



TERMS & CONDITIONS OF SALE

All sales of goods based upon quotations provided by California Hydronics Corporation, Columbia Hydronics Company, CHC Pacific or FlowTherm systems (hereinafter referred to as CHC) are made subject to the terms and conditions below.

It is mutually agreed between CHC and Buyer that the terms and conditions contained herein constitute the entire complete and exclusive agreement and understanding between CHC and the Buyer and supersede all other agreements, oral or written heretofore made between Buyer and Seller relating to the subject matter contained herein and if Buyer presents a Purchase Order with other terms and conditions, the terms and conditions expressed herein will control. No understanding, promise or representation, and no waiver alteration, addition to, or modification of any provision hereof, shall be binding upon CHC unless agreed to in writing by CHC's Chief Executive Officer or CHC's Chief Financial Officer. The terms set forth herein shall apply to each purchase agreement as if set forth separately for each order. In the event that any provision of the Purchase Order is found to be invalid by a court of competent jurisdiction, all remaining provisions of the Purchase Order shall remain in full force and effect.

Clarifications & Exclusions on Quotations: For any item on the quote that indicates 'NO SPECS' CHC reserves the right to re-quote the price once written specifications are received from Buyer or Buyer's designated representative. For any items on the quote for which 'ALTERNATES' are offered for consideration, those alternatives are subject to Buyer's or Buyer's designated representative's approval. For any items on the quote that includes the statement 'ALT MFG' CHC believes, but does not guarantee, the item meets the intent of the written specifications; CHC merely offers the item for Buyer's consideration. CHC does not provide, and all quotations exclude the provision of SEISMIC certification of equipment, seismic analysis, shake table testing, seismic experience data, seismic calculations or supports, and guarantees regarding coatings, other than factory standard, unless these items are explicitly included within CHC quote descriptions. Quotations exclude all requirements listed under the EXECUTION portion of the specifications.

Liability: CHC SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES OR LOSSES WHICH MAY BE SUFFERED BY BUYER WITH RESPECT TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, LOSS OF PRESENT OR PROSPECTIVE PROFITS, LOSS OF INCOME OR REVENUE, EXPENDITURES, INVESTMENTS OR COMMITMENTS, OR LOSS OF BUSINESS OR DATA, WHETHER IN AN ACTION IN CONTRACT, EQUITY, NEGLIGENCE, INTENDED CONDUCT, TORT, OR OTHERWISE (INCLUDING BREACH OF WARRANTY, NEGLIGENCE, AND STRICT LIABILITY IN TORT), EVEN IF SUCH CHC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE TOTAL AGGREGATE LIABILITY OF CHC FOR CLAIMS ASSERTED UNDER THIS AGREEMENT SHALL BE LIMITED TO THE TOTAL PURCHASE AGREEMENT PRICE. CHC WILL NOT ACCEPT INDEMNIFICATION CLAUSES.

Pricing: All prices are valid for 30 days, in United States dollars and are exclusive of tax. Buyer agrees to pay and be responsible for payment of any applicable taxes, except for taxes based on CHC's net income. Unless specific pre-payment terms are noted within body of quotation, Buyer shall pay all invoices within 30 days of receipt. For all commercial projects over \$5,000.00, Buyer will provide the address of the contract work, and information for pre-lien purposes prior to CHC accepting the Purchase Order.

Shipping & Freight: For project purchase orders valued \$10,000.00 or greater, CHC ships FFA/FOB origin via common ground carrier to Buyer's specified location in contiguous US-FFA Seattle Dock for AK jobs. Otherwise, orders are shipped PP&CHG/FOB origin via common ground carrier to Buyer's specified location. Buyer will pay additional charges for any special shipping requirements. The Buyer agrees to inspect all shipments of goods in accordance with this agreement upon receipt thereof and to report immediately any damage or shortage to the seller and to delivering carrier. Buyer also agrees to cooperate with CHC to pursue claims for any damage or shortage against the carrier. Unless otherwise so specified, CHC shall not bear the risk of loss of, or damage to, the Goods covered by the Purchase Order until delivered to Buyer's plant or to such other place as may be designated on the face of the Purchase Order, unless Buyer requires special shipping requirements. CHC shall also not bear the risk of loss of, or damage to, rejected Goods after receipt of Buyer's notice of rejection; provided, however, that Buyer shall bear such risk as to loss or damage caused by willful or negligent acts of its officers, agents or employees acting within the scope of their employment.

CHC shall provide an estimate of the date items will arrive at Buyer's location. This will be estimates only and CHC does not guarantee the items will arrive by any specific date. CHC does not assume responsibility for costs incurred by the Buyer due to failure of delivery of the items on a scheduled date.

Title: Right and title to items purchased from CHC will pass upon payment for said items by Buyer, regardless of whether the item has been installed into the Buyer's project or job site.

Returns &/or Cancellations Policy: All custom built and special orders cannot be cancelled once the Purchase Order is accepted and are not eligible for return. CHC stock products can be returned, if in excellent condition and in original undamaged shipping boxes, but will be subject to 25% re-stock charges. Buyer must obtain written permission from CHC prior to returning any item, and if that permission is not obtained, CHC will not accept the returned item.

