

Principal Terms and Conditions of Sale

1. Terms and Conditions of Sale. This order shall be subject to and is expressly conditioned upon Buyer's assent to the terms and conditions set forth herein, notwithstanding any terms and conditions that may be contained in any order, acknowledgment or other form of Buyer. Such terms and conditions of Buyer shall not bind Seller unless accepted by it in writing, whether or not they materially alter this order.

2. Prices; Quotes. Until orders are accepted, all prices are subject to change without notice. All quotations expire sixty (60) calendar days from the date of quotation, unless withdrawn sooner or otherwise stipulated by Seller in writing.

3. Delivery. Unless otherwise specified by Seller in writing, all shipments are F.O.B. Factory. Title to and risk of loss of the products transfers to Buyer upon delivery to the carrier. Seller shall not be liable for any delays in or failure of delivery due to acts of God or public authority, labor disturbances, accidents, fires, floods, extreme weather conditions, failure of and delays by carriers, shortages of materials, delays of a supplier or any other cause beyond Seller's control. In no event shall Seller be liable for incidental, consequential or special damages arising out of a delay in or a failure of delivery Buyer's requested delivery date or schedule shall be approximate and subject to Seller's acceptance.

4. Payment Terms. Unless otherwise specified by Seller in writing, terms of payment for the products are as follows: 1%, 10 25 NET 30.

Invoices dated the first (1st) to fifteenth (15th) of month shall be paid by twenty-fifth (25th) of same month;

Invoices dated the sixteenth (16th) to end of month shall be paid by the tenth (10th) day of the following month.

If at any time Seller shall become dissatisfied with Buyer's credit, Seller shall have the right to decline to make further shipments hereunder unless Buyer pays cash in advance or until such time as Buyer's credit shall be reestablished to Seller's satisfaction; provided, however, that such refusal to ship shall not render Seller liable for nonperformance under this contract, in whole or in part.

5. Taxes. Seller prices do not include any applicable sales, use, excise or similar taxes. If, under law or government regulation, Seller is required to pay or collect any tax upon the products arising from the sale, delivery, transportation, use or consumption of said products to Buyer, whether directly or indirectly, the price to be paid by Buyer hereunder shall be increased by the amount of any such tax. Buyer agrees to pay such tax as part of the purchase price. If such tax is not collected at the time of payment of sales price, Buyer will hold Seller harmless therefor.

6. Minimum Order. Unless otherwise specified in writing by Seller, there is a minimum order on standard stock items of \$50.00 to each shipping location.

7. Claims. Payment on account shall not prejudice claims on account of omissions or shortages in shipment, but no such claim will be allowed unless made within ten (10) working days after receipt of products by Buyer.

8. Quantity. In the making of products to customer's specification, it is impossible to produce exactly the quantity ordered and it is therefore agreed that all orders are subject to over or under shipment of five percent (5%) on orders over five hundred dollars (\$500) and ten percent (10%) on orders less than five hundred dollars (\$500).

9. Warranty. Seller warrants the goods to be sold hereunder to be free from defects in material and workmanship. This warranty shall terminate in all instances unless Buyer claims for breach thereof in writing within ninety (90) days from delivery pursuant to Section 3 and claims not made within such period are waived. If the goods have been used, the warranty applies only if the goods fail to function properly because of such defect in material or workmanship under normally recommended operating conditions within design limitations.

The warranty extends only to goods owned by the original purchaser and applies only to parts manufactured by Seller. Parts incorporated in the Seller's products, but not of Seller's own manufacture, will carry only the warranty of their manufacture. Seller will endeavor to secure for a Buyer the benefits of such warranty, if inspection proves such parts to be defective.

The warranty does not apply to goods that have been damaged after shipment to Buyer where the damage is not due to a defect in material or workmanship of the goods, nor does it apply to goods that have been altered or repaired by anyone other than the Seller's authorized employees, not to goods furnished by Buyer or acquired at Buyer's request and/or Buyer's specifications.

When goods are alleged to be defective, Seller may, at his option, inspect the same at their site, or request that the goods be returned to Seller with Transportation charges prepaid by Buyer. THE ABOVE WARRANTY COMPRISES SELLER'S SOLE AND ENTIRE WARRANTY OBLIGATIONS AND LIABILITY TO BUYER, ITS CUSTOMER AND ASSIGNS IN CONNECTION WITH THE GOODS SOLD HEREUNDER, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY EXCLUDED.

