

## **WARRANTY, RETURNS AND GENERAL TERMS AND CONDITIONS**

### WARRANTY AND RETURNS

Peerless of America II, Inc., hereafter referred to as "Peerless", warrants to the buyer, to the extent of the original purchase price, that products sold to buyer hereunder are free from defects in material and factory workmanship, and, provided such products have been installed and maintained properly, have been operated with care under normal use and have not been altered or repaired by anyone other than Peerless, such WARRANTY shall continue for a period of one (1) year from date of shipment of such products by Peerless.

The obligations of Peerless under this Warranty shall be limited to repair or replacement, at the discretion of Peerless, to the extent of the original purchase price, of products returned to the Peerless factory, transportation charges prepaid, and determined by Peerless to be defective; provided, however, that any products returned to Peerless under this Warranty must include sufficient information for Peerless to be able to clearly identify and trace such products, which information may include, without limitation, original Peerless labels and packaging. Peerless' obligations hereunder are expressly conditioned upon, among other things, (1) written notice by buyer to Peerless within thirty days of the discovery by buyer of such defect, and (2) buyer being in compliance with the payment terms herein. Peerless shall not be liable for expenses of repairs made outside its factory unless prior consent is obtained for such repairs by Peerless. This Warranty does not cover damages arising from or relating to: (a) the end use or ultimate purpose of the products; (b) any modifications, alterations or additions made to the products by buyer, either directly or through a third party; (c) any accidents, abuse, misuse, mishandling, misconduct, vandalism or negligence relating to the products by buyer either directly or through a third party; or (d) acts of God or any other causes outside of Peerless' reasonable control. Notwithstanding anything to the contrary, this Warranty shall automatically terminate once buyer either directly or indirectly, changes the mechanical properties of the products or welds, heat treats, forms, cuts, bends or original assembly of the products (to the extent the defect arises from or relates to the welded, heat treated, formed, cut, bent or originally assembly of the products). In the event of any repair or replacement, the Warranty period shall continue to remain fixed for the original time period and shall not be extended. This limited Warranty is extended personally to buyer such that it may not be assigned or transferred, whether by operation of law or otherwise.

THE FOREGOING IS EXCLUSIVE AND IN SUBSTITUTION FOR, AND BUYER HEREBY WAIVES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF PEERLESS, EXPRESSED OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NON-CONFORMANCE OR DEFECT, INCLUDING BUT NOT LIMITED TO (A) ANY IMPLIED WARRANTY OR MERCHANTABILITY OF FITNESS, (B) ANY IMPLIED WARRANTY ARISING BY COURSE OF DEALING OR USAGE OF TRADE, AND (C) ANY OBLIGATION OR REMEDY IN TORT, WHETHER OR NOT OCCASIONED BY NEGLIGENCE. IN NO CASE SHALL PEERLESS BE LIABLE FOR SPECIAL OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO LOSS OF USE OR LOSS OF PROFITS.

We have in good faith endeavored to meet shipment or completion date, if we have been unable to meet dates of shipment or completion for any reason, including but not limited to force majeure, we shall not be responsible for any consequential damages.

### RETURNS

Peerless shall accept returns of products manufactured in its coils division and such products may be eligible for credit if: (a) the request to return such product is received within one (1) year from date of shipment of such product by Peerless; (b) such product is returned in new condition, unopened, unaltered and in its original packaging, (c) such product is not damaged during shipment back to Peerless, (d) any damaged or defective products are returned to Peerless with all traceable information (such as purchase date/PO#) for review and testing, (e) such product has not been discontinued, and (f) the reason for the return is directly related to defective product quality. Restocking fees shall apply to any returned products in accordance herewith and that are eligible for credit hereunder.

### PRICES, PAYMENTS AND SPECIFICATIONS:

Payment is net cash received by Peerless by the end of the time period specified on Peerless' INVOICE and shall be made in U.S. dollars only. In each case the beginning date for calculation of the term of payment shown is the Bill of Lading date as shown on the front of Peerless' INVOICE. Failure to make net cash payments according to the terms shown may result in suspension of work on uncompleted orders and/or imposition of interest charges at the rate of 1 percent (1%) per month of delinquency.

All prices are Freight on Board Peerless' factory. Consequently, Peerless will accept no liability for damage to goods arising from mishandling during transit.

Peerless' policy is one of continuous improvement, and Peerless reserves the right to change prices, quotations, design or specifications without incurring obligation. The price or prices do not include any federal or state sales tax, or excise tax now or hereafter applicable to sales hereunder, and such sales are subject to any or all taxes which are or may be imposed thereon.