

Terms & Conditions: These Standard Terms & Conditions ("Terms & Conditions") apply to all sales by Laars Heating System Company, a Delaware corporation ("Laars" or "Seller") with respect to any goods or products (the "goods" or "products") sold by Laars to any purchaser of such goods ("Buyer" or "Customer") purchased and delivered in the United States or Canada. For the sake of clarity, these Terms & Conditions do not apply to any goods sold or purchased for sale outside of the United States or Canada.

By placing an order, the Buyer agrees to be bound by these Terms & Conditions.

Freight Terms: Shipping of the goods shall be F.O.B Seller's loading dock at the relevant facility of the Seller ("F.O.B. Origin"). Under such F.O.B. term, the beneficial and legal title to, ownership of, right to possession of, control over, and risk of loss and damage to, the goods shall pass to Customer at the F.O.B. Origin upon the earlier of Seller's tender of the goods for delivery to Customer or a common carrier. For purposes of these Terms & Conditions, delivery of the goods includes tendering the goods to be loaded into the transportation unit of the Customer or common carrier located on Seller's property. Customer is responsible for all shipping costs, for arranging for the transportation of the goods, and for removing the goods from Seller's facility unless other arrangements are made, in writing, between Buyer and Seller. Customer is responsible for ensuring the goods meet local and state codes, standards, and regulations. Factory Shipments of qualified orders (defined below), within the continental USA will be shipped F.O.B Origin Freight Prepaid/Full Freight Allowed via Seller's preferred method and Carrier. Any product not listed below will ship F.O.B Origin Prepay & Charge Back/Add

If the order of the commercial products described below is less than 10 units or residential products described below is less than 25 units – F.O.B Origin Prepaid & Charge Back/Add (PPA)

If the order of the commercial products described below is greater than or equal to 10 units or residential products described below is greater than or equal to 25 units – F.O.B Origin Freight Prepaid/Full Freight Allowed (FFA)

Commercial Products	Residential Products
Mighty Therm2®	FT Series
Pennant®	Mini-Therm® JX
NeoTherm®	NeoTherm® Residential
UHE	Tankless Water Heaters
LaarsStor®	LaarsStor®
"A" Storage Tanks 80-200 Gallon	Combi Heat®

Terms of Sale: All sales are F.O.B./F.C.A. origin/shipping point

Payment Terms: All invoices are due and payable 30 days from the date of invoice (N30)
A late fee of 1 ½% per month or the maximum rate permitted by applicable state law, whichever is less, may be charged on all past due balances.

Purchase Order Forms; Conflicts: Seller objects to and shall not otherwise be bound by any additional or different terms from those set forth in these Terms & Conditions, whether printed or otherwise, in Buyer's purchase order or in any other communication from Buyer to Seller. Prior courses of dealing, trade usage and verbal agreements not reduced to a writing signed by Seller, to the extent they differ from, modify, add to or detract from these Terms & Conditions, shall not be binding on Seller. There are no agreements, promises or understandings, either verbal or written, that are not fully expressed herein. No statements, recommendations, or assistance by either party has been relied upon by either party or shall constitute a waiver by either party of the provisions hereof. For the sake of clarity, in the event of any conflict between any purchase order terms presented by Buyer and these Terms & Conditions, these Terms & Conditions shall control.

To the extent of any conflict between these Terms & Conditions and a long-term negotiated agreement signed by an officer of the Buyer and Laars, if any, the terms of the long-term negotiated agreement will control.

Stocking Minimum Charge: A minimum billing charge of \$60.00 applies to shipments F.O.B. Origin. Stocking Customers are encouraged to order sufficient materials to avoid this charge which is necessitated by the increased costs of processing small orders.

Expedited Processing Charges: A processing fee of \$100.00 for same day shipments on orders placed before 1pm Eastern Time for in-stock parts. Build Expedite fee is available on request for Heat Exchangers, Burner Trays and Whole Goods. (Contact Laars Customer Service.) Freight charges still apply.

Order Cancellation: Orders placed and accepted by Laars and subsequently canceled by the customer may be subject to restocking charges. Orders for special or modified products are non-cancelable and non-refundable.

Limited Warranty: Please refer to the specific product warranty documents included with each product, which warranty documents are incorporated into these Terms & Conditions. Except as specifically provided in such product warranty documents, SELLER MAKES NO OTHER WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN PARTICULAR, BUT WITHOUT LIMITING THE GENERALITY OF THE FOREGOING EXCLUSION, IF THE GOODS ARE MADE ACCORDING TO BUYER'S SPECIFICATIONS, SELLER DOES NOT WARRANT ADEQUACY OF SUCH SPECIFICATIONS OR THAT THE GOODS WILL PERFORM IN ACCORDANCE WITH SUCH SPECIFICATIONS.

Returned Goods: No material shall be returned without written return material authorization ("RMA") from Seller. Returns are limited to 60 days from the date of the RMA is approved by Seller. A 25% restock fee will be applied for all new and unused resalable items. When credit is issued it will be at the price charged, less any discounts paid and less handling charges based on costs of reconditioning, boxing, etc. A minimum handling charge of \$20.00 is applied whenever the 25% restocking fee does not total \$20.00. Products which are obsolete, discontinued or made to special order are not returnable.

Prices: List prices in effect at time of order are applicable. These prices are effective with the date shown on the price list cover page. Prices and terms are subject to change without notice and supersede all previous quotations. The right is reserved to change or modify product design or construction without prior notice and without incurring any obligation to make such changes and modifications on products previously or subsequently sold.

Availability: Not all products are available in all territories and availability is subject to change without notice.

Damage Claims: All claims for damaged merchandise must be made within 48 hours of receipt/delivery for prepaid or FFA shipments. If such claims are not made within such time period, such claims are automatically waived by the Customer.

Taxes: All applicable taxes are the sole responsibility of the Buyer

Limitation of Liability: Seller's sole obligation with respect to any of the products (including any claim of breach by Seller) shall be, subject to the returned goods paragraph above, return of the purchase price paid by Buyer. In the event Seller returns the purchase price, Seller shall have no further obligation under the contract except to refund such purchase price upon redelivery of the goods. Such remedies contained shall constitute the sole recourse of Buyer against Seller for breach of any of Seller's obligations under any agreement between Buyer and Seller. In no event shall Seller be liable for consequential damages nor shall Seller's liability on any claim for damages arising out of or connected with the manufacture, sale, delivery or use of the goods exceed the purchase price of the goods paid by Buyer to Seller. Seller shall not be liable for failure to perform its obligations resulting directly or indirectly from circumstances beyond Seller's reasonable control.

Acceptance of Orders: Possession of a price list, or delivery by Laars of a price list, does not constitute the right to purchase any goods. All purchase orders are subject to prior acceptance and approval by Laars.