

**CONFLOW CORPORATION
STANDARD TERMS AND CONDITIONS OF SALE
THESE TERMS SHALL SUPERCEDE ANY AND ALL BUYER'S TERMS**

1. **PRICES AND SHIPPING TERMS.** All prices by Conflow are subject to change without notice. Prices do not include any taxes and, where applicable, such taxes shall be invoiced as a separate item and paid by the Buyer. All sales are made f.o.b. point of shipment. In all cases, title shall pass upon delivery to the carrier at point of shipment and thereafter all risk of loss or damage shall be upon Buyer. All prices and items shown as "freight allowed" pertain to particular items and quantities. Any deviation after placement of order will be subject to a price increase, additional freight charges and/or manufacturer's terms and conditions. If applicable Conflow shall have the right to make partial shipments and invoice Buyer for such partial shipments. All weights and dimensions are approximate. All labor or mechanical facilities required to unload shall be provided by Buyer without any cost to Conflow.
2. **DELIVERY.** Factory shipping dates given in advance of actual shipment are estimates and shall not be deemed to represent fixed or guaranteed shipping dates. Conflow shall not be liable for failure to deliver or for delay in delivery or performance due to a cause beyond its reasonable control, an act of God, act or omission of Buyer, act of civil or military authority, governmental priority or other allocation or control, fire, inclement weather, strike or labor difficulty, riot or other civil disturbance, insolvency or other inability to perform by the manufacturer, delay in transportation or any other commercial impracticability. In the event of any such delay, the date for delivery or performance shall be extended for a period equal to the time lost by reason of delay. If Buyer request to delay the delivery time for products which are ready for shipment, Conflow reserves the right to invoice Buyer for such goods and charge warehouse and/or storage fees until shipment is made.
3. **PAYMENT AND FINANCIAL CONDITION.** Any order for goods by Buyer shall constitute a representation that Buyer is ability to pay. If, in the judgment of Conflow, the financial condition of the Buyer at the time of manufacture or shipment does not justify the terms of payment specified, Conflow reserves the right to require full or partial payment from Buyer or adequate assurance of performance before manufacture or shipment. Conflow reserves the right to suspend its performance until such payment or adequate assurance of performance has been received. Further, Conflow may suspend manufacture or shipment of any goods for which Conflow has not already received payment whenever Buyer is in default under this or any other contract of sale between Conflow and Buyer. Any costs incurred by Conflow as a result of suspending or interrupting performance shall be paid by Buyer. All **invoices from Conflow are due and payable to Conflow, net thirty (30) days, unless otherwise expressly agreed in writing.** Payment to Buyer from Buyers' customers, if any, shall not be a condition precedent to Buyer's obligation to make payment to Conflow. Retention is not allowed. If payment is not made when due, Buyers agrees to pay a charge on the amount past due at the rate of 1 ½% per month (18% per annum) or the maximum lawful rate, whichever is less. Nothing herein shall be deemed to extend or otherwise modify Buyer's obligation to make payment when due, in the event of default, Buyer agrees to pay Conflow's actual attorney's fees, if any, and all costs incurred by Conflow in the collection of any monies due from Buyer.
4. **LIMITED WARRANTIES.** (a) Products Modified by Conflow: Conflow warrants that the products modified by Conflow will be free from defects in material and workmanship for ninety (90) days from date of shipment. **Conflow's sole obligation and Buyer's exclusive remedy in connection with Conflow's modified or value added products shall be limited, at Conflow's option, to either replacement of products not conforming to this warranty or credit to Buyer's account for the invoiced amount of the non-conforming products.** (b) Products Manufactured by Others: The products distributed by Conflow (whether sold separately or incorporated into another product) are the products of reputable manufacturers. Conflow shall use its best effort to obtain from each manufacturer, the manufacturer's warranty (copies of which will be furnished upon written request) or customary practice for the repair or replacement of products that may prove defective in material or workmanship. Conflow's only obligation with respect to products manufactured by others is to present Buyer's claim to the Manufacturer. Buyer agrees that the liability of Conflow shall not exceed any adjustment offered or accepted by the Manufacturer. (c) Miscellaneous: Any claim under this Warranty must be made by Buyer to Conflow in writing within five (5) days of Buyer's discovery of the claimed defect. Buyer's failure to notify Conflow of such non-conformity as required herein shall bar Buyer from recovery under this Limited Warranty, EXCEPT AS TO TITLE, THERE ARE NO OTHER WARRANTIES, EITHER WRITTEN, ORAL, IMPLIED OR STATUTORY RELATING TO THE DESCRIBED GOODS. NO IMPLIED STATUTORY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE SHALL APPLY.