10. Limitations of Liability. IF SELLER DETERMINES THAT THE GOODS ARE NOT AS WARRANTED, SELLER'S SOLE OBLIGATION, WHETHER ARISING IN CONTRACT OR TORT, SHALL BE TO REPAIR OR REPLACE, AT ITS OPTION, THE GOODS WITHOUT CHARGE TO BUYER. IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES ARISING OUT OF A DELAY IN OR FAILURE OF DELIVERY, DEFECTS IN MATERIAL OR WORKMANSHIP, OR ARISING OUT OF A BREACH BY SELLER OF ANY OTHER TERM OR OBLIGATION OF SELLER UNDER THIS CONTRACT

11. Changes in Specification or Design. If Buyer requests changes in specifications or design relating to any goods, delivery schedules shall be revised, if necessary, and an equitable adjustment, upward or downward, shall be made in price.

12. Cancellation and Reschedules. Cancellation and reschedules are subject to acceptance by Seller, and are also subject to cancellation charges and price increases.

13. Returned Goods. No goods shall be returned without Seller's consent. Freight must be prepaid by Buyer on all returned goods or shipments. Goods returned with Seller's consent are subject to the following restocking charge: During 1st Year - 25%

The determining date for the purpose of calculating the restocking charge is the earlier of the date stamped on the product or the shipping date. The cost of any additional charges for repacking, repainting, etc., will also be deducted from Buyer's return credit.

14. Special tools. Any special tools, jigs, dies, patterns, etc., which Seller makes or acquires for Buyer notwithstanding any charge therefor, shall be and remain Seller's property subject to its possession and control; provided, however, that at time of quotation special arrangements may be made for retention of title by Buyer upon payment of the full cost thereof. In no event shall Buyer have any interest in any tooling belonging to Seller which is utilized in the production of goods for Buyer, or which has been converted or adapted by Seller for such use, notwithstanding any charge of any such utilization, conversion or adaptation, Seller shall have the right to alter, discard or otherwise dispose of any tooling without liability to Buyer when for two (2) consecutive years no orders have been received from Buyer requiring the use of such tooling.

15. Buyer's Property. Any designs, tools, patterns, materials, drawings, information or equipment furnished by Buyer, or any special tools made or acquired for the Buyer by the Seller which become Buyer's property, shall be used only in the production of goods ordered by Buyer and not otherwise, unless by Buyer's written consent; provided that such property may be considered obsolete and destroyed by Seller when for two (2) consecutive years no orders are received from Buyer for products to be made with such property, Seller agrees to exercise reasonable care with respect to property and equipment while in its possession and control, but shall not be responsible for loss or damage occurring without its fault or negligence or for ordinary wear and tear.

16. Patent Indemnity. Seller shall have no liability for patent infringement unless the goods furnished hereunder in and of themselves constitute the infringement. If they do, and Seller is notified of the claim of infringement within ten (10) days after such claim is received by the Buyer and is permitted to settle or defend such claim, Seller will indemnify the buyer against the reasonable expense of defending suit and against any judgment or settlement to which Seller agrees. However, such indemnity will be limited to an amount not exceeding the price paid by Seller for the infringing goods. If an injunction is issued against the further use of the goods, Seller will have the option of either procuring for the Buyer the right to use the goods, replacing them with non-infringing goods, modifying them so that they become non-infringing, or refunding the purchase price. The foregoing constitutes Seller's entire warranty and liability as to patents. If the goods furnished hereunder are in accordance with a design furnished by the Buyer, the Buyer will defend and save harmless Seller from all costs, expenses, and judgments on account of any claim of infringement of any patent.

17. Government Contracts. If Buyer notifies Seller that goods hereunder are for use under a prime contract with an agency of the United States Government, the following terms and conditions of the Armed Services Procurement Regulations shall be incorporated into Seller's terms of sale insofar as Buyer may be required to incorporate such provisions in its subcontracts or insofar as applicable to the goods sold hereunder: WALSH-HEALEY PUBLIC CONTRACTS ACT (12-605); RENEGOTIATION (7-103@13); BUY AMERICAN ACT (6104.5); EXAMINATION OF RECORDS (7-104.15); AUDIT AND RECORDS (7-104.41); PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (7-104.29); CONVICT LABOR (12-203); NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (7-104.4); WORK HOURS ACT (12-303.1); EXCESS PROFITS (7-104.1 1); MILITARY SECURITY REQUIREMENT (7-104.12); TERMINATION (8-706); EQUAL OPPORTUNITY EMPLOYER (12-802).

18. Compliance with Law. Seller warrants that products sold or services furnished will be provided or furnished in full and complete compliance with all applicable federal state or local statutes, rules, regulations and orders, including those pertaining to labor, hours and conditions of employment, and, in particular, the Fair Labor Standards Act, as amended, and Executive Order No. 1 1246 (Equal Employment Opportunity) effective October 24, 1965, with all amendments thereto or as it may be superseded, Seller agrees that all the provisions of said Executive Order, as it may be amended or superseded, are hereby made a part hereof by reference and are binding upon Seller. Seller further agrees and confirms that Seller, as a subcontractor or vendor, has complied with and will comply with the provisions of said Executive Order and the rules and regulations promulgated under the authority thereof, including, among others, reporting requirements.

