Trade Customs

CONTROLLING PROVISIONS: These terms and conditions supersede all previous terms and conditions and shall control any sale by A.Y. McDonald Mfg. Co. ("Seller"). No alteration or waiver of these terms and conditions shall be valid unless specifically accepted in writing by an authorized representative of Seller.

PRICES: Billing prices are those in effect at the time the order is shipped. All prices are subject to change without notice. Possession of a price sheet shall not be construed as an offer to sell. Seller reserves the right to reject any order.

TERMS: 2% 10th Prox., Net 25th (A 2% cash discount can be taken on the 10th of the month following the shipment. The month is defined as the 26th through the 25th. For example, a February 25th invoice is due 2% on March 10th, a February 26th invoice is due 2% April 10th, and all invoices are due net the 11th and considered past due on the 26th of the month). without open credit terms, payment may be required prior to shipping. A 2% monthly service charge (or the maximum amount permitted by law) may be applied to the balance of any past-due invoice. Buyer shall pay any necessary collection fees, including reasonable attorney fees.

TAXES: Any sales tax, use tax, manufacturer tax, duty, or other cost imposed by any government entity shall, at Seller's option, be added to the purchase price and payable by buyer. Buyer must certify any tax exemption and agree to indemnify Seller against any tax imposed contrary to such certification.

FREIGHT: All prices are F.O.B. Seller's factory, with full freight allowed within the contiguous United States and Canada on the orders that qualify pursuant to the Freight Program schedule. Seller reserves the right to select the carrier and route of shipment and to ship at the most economical rate. All extra charges for special handling or delivery services will be paid for by the buyer. Terms for shipment outside the contiguous United States and Canada shall be established on a case-by-case basis.

"**LIMITED WARRANTY** Subject to the limitations stated herein, A.Y. McDonald Mfg. Co. ("Seller") warrants that plumbing products manufactured by Seller shall be free from defects in material and workmanship and shall perform the services for which they are intended when properly installed, under normal use, and under ordinary conditions, for a period of one (1) year from the date of shipment from Seller's factory. This Limited Warranty does not cover or apply to water service products, high Pressure gas products, or pumps or pump accessories manufactured by Seller. Buyer must notify Seller in writing of a potentially defective product as soon as possible and not later than one (1) year from the date of shipment from Seller's factory. Upon receipt of such notice, Seller shall, at its option and at its expense, examine such product at Seller's factory or such other location as Seller shall determine. Should Seller agree to a return of the product, buyer shall follow in every respect the packaging and transportation instructions provided by Seller. In no case shall a product be returned without first obtaining the permission of Seller. If a product is proven to the satisfaction of Seller to be defective, then Seller shall, at its option and at its expense, repair or replace such product or reimburse buyer for the price paid by buyer for such product. The cost of shipping to buyer a repaired or replaced product shall be paid by Seller on the same shipping terms as the original shipment of such product to buyer. Except as stated herein, buyer shall assume all responsibility and expense for any dismantling, removal, reinstallation, and shipping in connection with this Limited Warranty, and no claims will be allowed for labor, shipping, materials, or other costs incident to the repair, replacement, or return of a product.

THIS LIMITED WARRANTY IS THE ONLY WARRANTY PROVIDED BY SELLER AND IS MADE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

SELLER'S LIABILITY IS LIMITED TO REPAIR, REPLACEMENT, OR REIMBURSEMENT AS PROVIDED ABOVE, AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE PURCHASE PRICE OF THE PRODUCT(S) INVOLVED. THIS LIMITED WARRANTY PROVIDES THE EXCLUSIVE REMEDY AGAINST SELLER FOR CLAIMS RELATING TO PRODUCTS, WHETHER IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE), OR UNDER ANY OTHER LEGAL THEORY, AND WHETHER ARISING OUT OF WARRANTIES, REPRESENTATIONS, INSTRUCTIONS, OR DEFECTS FROM ANY CAUSE. IN NO EVENT SHALL SELLER BE LIABLE FOR OR OBLIGATED TO PAY ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, INDIRECT, OR PUNITIVE DAMAGES OF ANY KIND.

THIS LIMITED WARRANTY EXTENDS ONLY TO BUYERS WHO PURCHASE SELLER'S PRODUCT(S) DIRECTLY FROM SELLER ("ORIGINAL PURCHASERS"), INCLUDING DISTRIBUTORS, WHOLESALERS, UTILITIES, AND CONTRACTORS. THIS LIMITED WARRANTY IS NOT ASSIGNABLE OR OTHERWISE TRANSFERRABLE BY THE ORIGINAL PURCHASER TO ANY OTHER PARTY. SELLER EXTENDS NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, TO "CONSUMERS," AS THAT TERM IS DEFINED IN THE MAGNUSON-MOSS WARRANTY ACT (15 U.S.C. SECTIONS 2301 ET SEQ.) AND THE REGULATIONS PROMULGATED THEREUNDER. IN NO EVENT SHALL THE DURATION OF ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE BE LONGER THAN THE ONE (1) YEAR PERIOD PRESCRIBED HEREIN.

