



SELLING POLICY 1000

Terms and Conditions of Sale

Colmac gives notice of its objection to any different or additional terms and conditions except for any such terms and conditions as may be expressly accepted by it in writing.

Unless different or additional terms and conditions are accepted and approved the terms and conditions stated below apply, and such terms and conditions supersede any prior or contemporaneous agreements or correspondence between the parties.

Prices

Prices, discounts, and multipliers are subject to change without notice.

Oral quotations, unless accepted, expire the same day they are made. Written quotations, unless accepted automatically, expire 30 calendar days from the date of issue unless otherwise stated in the quotation and can be withdrawn by notice within that period.

Order Entry

Only valid orders will be entered into the production scheduling system. A valid order is defined as: being on the customer's purchase order form or on an authorized Colmac order entry form, having a purchase order number with date and signature. It should also show quantity, model number or description of product, electrical characteristics, pricing, and a requested shipping date. Telephone or verbal orders will not be scheduled for production until receipt of valid order.

Taxes

The price does not include any federal, state, or local property, license, privilege, sales, use, excise, gross receipts, value added, or other like taxes which may now or hereafter be applicable to, measure by, or imposed upon, or with respect to the transaction, the property, its sale, its value, or its use, or any services performed in connection therewith. Such taxes are for the account of the purchaser and the purchaser agrees to pay or reimburse any such taxes which Colmac or its contractors or suppliers are required to pay.

Terms of Payment

Standard terms of payment will be net 30 days from date of invoice, upon prior approval of credit. Colmac may change terms of payment at any time if in our judgment reasonable doubt as to meeting these terms exist. This includes but is not limited to: financial condition, late payments, delays or changes in orders, incomplete instructions etc.

All collection costs, including attorney fees, shall be borne by the purchaser.

Payments

If, in the judgment of Colmac, the financial condition of the purchaser does not justify the terms of payment specified, Colmac may require full or partial payment in advance.

Should the purchaser be adjudged bankrupt or insolvent in any legal proceeding, Colmac shall have the right at its election and throughout the period allowed in such proceeding for filing claims against the purchaser's estate, to cancel the order and to recover its proper cancellation charges from the purchaser's estate.



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If shipments are delayed by the purchaser, payments shall become due from the date Colmac is prepared to make shipment. If manufacturer is delayed by the purchaser, payment shall be made based on the contract price, as adjusted under the provisions of the price policy article, and percent of completion, and the purchaser shall reimburse Colmac for any additional costs resulting from such delay.

Products held for the purchaser shall be at the risk and expense of the purchaser.

Shipments

All products are shipped FOB point of shipment. Freight charges are as specified per Colmac quotation unless otherwise specified, noted, and accepted on the purchase order.

Standard quoted freight pricing does not apply to special flatbeds, dedicated truck arrangements, split shipments, export arrangements, or other special arrangements unless specifically noted. Any charges for special services will be paid or reimbursed by the Purchaser.

Contact the Traffic or Sales department at Colmac for special quotations and freight adders.

Renewal Parts and Warranty Replacements

All renewal parts and warranty replacement parts are sold F.O.B. point of shipment, freight collect and not allowed.

Cartage (Store Door Delivery)

Transportation charges incurred from the nearest accessible common carrier point to final destination or to ship side are the responsibility of the purchaser unless the common carrier furnishes store delivery at no extra charge.

Origin, Method of Shipment and Routing

Colmac will determine the point of origin of shipment, the method of transportation, and the routing of shipment. Purchasers requiring shipment by a method or routing other than that of Colmac selection will be billed any excess or premium in transportation charges.

Any charges for special services such as special trains, lighterage, or construction, or repair of transportation facilities will be paid or reimbursed by the Purchaser.

Purchaser Pick-Up

No allowance will be made in lieu of transportation if the Purchaser accepts shipment at the factory, warehouse, or freight station. Transportation charges will not be deducted from a selling price unless with prior approval.

Shipping Damage

Responsibility for the product is transferred to the customer upon departure of the apparatus from the factory. As such, the customer is responsible for damage or loss of goods in transit. Therefore, it is recommended that the customer carefully examine the equipment before accepting delivery from the carrier. In the event of shortage or damage, the customer must note said loss or damage on the transportation receipt and immediately file a claim with the carrier, also sending a copy to the factory or warehouse originating the shipment.



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Concealed Damage

Colmac will not participate in any settlement or claims for concealed damage. Refer to Colmac Coil Freight procedure notice, P/N FP1010.

Shipment Schedules

Shipping dates are approximate and are based on receipt of complete information with order. If drawing approval is required, drawings must be returned on schedule to maintain shipping date(s).

Colmac shall not be liable for failure to perform or for delay in performance due to fire, flood, strike or other labor difficulty, act of God, act of any government authority or of the Purchaser, riot, embargo, fuel or energy shortage, car shortage, faulty raw materials, wrecks or delay in transportation, inability to obtain necessary labor, materials, or manufacturing facilities from usual sources, or due to any cause beyond its reasonable control.

In the event of delay in performance due to any such cause, the shipment date will be extended by a period reasonably necessary to overcome the effect of such delay.

Warranty

Colmac warrants that the product manufactured by it will be of the kind and quality described in its specifications and will be free of defects in workmanship and material. Should any failure to conform to this warranty appear within a period of two (2) years from date of shipment to the purchaser, Colmac shall upon prompt written notification thereof correct such non-conformity at its option by repair or replacement, F.O.B. factory, of the defective part or parts.