19. Safe Operation. People doing any work on a refrigeration system must be qualified and completely familiar with the system and Refrigeration Components Group products involved, or all other precautions will be meaningless. Such qualification includes reading and understanding pertinent Refrigeration Components Group product bulletins prior to installation or servicing work. Buyer agrees to provide adequate warnings and information to its employees and other users of the goods furnished hereunder in order to safeguard against improper installation or service procedures.

20. Nuclear Sales. If the Buyer or ultimate user of the goods sold hereunder intends to use such goods in any nuclear installation or activity, Buyer shall so notify Seller and subsequently negotiated Nuclear Terms of Sale shall become a part of and control the contract.

21. Miscellaneous. Stenographical and clerical errors are subject to correction. This contract may not be modified or rescinded nor any of its provisions waived unless such modification, rescission or waiver is in writing, specifically states that it is an amendment, rescission or waiver of this contract and is signed by both parties hereto. This contract is intended by the parties as a final expression of their agreement and a completed and exclusive statement of the terms thereof. This contract shall be governed and construed under the laws of the State of Ohio.

22. Freight. Full freight allowed on orders totaling \$1500.00 per shipping location.

Warranty

Seller warrants the goods sold hereunder to be free from defects in material and workmanship. THE ABOVE WARRANTIES COMPRISE THE SELLER'S SOLE AND ENTIRE WARRANTY OBLIGATION TO BUYER, ITS CUSTOMERS OR ASSIGNS IN CONNECTION WITH GOODS SOLD HEREUNDER. SELLER EXTENDS NO WARRANTY TO ULTIMATE CONSUMERS OR USERS. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND FITNESS, ARE EXPRESSLY EXCLUDED. Seller's sole obligation under these warranties shall be to repair or replace any item or part thereof which is proved to be other than as warranted. When claiming a breach of the above warranties, Buyer must notify Seller promptly whereupon Seller will either examine the goods at their site, or issue shipping instruction for return to Seller (transportation cost prepaid by Buyer). The above warranties shall terminate unless Buyer in writing claims for breach thereof within one year from manufacture, as stipulated under replacement policy. Claims not made within such period are waived. The warranties do not extend to articles damaged after shipment from Seller's plant where damage is not directly due to a defect in material or workmanship, nor do they apply to goods altered or repaired except when performed under Seller's specific authority, not to articles furnished by Buyer or acquired at Buyer's request and/or Buyer's specifications.

Returned Goods

Written authorization from Parker personnel must be received before any goods will be accepted in return and credit issued. There are no exceptions. Only those quantities and specific parts on the written authorization will be accepted. Consult section 13 of Terms and Conditions of Sale for more information. Written authorization can be obtained through our office in Broadview, located at: 2445 South 25th Ave., Broadview, IL 60155.

Safe Operation of FLO-CON Pressure Regulators

People doing any work on a refrigeration system must be qualified and completely familiar with the system and the Refrigerating Specialties Division valves involved, or all other precautions will be meaningless. This includes reading and understanding pertinent Refrigerating Specialties Division product bulletins and Bulletin RSB prior to installation or servicing work.

Where cold refrigerant liquid lines are used, it is necessary that certain precautions be taken to avoid damage which could result from liquid expansion. Temperature increase in a piping section full of solid liquid will cause high pressure due to the expanding liquid which can possibly rupture a gasket, pipe or valve. All hand valves isolating such section should be marked, warning against accidental closing, and must not be closed until the liquid is removed. Check valves must never be installed upstream of solenoid valves or downstream of check valves or be closed until the liquid has been removed. It is advisable to properly install relief devices in any section where liquid expansion could take place.

Avoid all piping or control arrangements which might produce thermal or pressure shock.

For the protection of people and products, all refrigerant must be removed from the section to be worked on, before a valve strainer, or other device is opened or removed.

Refrigeration After-market Valve Replacement Policy

(Includes Thermostatic Expansion Valves, Solenoid valves, and Flo-Con Pressure Regulators)

Parker valves (thermostatic expansion valves, solenoid valves, and Flo-Con pressure regulators) can be replaced at the appropriate facility at any time.

All valves are warranted for one (1) year (four quarters, including the quarter indicated on the valve) against defective material or workmanship.

Valves will be returned to Parker, transportation prepaid. Any returned valves must show a definite reason for return. Each should be tagged in accordance with the ARI, ARW, NHRW tagging recommendation.

After inspection by Parker, any valve proven to have defects in material or workmanship causing an inoperative condition, that valve will be repaired or replaced at no charge if still within the 1 year warranty period.

Valves that are determined to be inoperative due to causes beyond Parker's control will be repaired or replaced and a charge made.

Valves covered under warranty will be replaced and warranted for the remainder of the original warranty period. Valves that are replaced out of warranty will be replaced and warranted for one year.