This Limited Warranty shall not apply to product failure or defect: due to a defect in the design, engineering, or installation of any water, gas, or other system; where the product has been modified without the prior written authority of Seller; caused by the failure to install or use the product in conformity with any instructions or specifications provided by Seller; caused by the improper installation, use, application, maintenance, repair, transportation, handling, or storage of the product; caused by the fault or negligence of anyone other than Seller or any other act or event beyond the control of Seller. Seller makes no warranties as to any products or product parts or Components that are not manufactured by Seller. The limitations of liability contained in this Limited Warranty shall be effective without regard to Seller's performance or failure or delay of performance under any other term or condition of any trade customs, warranty, or other agreement. No employee, representative, or agent of Seller, nor any other person, has authority to assume or incur on behalf of Seller any liability, obligation, or responsibility in place of or in addition to this Limited Warranty."

CLAIMS: Inspect all shipments immediately upon receipt, examining products for damage and verifying quantity. Any claim of damage, shortage, or non-conformance must be made in writing within 5 business days of receipt of goods (any claim of damage or shortage must be noted on the Freight Carrier's signed delivery receipt).

ORDERS: Seller is not responsible for and shall not be held liable for damages resulting from delays or failures in shipment, nor shall Seller be liable for any delay or failure to provide goods where occasioned by any force majeure event, including without limitation: strikes and other labor disputes; fires; acts of God; floods, snowstorms, tornados, and other storms; unusually severe inclement weather conditions; fuel, energy, carrier, or material shortages or embargoes; war; terrorism; civil disturbances; acts of civil or military authority; court order or decree; partial or Complete destruction of factory or other facility; acts of buyer; inability to obtain or retain fuel, energy, carriers, materials, facilities, or labor without litigation or the payment of penalties or unreasonable prices or the acceptance of unreasonable terms and conditions; and any other cause beyond Seller's control.

RETURNS: Goods cannot be returned without the prior written approval of Seller. Return freight must be prepaid by buyer. After inspecting the returned goods, Seller may impose upon buyer: (1) a handling and restocking charge equal to a minimum of 25% of the invoiced cost of the returned goods; and, in addition thereto, (2) any costs required to put the goods in like-new condition. All credit memos are subject to cash discount terms as defined in our standard terms.

CANCELLATION: The contract resulting from Seller's acceptance of Buyer's order cannot be cancelled, terminated, or modified by Buyer, in whole or in part, except upon Seller's prior written approval.

INVOICING: Minimum invoice charge of $50.00 (does not apply to Plumbing Products).

NON-STOCK PRODUCTS: Non-stock products (i.e., customized or non-standard products) may require a minimum order and buyer should make prior inquiry to Seller. Once production has begun, orders for non-stock products cannot be cancelled without the prior written approval of Seller. Seller will not accept the return of non-stock products.

CONSTRUCTION: All sales, contracts, and offers to buy or sell, all rights, remedies and duties of all persons, and the construction and effect of all provisions hereof, shall be governed by and construed according to the laws of the State of Iowa.

WARNING: It is unlawful in **CALIFORNIA & VERMONT (effective 1/1/2010); MARYLAND (effective 1/1/2012); LOUISIANA (effective 1/1/2013) and the UNITED STATES OF AMERICA (effective 1/4/2014)** to use any product in the installation or repair of any public water system or any plumbing in a facility or system that provides water for human consumption if the wetted surface area of the product has a weighted average lead content greater than 0.25%. This prohibition does not extend to service saddles used in California, Louisiana or under USA Public Law 111-380.

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Freight Program

I. PRODUCT GROUP QUALIFICATION LEVELS

Freight will be prepaid and allowed by Seller on orders that meet or exceed the following net prices or unit qualifiers (net prices reflect list prices less applicable discounts):

1. High Pressure Gas (may be combined with plumbing Valves) ..... $2,500 Net

2. Water Service Products (may be combined with Curb Boxes, Pumps, Pump Accessories, Plumbing Valves, Frames & Covers, HPG, and Yoke Boxes) ..... $5,000 Net

3. Pumps ..... 12+ units

4. Pump Accessories and **Plumbing Products** ..... $1,100 Net

5. Tanks ..... 24+ units (may be 24 units in combination with Jets and Submersibles)

6. Pit Setters . . . 15” diameter – 144 units
   18” diameter – 96 units
   21” diameter – 72 units
   24” diameter – 48 units
   30” and 36” diameter – 24 units

II. ADDITIONS

Once an order qualifies for freight in **any** product group, other products on your order ride free (excluding Tanks and Pit Setters). However, additions to freight allowed orders will **NOT** be allowed once the original order is on board or a partial shipment has been made against the original order.

Freight qualifiers are subject to change without notice.

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