Lead Time: All prices offered in this quotation are based on standard factory lead times (or) as stated within the quotation. The quoted lead time begins only after Buyer has signed and accepted the Purchase Order Terms and Conditions and returned a copy of applicable submittals marked "approved and released". CHC may expedite a shipment upon request, at an additional charge.

CHC shall provide an estimate of the date items will arrive, *ETA* to Buyer's location. This will be estimates only and CHC does not guarantee the items will arrive by any specific date. CHC does not assume responsibility for costs incurred by the Buyer due to failure of delivery of the items on a scheduled date.

Job Site Assistance: CHC Sales Engineers are available at the Buyer's job site to answer questions regarding commercial engineered equipment purchased from CHC including consulting during installation of CHC provided items, to assure quality and satisfaction. Assistance is available on site, if requested two weeks prior to the desired date, and via telephone. Travel charges may apply, subject to location, contact CHC for specifics.

Start-Up: CHC will provide factory authorized start-up with the purchase of commercial equipment. Rates will vary by equipment type and project location. Services are available during normal workdays and hours. Projects requiring that specific prevailing wage requirements be met may require additional cost and arrangements. Buyer must provide at least two weeks' notice to CHC, prior to the visit, and be on site to coordinate with any other third-party staff. If additional jobsite visits are required for circumstances not related to our equipment, CHC reserves the right to request a purchase order to cover our additional labor costs.

Commissioning: CHC does not provide commissioning services. CHC will provide training as outlined in the Purchase Order but will not be responsible for commissioning services.

Warranty: For items provided by CHC, but manufactured by others, CHC extends the manufacturer's warranty to the Buyer. For items manufactured by CHC, CHC provides a 1-year warranty that the deliverables hereunder will be free from defects in material and workmanship, and that services will be the kind and quality designated or specified in the quotation. Warranty **requires** install, start-up and operation as per manufacturers IOM. As a value-added rep firm, we allow **pre-approved** labor within the warranty coverage period.

If the deliverables do not conform to the above applicable warranty, and if the Buyer promptly notifies CHC, CHC shall thereupon, if it confirms the existence of the defects, correct defects, including non-conformance with the specification, either (at CHC's option) by repairing at no charge to Buyer the defective spare part or equipment furnished hereunder, or by making available at the Buyer's location necessary replacement products.

THIS LIMITED WARRANTY DOES NOT COVER LOSS OR DAMAGE WHICH: (I) IS DUE TO IMPROPER INSTALLATION, MAINTENANCE, MISUSE, NEGLIGENCE, OR ANY CAUSE OTHER THAN ORDINARY COMMERCIAL OR INDUSTRIAL APPLICATION BY BUYER OR ITS CUSTOMER OR CONTRACTORS; (II) IS DUE TO ADJUSTMENT, REPAIR OR MODIFICATION BY ANY PERSON OTHER THAN AS AUTHORIZED BY CHC OR MANUFACTURER; OR, (III) IS DUE TO STORAGE OR USE IN AN IMPROPER ENVIRONMENT, EXCESSIVE OR INADEQUATE HEATING OR AIR CONDITIONING, AND ELECTRICAL POWER FAILURES, SURGES OR OTHER IRREGULARITIES WHILE IN THE CUSTODY OR CONTROL OF BUYER OR ITS CUSTOMER OR CONTRACTORS. CHC IS NOT RESPONSIBLE FOR PROBLEMS CAUSED BY HARDWARE OR COMPUTER OPERATING SYSTEMS WHICH ARE NOT COMPATIBLE WITH THE SYSTEM SPECIFICATIONS AS SET FORTH IN CHC'S TECHNICAL DOCUMENTATION.

CHC SHALL HAVE NO LIABILITY WITH RESPECT TO DELIVERABLES THAT WERE SUBJECT TO ABUSE, VANDALISM OR MISUSE. THE WARRANTY SET FORTH HEREIN IS THE SOLE AND EXCLUSIVE WARRANTY, IN LIEU OF ALL OTHER WARRANTIES, AND NO OTHER WARRANTIES OF ANY KIND SHALL APPLY, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND FREEDOM FROM THIRD PARTY INFRINGEMENT CLAIMS.

Force Majeure: The parties shall not be liable to each other for any loss, damage or other claim whatsoever arising out of a delay, failure or inability to perform any obligation(s) contained in the purchase agreement which is beyond a party's reasonable control. Such causes may include, but are not limited to, any act of God, fire, flood, lightning, earthquake, tornado, labor disputes, transportation delays, war, terrorism, revolution, riot, sabotage, act of the public enemy, explosion, embargo, confiscation or act or failure to act of any government, agency, board or commission. Lack of finances shall in no event be deemed to be a cause beyond a party's control.

Assignment: Assignment of this Purchase Order or any interest therein, or of any payment due or to become due hereunder, without prior written consent of the other Party to this Purchase Order is void.

Waiver: No waiver by CHC of any breach of the terms and conditions or performance of this Purchase Order shall constitute a waiver of any subsequent breach.