

McNab Incorporated

STANDARD TERMS AND CONDITIONS OF SALE

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1. Every contract of sale is subject to these conditions, which are incorporated into all future documents concerning such contract. All other conditions and warranties whether implied by statute, common law, or trade usage or expressed by the buyer, are hereby excluded, with the exception of conditions expressly accepted by us in writing.
2. Warranty Policy McNAB, INCORPORATED warrants its equipment to be free from defects in material or workmanship for a period of one year after acceptance or one year after any part of the equipment is placed in operation. The above warranty period shall not extend beyond eighteen months from original shipment or whichever period ends first. Any item or part found defective in workmanship or material within the warranty period will be replaced without charge, providing the defective equipment or part thereof is returned to our facility for inspection, repair and/or replacement.

If Buyer discovers any warranty defects and notifies Seller thereof in writing during the applicable warranty period, Seller shall, at its option, promptly correct any errors that are found by Seller in the firmware or Services, or repair or replace F.O.B. point of manufacture that portion of firmware found by Seller to be defective, or refund the purchase price of the defective portion of Goods/Services. McNab's permission is required prior to return of any equipment or part. All returns must be shipped prepaid FOB factory and must be identified with a McNab Return Material Authorization number. The limit of liability shall not exceed repair or replacement of defective material, and shall not include cost of removal or installation. Our liability shall be limited to repairing or replacing defective parts, and we shall not be liable for any indirect, special or consequential damages.

Products purchased by Seller from a third party for resale to Buyer ("Resale Products") shall carry only the warranty extended by the original manufacturer. Buyer agrees that Seller has no liability for Resale Products beyond making a reasonable commercial effort to arrange for procurement and shipping of the Resale Products. Warranty does not extend to equipment or part subjected to misuse, neglect, accident or improper installation.

This warranty does not include expendable items such as fuses or lamps. Any item repaired or altered at any place other than the McNab factory or by persons not approved by McNab is excluded from this warranty.

3. Claims for damaged shipments must be made with the delivering carrier.

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4. If, in the performance of the contract, any trade secrets and/or items of proprietary information are disclosed, they will be kept secret, and adequate provisions will be made to safeguard such secrets and/or items of proprietary information before such secret and/or item or items of information are disclosed by McNab.
5. Prices quoted are confidential. They are subject to change by McNab, Inc. before final acceptance at seller's home office.
6. If delivery or acceptance of goods is prevented, hindered or delayed by strikes, lockouts, accidents or any other causes (whether of a similar kind or not) beyond our control, such delivery or acceptance may be suspended during the continuance of such strike or lockout or until such accident or other cause shall have ceased to exist. Dates are approximate and based upon prompt receipt of all necessary information, approval and release for manufacture, if required.
7. Software requirements, if not specifically herein quoted, are not known to us at this time and are not included.
8. Typographical and stenographical errors subject to correction.
9. Any alteration or deviation from this contract will be executed only upon written modification at additional charge, as required.
10. Prices quoted herein are firm for 60 days unless otherwise herein stated.
11. Quality domestic commercial packaging will be supplied unless otherwise herein specified.
12. Federal, state, or local excise or use taxes, if any, shall be paid by the customer.
13. Contact McNab for authorization prior to returning material. All returns must be new, unused, and in the customer's possession no longer than 60 days. Restocking charges on current catalog items will be 20% or a minimum of \$50 (whichever is greater). Specials made to customer' specifications are not returnable. Such authorized returns must be made prepaid in the original shipping containers.
14. McNab reserves the right to, without notice, make engineering refinements (not involving mechanical or electrical interfaces) and incorporate them in the equipment when such changes in detail of design, construction or arrangement shall, in its judgment, constitute an improvement over former models.

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15. The terms of sale are Net 30 Days F.O.B. Mt. Vernon unless otherwise stated. Terms herein are subject to credit approval. McNab, Inc. may, at any time, modify the terms of payment originally specified to require payment in advance. Foreign buyers require irrevocable letter of credit.
16. Buyer may cancel his order, reduce quantities, revise specifications, or extend schedules only by mutual agreement with McNab as to reasonable and proper cancellation charges which shall take into account expenses already incurred, and commitments made by McNab, and shall indemnify McNab against any loss.
17. Source inspection, DD 250 forms, military packaging and special tagging requirements subject to additional charge.
18. Delivery at our plant, for shipment to you, will be 10 weeks after receipt of order unless otherwise stated herein.
19. A 1 1/2% per month interest charge will be added to all invoices over 60 days old.
20. Delivery extended by purchaser beyond date specified herein will result in price escalation in accordance with BLS 117 or its equivalent.
21. This contract may be assigned as required.
22. Warranty for shaft horsepower, torque, or thrust products applies only where McNab personnel (or a McNab trained certified field technician) field calibrates the units. And where the installation and maintenance follows the McNab instruction book/manual.
23. Limitation of remedies: McNab's entire liability and your exclusive remedy are set forth in this section.
- 23.a McNab's liability for damages any lost profits, lost savings, incidental damages, or other economic consequential damages from any other cause whatsoever and in addition, McNab will not be liable for any damages claimed by you based on any third party claim, said liability will be limited to the greater of 1) \$10,000 or 2) an amount equal to third the price for the specific equipment that caused the damages or that are subject matter of, or are directly related to, the cause of action. This limitation will apply, except as otherwise stated in this section, regardless of the form of action, whether in contract or in tort including negligence.

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- 23.b Seller warrants that the firmware will execute the programming instructions provided by Seller, and that the Goods manufactured or Services provided by Seller will be free from defects in materials or workmanship under normal use and care until the expiration of the applicable warranty period.

- 23.c R-E-S-E-R-V-E-D

- 23.d All replacements or repairs necessitated by inadequate maintenance, normal wear and usage, unsuitable power sources, unsuitable environmental conditions, accident, misuse, improper installation, modification, repair, storage or handling, or any other cause not the fault of Seller are not covered by this limited warranty, and shall be at Buyer's expense. Seller shall not be obligated to pay any costs or charges incurred by Buyer or any other party except as may be agreed upon in writing in advance by an authorized Seller representative. All costs of dismantling, reinstallation and freight and the time and expenses of Seller's personnel for site travel and diagnosis under this warranty clause shall be borne by Buyer unless accepted in writing by Seller.

- 23.e Goods repaired and parts replaced during the warranty period shall be in warranty for the remainder of the original warranty period or ninety (90) days, whichever is longer. This limited warranty is the only warranty made by Seller and can be amended only in a writing signed by an authorized representative of Seller. Except as otherwise expressly provided in the Agreement, **THERE ARE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, OR ANY OTHER MATTER WITH RESPECT TO ANY OF THE GOODS OR SERVICES.**

- 23.f All analyzers are individually calibrated for use with specific particles requested in order entry process. Different fluids should not be used without first consulting the factory to verify compatibility of materials.

This document is deemed to be the last document between the parties.