

Standard Terms and Conditions of Sale

The following Standard Terms and Conditions shall govern all sales of goods or services by Cambridge Engineering, Inc. ("Seller") to the person or entity identified on the Quotation, Acknowledgment or Purchase Order as purchasing such goods or services ("Buyer").

ACCEPTANCE: Buyer's order shall be deemed an offer for purchase which is subject to acceptance by Seller. Seller's acceptance of such offer of purchase is limited to the express terms contained in the Quotation or Acknowledgment and these Standard Terms and Conditions. Any proposal for additional or different terms or any attempt by Buyer in its purchase order or otherwise is hereby objected to and rejected. Unless Buyer's proposed changes affect the description, quantity, price or delivery schedule of the goods, Seller's objection herein shall not be deemed a rejection, but shall constitute acceptance thereof without said additional or different terms. Acceptance of orders for Seller shall be made solely at its manufacturing plant in St. Louis County, Missouri.

PRICES: Prices quoted are valid for sixty (60) days. If orders are not released by Buyer for fabrication and shipment within ninety (90) days after receipt of order, prices and terms of payment are subject to change by Seller without prior notice. All prices and terms of sale are subject to correction due to error. Prices quoted are F.O.B. shipping point unless otherwise stated. NO SALESMAN OR ANY OTHER UNAUTHORIZED PERSON HAS AUTHORITY TO ALTER OR VARY SELLER'S ESTABLISHED PRICES OR TERMS. Any such change must be in writing and signed by an authorized officer of Seller.

SHIPMENT TERMS: Shipment dates are estimates only, unless agreed otherwise in a writing signed by an authorized officer of Seller. Seller's responsibility for the goods ceases upon delivery of the goods to the transportation company, and thereafter, Buyer shall be liable for any and all losses, delays or damage to any goods.

STORAGE CHARGES: Requests for delay in shipment date by Buyer shall be made at least ten (10) working days prior to the shipment date indicated in the Acknowledgement. With respect to orders for which Products have been manufactured, the shipment date may be delayed by five (5) working days at no charge. A storage fee of \$50.00 per day will be charged for each day the shipment is delayed beyond this five-day grace period.

TAXES: Prices quoted do not include any federal, state, or local taxes, which shall in all events remain the responsibility of Buyer. Seller may, at its option, invoice Buyer for taxes at the time of invoicing the goods, or separately. Tax exemption certificates, as required by federal, state, or local regulations, must accompany all orders to which same apply or be on file with Seller.

WARRANTY, LIMITATION OF LIABILITY, AND EXCLUSION OF REMEDIES: Seller warrants its products ("the Products") to be free from defects in material and workmanship for periods, from the date of shipment, of twenty four (24) months for S-Series products and M-Series products, except that burner assemblies are warranted for five (5) years from date of shipment. Buyer's sole and exclusive remedy for any nonconformity with this warranty shall be, at Seller's option, repair or replacement of nonconforming parts, provided that Buyer shall return to Seller, shipping prepaid, said nonconforming part(s) bearing a durable tag indicating the original Shop Order reference number and Serial Number of the Product from which the part was taken. In addition, Seller may opt not to repair or replace nonconforming Product or part(s), but instead may refund to Buyer the price thereof, in lieu of repair or replacement. In no event shall Seller be liable for more than a refund of the purchase price or replacement value of the Product, whichever is less. This Warranty does not apply to field labor charges.

This Warranty applies only to Seller's Products, and not to any products, components or parts manufactured by others. Warranty coverage for such products, components or parts shall be as provided by their respective manufacturers.

This Warranty does not apply and shall be void as to any Products that are misused or misapplied, that are installed, operated or maintained not in conformity with Seller's design, specifications, instructions, or Technical Manual, or are installed, operated or maintained in violation of any applicable national or local codes or industry standards.

Seller does not warrant Products if they are abused, improperly operated or maintained, subjected to abnormal wear and tear, damaged due to improper gas or electric service, damaged in transit, or have been repaired or modified by others without Seller's written authorization.

Buyer shall have no right to enforce this Warranty unless it has complied with all of its obligations under the contract for purchase lease of the Products, including without limitation being current on all payment terms.

THIS LIMITED WARRANTY IS SELLER'S ONLY WARRANTY WITH RESPECT TO THE PRODUCTS, AND IT IS IN LIEU OF AND SUPERCEDES ANY AND ALL OTHER WARRANTIES OF ANY KIND WHATSOEVER, WHETHER WRITTEN, ORAL OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE REMEDIES AFFORDED BUYER BY THIS WARRANTY ARE THE ONLY REMEDIES AFFORDED BUYER FOR ANY NONCONFORMITY WITH THIS WARRANTY OR FOR ANY DEFECT IN PRODUCTS, SERVICES OR REPRESENTATIONS PROVIDED BY SELLER IN CONNECTION WITH SUCH PRODUCTS.

