

SERVICE AGREEMENT

AUTHORIZED SERVICE COMPANY NUMBER

NAME

STREET ADDRESS

AIRWELL-FEDDERS

CITY

STATE

ZIP

NORTH AMERICA INC

TELEPHONE ()

CORPORATION

PARTNERSHIP

PROPRIETORSHIP

AGREEMENT, executed this _____, _____, _____ by and between AIRWELL-FEDDERS NORTH AMERICA Inc, a company member of the Airwell Group ("Airwell-Fedders") and the above name Authorized Service Company ("Servicer").

1. This Agreement relates to SERVICER'S undertaking regarding those products specified below and which are marketed under parts and labor written warranties to end users ("Owner's") relating to the repair and/or replacement of defective parts. Such products are hereinafter referred to as Product or Products".

2. SERVICER hereby agrees to furnish and provide, on behalf of warrantors of the Products, all parts and labor required to perform all such written warranties, in accordance with their respective terms and for the period therein provided, all without charge to Owners of the Products, and the warrantors; provided, however, that nothing herein contained shall diminish SERVICER'S right to receive appropriate reimbursement or credit from Airwell-Fedders, directly or through a distributor of parts of warrantors for the cost of SERVICER of such parts as it may furnish to Owners in the course of its performance of such written warranties in accordance with the terms thereof.

Nothing herein shall prevent Airwell-Fedders from contracting for the same or similar services as those to be performed by SERVICER hereunder, with any other person, firm or corporation.

3. Nothing herein shall prevent Airwell-Fedders from contracting for the same or similar services as those to be performed by SERVICER hereunder, with any other person, firm or corporation.

4. Airwell-Fedders will reimburse SERVICER for services provided hereunder in accordance with the policies of Airwell-Fedders in effect during the term of this Agreement.

5. This Agreement consists of this face page and the additional terms and conditions contained on the reverse.

6. SERVICER agrees to comply with the terms of all policies and procedures published by Airwell-Fedders, which are hereby made a part of this Agreement from the date of publication.

IN WITNESS WHEREOF, this Agreement has first been executed by a duly authorized representative of the SERVICER and thereafter, on the day and year above written, has been executed by Airwell-Fedders, and all references made herein to its date of execution shall be deemed to mean the date of its execution by Airwell-Fedders. This agreement may be executed in several counterparts, each of which shall be deemed an original.

Witness: _____
(for Authorized Service Company)

By: _____
(Authorized Service Company)

Witness: _____
(for Airwell-Fedders)

By: _____
(Airwell-Fedders)

Approved Agreement constitutes authorization to perform warranty service in accordance with the applicable written warranty on all Fedders USA manufactured or purchased products unless otherwise specified below.

SPECIFY: _____

Payment will correspond with the nationally publicized job rate as published in Airwell-Fedders's than current edition of Authorized Service Company Policies and Procedures Manual. With respect to service performed within the State of California, any changes or modifications of these rates serves to terminate this Agreement and must be the subject of a new agreement between parties.

The payment rates and other agreements pertaining to the performance of repairs by the SERVICER are acceptable to the SERVICER as being in compliance with:

- (a) Service performed within the State of California-Section 1793.2 and Section 1793.3(c) of the California "Song-Beverly Consumer Warranty Act", Section 17048.5 of the California Business and Professions Code and any other applicable State or Local codes.
- (b) Service Perform Elsewhere - Any applicable state or local codes.

Do you make Hermetic Repairs? Yes No In Shop? Yes No In Home? Yes No

POLICY NO.	NAME & ADDRESS OF INSURANCE CO.	TYPE	AMOUNT	EXPIRES
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Product Distributor

Self-Serving Dealer

Servicer Only

TERMS AND CONDITIONS

7. SERVICER agrees that during the term of this Agreement:

(a) SERVICER will at all times provide such services to Owners in an efficient, courteous and good and workmanlike manner, will use its best efforts to perform such services within forty-eight hours after request by Owners and will render such services in accordance with the policies and procedures of Airwell-Fedders, including such policies and procedures set forth in bulletins, manuals, and documents as Airwell-Fedders may, from time to time supply to SERVICER.

(b) SERVICER will at all times provide and maintain for servicing Product adequate facilities equipped with the basic tools and equipment common to the trade and with special tools and equipment peculiar to such Products and necessary for property and efficiently servicing and repairing same.