In addition to the above, Colmac warrants all pressure bearing elements (tubes, headers, connections, weld joints) in stainless steel tube coils manufactured according to ASME B31.5, to be free of defects in materials and workmanship for a period of five (5) years after the date of shipment to the purchaser.

In no event shall Colmac be responsible for providing working access to the defect, the removal, disassembly, replacement or reinstallation of any product, materials, or structures to the extent necessary to permit Colmac to perform its warranty obligations, or transportation costs to and from the Colmac factory. The conditions of any tests shall be mutually agreed upon and Colmac shall be notified of and may be present at all tests that may be made.

General Warranty

To validate a claim, Colmac reserves the right to require that defective parts be returned to the factory, transportation charges prepaid.

Filters, fan belts, refrigerants, and oil are not included. This warranty does not apply to products or parts damaged by accidents, abuse, improper installation, lack of proper maintenance, unauthorized alterations, misapplications, improper applications, fire, flood, or acts of God. Furnishing of parts as described above shall constitute fulfillment of all Colmac obligations with respect to the warranty and replacement parts will be warranted only for the unexpired portion of the original warranty.

Products supplied by Colmac, but manufactured by others, are warranted only to the extent of the manufacturer's warranty.

THE WARRANTIES SET FORTH IN THIS PROVISION ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES WHETHER STATUTORY, EXPRESS, OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE), EXCEPT OF TITLE AND AGAINST PATENT INFRINGEMENT.



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The remedies provided above are the purchaser's sole remedies for any failure of Colmac to comply with its obligations. Correction of any non-conformity in the manner and for the period of time proved above shall constitute complete fulfillment of all the liabilities of Colmac whether the claims of the purchaser are based in contract, in tort (including negligence) or otherwise with respect to or arising out of the product furnished hereunder.

Limitation of Liability

Colmac, its contractors and suppliers shall not be liable in contract, in tort (including negligence and strict liability) or otherwise for damage or loss of other property or equipment, loss of profits or revenue, loss of use of equipment or power system, cost of capital, cost of purchased or replaced power or temporary equipment (including additional expenses incurred in using existing facilities), claims of customers of the purchaser or for any special indirect, incidental, or consequential damages whatsoever.

The remedies of the purchaser set forth herein are exclusive and liability of Colmac with respect to any contract, or anything done in connection therewith such as the performance of breach thereof, or from the manufacture, sale, delivery, resale, or use of any equipment covered by or furnished under the contract, whether in contract, in tort (including negligence and strict liability) or otherwise, shall not exceed the price of the equipment or part on which such liability is based.

Patents

Customer agrees to indemnify Colmac against all liabilities and expenses from any claim of infringement on any patent in connection with apparatus fabricated by Colmac to customer's specifications.

Title-Risk of Loss

The product sold shall remain the property of Colmac and shall remain personal property until fully paid for in cash, and the purchaser agrees to perform all acts which may be necessary to perfect and assure retention of title to such product by Colmac. Risk of loss of the product, or any part of same, shall pass to the purchaser upon shipment of such product or part at the designated shipment (F.O.B.) point.

Termination

Certain orders only may be terminated by the purchaser on written notice to Colmac and upon payment of termination charges in accordance with the following schedule:

- A. Stocked product not yet shipped: A charge of 15% of the net price will be assessed for restocking.
- B. Non-stocked product. A charge of 50% of the net price will be assessed if cancellation received during component production and a 100% charge if cancellation received after start of unit production.

Cancellation

Colmac shall have the right to cancel any order or contract at any time by written notice for any material breach of the order or contract by the purchaser.

Held Orders

Any order held or delayed or rescheduled at the request of the purchaser will be subject to the prices and conditions of sale in effect at the time of the release of the hold or the reschedule. When products are ready for shipment and shipment cannot be made because of reasons beyond Colmac control, Colmac shall submit an invoice for such product payable upon receipt thereof and shall, upon written notice to the purchaser, store such products. In such event, the following conditions shall apply:



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Risk of loss of product shall pass to the purchaser upon moving such product to storage.

All expenses incurred by Colmac in connection with the storage of products, including demurrage, the cost of preparation for storage, storage charges, insurance if placed, and handling charges shall be payable by the purchaser upon submission of invoices therefore by Colmac.

Minimum Billing

The minimum billing charge shall be \$50.00 plus transportation charges.

Returning Apparatus

Authorization and shipping instruction for the return of any product must be obtained by the purchaser from Colmac before returning the product. Product must be returned with complete identification in accordance with Colmac instructions or it will not be accepted. Where a purchaser requests authorization to return product for reasons of his own, he will be charged for placing the returned goods in salable condition (up to 15% restocking charge) and for any outgoing and incoming transportation paid by Colmac. In no event will Colmac be responsible for product returned without proper authorization and identification.

Special Testing

If witness or other special tests are required, refer to Colmac headquarters for approval and additional costs involved.

Substitute Material

Colmac may furnish suitable substitutes for materials unobtained because of priorities or regulations established by government authority or non-availability of materials from Suppliers.

Export Packing

List prices include apparatus having standard domestic packing only. Where packing for overseas shipment is required refer to Colmac.

Catalog Data

Print material is carefully prepared and edited but Colmac is not responsible for typographical errors or omissions.

The Laws of the State of Washington shall govern the validity, interpretation, construction, and effect of this order.