5. **CLAIMS.** Within five (5) days after receipt of products, Buyer shall notify Conflow in writing of any claims for non-conformity, shortages, error in shipment or errors in charges. Failure to notify Conflow shall constitute conclusive evidence that Conflow has satisfactorily performed and that Buyer has accepted the products and waives any right to reject the products. Products may be returned only upon Conflow's prior written authorization. Conflow's liability is limited to replacing non-conforming products or to allow credit to the extent of invoice amount of such products, at Conflow's option. Conflow shall be given reasonable opportunity and access to investigate the merits of any claim made by Buyer.
6. **LIMITATION OF LIABILITY.** Conflow's liability on any claim for loss or damage arising out of any contract or from the performance or breach of such contract, or connected with the supplying of any goods, or their sales, resale, operation or use, whether based on contract warranty, tort (including negligence) or other grounds, shall not exceed the price allocable to such goods or part thereof involved in the claim. Conflow shall not in any event be liable, whether as a result of breach of contract, warranty, tort (including negligence), or other grounds for labor charges, "in and out" charges, special consequential, incidental, liquidated or penal damages including, but not limited to, loss of profits or revenue, loss of use of the product or any associated product, cost of capital, cost of substitute products, facilities or services, downtime costs, or claims of Buyer's customers for such damages. If Conflow furnished Buyer with advice or other assistance, which concerns any goods supplied hereunder, or any system or equipment in which any such goods may be installed, and which is not required pursuant to Conflow's quotation, if any, the furnishing of such advice or assistance will not subject Conflow to any liability, whether based on contract, warranty, tort (including negligence) or other grounds.
7. **HAZARDOUS BUSINESS.** Unless otherwise agreed in writing by an authorized representative of Conflow, goods sold hereunder are not intended for use in connection with any hazardous activity or any other critical application where failure of a single component could cause substantial harm to persons or property. If so used, Conflow disclaims all liability for any damage, contamination or other injury and Buyer shall indemnify and hold Conflow harmless from such liability, whether as a result of breach of contract, warranty, tort (including negligence) or other grounds.
8. **IMPROPER ACT OF BUYER.** Buyer shall indemnify, defend, and hold Conflow harmless from any claim, liability, damages lawsuits, and costs (including attorneys' fees), whether for personal injury, property damage or other, brought by or incurred by Buyer, Buyer's employees, Conflow's employees, or any other person, arising out of improper selection, improper application or other misuse of products purchased from Conflow, or failure to follow Conflow's application and safety instructions.
9. **CANCELLATION AND RETURNED GOODS.** Orders placed by Buyer may not be canceled, except upon Conflow's prior written consent and the payment of all cancellation charges, if any. The amount of credit, if any, allowed to Buyer for returned goods shall be at the sole discretion of Conflow and may provide for a restocking charge. All customers specified materials and modified materials are non cancelable and non returnable. In the event of cancellation and/or return without Conflow's consent, Conflow shall be entitled to recover any and all damages suffered by Conflow as the result of Buyer's cancellation.
10. **ASSIGNMENT.** The assignment by Buyer of any or all of its duties or rights hereunder, without the prior written consent of Conflow, shall be void.
11. **GENERAL.** All orders are subject to acceptance by management of Conflow. Any representation, affirmation of fact and course of dealings, promise or condition made in connection herewith or usage of trade not incorporated herein, shall not be binding on either party. No waiver, alteration or modification of any of the provisions hereof shall be binding upon Conflow unless specifically assented to in writing by Conflow. Waiver by Conflow of any breach of any provision herein shall not be considered a waiver of any other or future breach of the same provision or of other provisions. The validity, performance, and all matters relating to the interpretation ad effect of this agreement shall be governed by the laws of California. Buyer agrees that any legal action filed with respect to the sale of products by Conflow or to collect monies due to Conflow, may be commenced in Los Angeles, California.