(c) SERVICER agrees not to represent, use or offer for use, in servicing Product any merchandise, parts or accessories which have not been approved by Airwell-Fedders.

(d) SERVICER will comply at all times with such policies as Airwell-Fedders may adopt with respect to the use of Airwell-Fedders trademarks or tradenames or those relating to the Product and will not use any such trademark or tradenames in its individual, firm or corporation name, or any other tradename or trademark adopted by the manufacturer of the Product, or any names closely resembling them provided; however, SERVICER may indicate that it is an AUTHORIZED SERVICE COMPANY with regard to the servicing Product. SERVICER will not at any time do or suffer to be done any act or thing which in any way impairs the rights of the manufacturer of Product in and to any of its tradenames or trademarks or as to their registration.

(e) SERVICER agrees during the term of the Agreement to perform of its obligations to Airwell-Fedders in the servicing of Product of otherwise.

(f) SERVICER warrants all materials and Parts furnished by it and work and labor performed hereunder for a period of 30 days. If, within such 30 day period, it appears that any materials or parts so furnished, or work and labor so performed was defective, improper or inadequate in any respect, SERVICER will promptly, at its own cost and expense, furnish and/or provide such additional materials, parts work or labor on may be necessary to remedy such defect, or improper, or inadequate performance.

(g) The services to be performed under this Agreement shall normally be performed at the location of the Product, except in the usual instances when it is essential, in order to effect the repairs, that the Product be removed to the premises of the SERVICER. Upon the completion of the repairs, the SERVICER shall obtain from the Owner written verification, signed by the Owner, that the repairs were satisfactorily performed.

8. SERVICER will at its own expense, purchase and maintain in force during the term of this Agreement, all forms of insurance that may be required by law, as well as insurance policies, of the types listed below, to be written by an insurance company or companies of adequate financial responsibility, satisfactory to Airwell-Fedders insuring SERVICER, and by endorsements covering Airwell-Fedders against any loss, damage, claim, suits, actions, liabilities contractual liability, such endorsements to provide in each case, that said company or companies shall give the Airwell-Fedders at least ten (10) days written notice or proposed cancellation modification, or alternation of any said insurance policies:

(a) Comprehensive public liability insurance, including fire coverage, products liability and contractual liability coverage.

(b) Automobile bodily injury and property damage insurance insuring SERVICER and any person having possession or use of any vehicle with its permission, whether such vehicle is owned, leased, rented, operated or non-owned, against death or bodily injury and property damage, resulting from the ownership, maintenance of or use of such vehicle.

(c) Worker's Compensation including Employer's Liability and Occupational Disease Coverage for full statutory limits.

(d) SERVICER shall, upon request, furnish Airwell-Fedders with a copy of said policy or policies referred to above, bearing the appropriate endorsements, or a certificate or certificates of insurance satisfactory to Airwell-Fedders.

9. SERVICER shall solely be responsible for compliance with all Federal, State, County, Municipal and Local statutes, laws, regulations, rules, order, codes, ordinances or licensing requirements applicable to SERVICER'S business, and shall use its place or places of business for lawful purposes only. SERVICER agrees to pay any taxes, fines, penalties or assessments arising out of or connected with the operation of SERVICER'S business. SERVICER agrees to promptly obtain satisfactions or releases of any mechanic's materialmen's or other similar liens, filed or recorded by or on behalf of any subcontractor, laborers, or materialmen against the realty of the owners of Product with regard to service, labor or materials or any combination of them, furnished pursuant to this Agreement. SERVICER waves and releases any and all liens or claims or rights of lien on the realty of owners of Product on account of labor service materials or a combination of them, furnished or which may be furnished by SERVICER, or any subcontractor, laborers or materialmen.

10. AIRWELL-FEDDERS DOES NOT MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, TO SERVICER OR ITS AGENTS, SERVANTS OR SERVICER OR ITS WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SERVICES OR GOODS AND SERVICES. In no event shall Airwell-Fedders be liable for any incidental or consequential damages, even if advised in advance of the possibility of such damages.

11. SERVICER shall in the promotion of the servicing of Product use only such advertising material, signs or other promotional material, including but not limited

to telephone advertisements, highway signs, or signs located at or upon its place of business or any vehicle, as may be supplied or approved by Airwell-Fedders, or which is in accordance with such policies as Airwell-Fedders may, from time to time promulgate with respect to such advertising material.

