, in no event shall the Company be liable for consequential or special damages.

TAXES: Unless otherwise specifically provided herein, the amount of any present or future sales, revenue, excise, or other tax applicable to the products covered by this quotation or to the manufacturer or sale thereof, shall be added to the purchase price and shall be paid by the Purchaser, or in lieu thereof, the Purchaser shall provide the Company with a tax exemption certificate acceptable to the taxing authorities.

GENERAL:

- The Purchaser shall not assign any interest or rights in any contract with the Company without its prior written consent.
- No waiver, alteration or modification of the foregoing conditions shall be valid unless made in writing, and signed on behalf of the Company by one of its executive officers. No provisions of any purchase order or of any form of acceptance used by the Purchaser applicable to the purchase of the Company's products and no such provisions shall be binding upon the Company unless specifically accepted and approved in writing and signed by one of its said executive officers.
- Products manufactured by M.A. Ford will be produced in accordance with the rules and requirements of the Federal Government, and State Government, as they apply to labor and safety of the working environment.