IN NO EVENT SHALL SELLER BEAR ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER, INCLUDING

WITHOUT LIMITATION PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE, LOST PROFITS OR OTHER ECONOMIC LOSS.

Buyer acknowledges that the foregoing warranty, limitations, and exclusions are a reasonable allocation of commercial risks by and among sophisticated business entities and are not subject to dispute as to their commercial reasonableness, fairness or ability to satisfy the essential purposes of the parties' transaction.

PAYMENT: Payment terms are net thirty (30) days from the date of the invoice, unless otherwise stated in writing by Seller. On any account outstanding for more than thirty (30) days, Seller may add a service charge of 1½ percent of the principal amount due at the end of each month. Buyer shall not retain, withhold, or escrow any portion of the payment due to Seller at any time or for any reason. In addition to all of Seller's other remedies, Buyer shall compensate Seller for all collection costs, including attorney fees.

RETURNS: Goods shall not be returned except by permission of Seller, and when so returned, will be subject to such reasonable charges as Seller may determine.

CANCELLATION: Buyer shall not cancel any order hereunder, in whole or in part, without Seller's written consent. Buyer shall be liable to Seller for cancellation charges including, but not limited to, Seller's incurred costs and such profit as would have been realized by Seller from the transaction but for the cancellation. Seller shall have the right to cancel or suspend performance, in the event of Buyer's failure or delay in performing any of its obligations hereunder, including without limitation payment or acceptance of delivery, or in the event of Buyer's bankruptcy or insolvency, all without any liability of Buyer. Buyer shall not return goods without Seller's prior written authorization. All returns shall be shipped prepaid at Buyer's expense, and are subject to Seller's inspection and acceptance. Seller may assess Buyer a reasonable handling and repacking charge on returned goods.

CHANGE IN DESIGN: Seller may, at its discretion, make changes or improvements in design or additions to its products without any obligation to provide Buyer such changes, improvements or additions with goods previously manufactured, nor shall Seller be required to make any compensation or adjustments of any nature whatsoever in connection therewith.

FORCE MAJEURE: Seller's failure of or delay in performance hereunder shall be excused in the event of any cause beyond its reasonable control, including without limitation, governmental acts, strikes, civil disturbance, war, accidents, fires, floods, acts of God, Seller's inability to procure materials from the usual sources, or shortages of materials, supplies, labor or fuel.

WARRANTY AS TO INTELLECTUAL PROPERTY Seller warrants that Buyer shall have the right to engage in the use(s) of the goods and services provided hereunder free of all claims of intellectual property rights of any person or entity whatsoever, including without limitation, patents, copyrights, and trademarks. Seller shall defend, indemnify and hold harmless Buyer from and against any and all claims, actions, suits or proceedings of any kind which may be brought against Buyer or its agents, customers, or other persons in privity with it in the chain of distribution, for alleged infringement of such intellectual property rights.

ASSIGNMENT: Buyer may assign in whole or in part its rights and obligations hereunder. Seller shall not assign or delegate any of its rights or obligations hereunder, without the prior written consent of Buyer.

WAIVER: Seller's failure to insist on performance of any of the terms or conditions herein or to exercise any right or remedy, or Seller's waiver of any breach hereunder shall not thereafter waive any other terms, conditions, or remedies, whether of the same or similar type or for the same or later breach.

LIMITATION ON LIABILITY AND ACTIONS: Seller's liability for any loss or damage arising out of the performance or breach this contract shall in no case exceed the price allocable to the goods or services or unit thereof which gives rise to the claim. In no event shall Seller be liable for incidental or consequential damages (including without limitation lost profits) nor shall it be liable for penalties of any kind. Any action against Seller hereunder must be commenced within one year after the cause of action has occurred.

CHOICE OF LAW AND VENUE: This transaction and contract are governed by the laws of the State of Missouri, and the exclusive jurisdiction for resolution of any dispute between Buyer and Seller shall be the Circuit Court of St. Louis County, Missouri.

ENTIRE AGREEMENT: The signed quotation, Seller's order acknowledgment and any documents incorporated therein and these Terms and Conditions constitute the entire agreement of the parties and shall not be altered or modified except by the written agreement of both parties.

START-UP: A minimum two week notification is required on all orders requiring start-up by Cambridge. Access to the roof may be required for start-ups.

Rev: 04/04/11