12. This Agreement contemplates personal performance by SERVICER. SERVICER may not transfer or assign this agreement, or any part thereof, or any interest therein, without the prior written consent of Airwell-Fedders.

13. Terms of Agreement and Rights of Termination.

(a) This Agreement shall continue in force and govern all relations and transaction between SERVICER and Airwell-Fedders until terminated as hereinafter provided.

(b) This Agreement may be terminated by either party by giving to the other party written notice of termination. Said termination to be effective upon the date for termination specified in the notice, which date (unless the parties shall otherwise agree in writing), shall be a date which is no less than thirty (30) days after the date of giving such notice. The parties acknowledge that the foregoing notice of termination is fair and reasonable.

(c) Any notice of termination shall be deemed fully and completely given upon the posting of the same by U.S. Registered or Certified Mail, return receipt requested, in an envelope properly addressed to the other party at the address hereinabove set forth or to such other or further address as such other party, by like notice may have theretofore designated or by personal delivery, the same to be made to the office of the other party.

(d) The date upon which such notice of termination of the Agreement is given is hereinafter referred to as the "Termination Notice Date" and the date upon which this Agreement terminates pursuant to any such notice is hereinafter referred to as the "Effective Termination Date".

(e) The parties recognize that termination of this Agreement may result in loss or damage to either party, but hereby expressly agree that neither party shall be liable to the other by reason of any loss or damages resulting from the termination of this Agreement by the other including, without limitation, any loss of perspective profits, or any damages occasioned by the loss of goodwill, or by reason of any expenditures, investments, leases or commitments made in anticipation of the continuance of this Agreement.

14. From and after the Effective Termination Date:

(a) The parties shall remain liable to one another for any indebtedness incurred prior to the Effective Termination Date and for any breach of this Agreement occurring prior to the Effective Termination Date, and for the performance of all their obligations hereunder as, expressly or by implication, survive the termination of this Agreement.

(b) SERVICER will not use or permit or suffer to be used, on SERVICER'S behalf, any trademarks or tradenames of Airwell-Fedders or of the manufacturer of Product in any manner whatsoever.

15. SERVICER covenants and agrees to indemnify, save harmless and defend Airwell-Fedders from and against any and all loss, damage, claims, demands, liabilities, expenses (including legal fees), actions, suits or proceedings asserted or claimed by third parties and arising out of or in connection with this Agreement or the operation of SERVICER'S business, including but not limited to claims, demands, liabilities, actions, suits or proceedings for bodily injury to persons (including death) and for loss of, damage to, or destruction of property, or arising out of acts of omissions of SERVICER, its agents, servants or employees. The covenants of indemnity contained in this Agreement shall survive the termination of this Agreement.

16. SERVICER is an independent contractor, and in no event shall SERVICER or any of its agents, servants, or employees, be deemed to be an agent or employee of Airwell-Fedders. SERVICER shall not have the right, power or authority to make any promises, inducements, representations, guarantees or warranties for or on behalf of Airwell-Fedders, except as specifically provided herein.

17. No waiver or modification of the terms or provisions of this Agreement shall be binding on Airwell-Fedders unless in writing signed by an authorized representative of Airwell-Fedders. No waiver by Airwell-Fedders of any term or provision of this Agreement, or any breach or default by SERVICER hereunder shall be deemed a continuing waiver, and the failure of Airwell-Fedders to enforce at any time for any period of time any provision hereof shall be construed to be a waiver of such provision or of the right of Airwell-Fedders thereafter to enforce such provision.

18. This Agreement constitutes the entire understanding between the parties and shall be deemed to cancel, supersede and terminate any and all prior agreements, verbal or written between them covering the services referred to herein, provided, however the SERVICER shall remain liable to Airwell-Fedders for any indebtedness incurred under any such prior agreement and for any breach thereof.

19. This Agreement shall be binding upon the heirs, legal representatives, successors and assigns of SERVICER, and it shall insure to the benefit of, and be binding upon, the successors and assigns of Airwell-Fedders.

20. The validity, interpretation and legal effect of this Agreement, and any supplement made hereto at any time hereafter, shall be governed in accordance with the laws of the state of New Jersey. If it should be found that any portion of this Agreement violates any law of the United States or any state of the United States having jurisdiction, such portion or portions of the Agreement shall be of no force and effect in the jurisdiction of which they are illegal or unenforceable, and the Agreement shall be treated as if such portions had not been inserted.