

## GENERAL TERMS AND CONDITIONS FOR THE SALE OF GOODS

1. **General.** These terms and conditions of sale (these “**Terms**”) are the only terms that govern the sale of the goods and provision of services (“**Goods**”) by the Joto-Vent System USA, Inc. (“**Seller**”) to buyer named on Quotation / Price List and Purchase Order (“**Quotation and Purchase Order**”) or an invoice (“**Buyer**”), unless expressly otherwise agreed between the parties. If a written contract signed by both parties is in existence covering the sale of the Goods covered hereby, to the extent the contract is inconsistent with these Terms, the Terms shall prevail.

2. **Delivery.**

(a) The goods will be delivered within a reasonable time after the receipt of Buyer’s purchase order which is accepted by Seller (“**Purchase Order**”) and the receipt by Seller of Buyer’s payment of all invoiced amounts due and all costs set forth in Section 7. Seller shall not be liable for any delays, loss, or damage in transit.

(b) Unless otherwise agreed in writing by the parties, Seller shall deliver the Goods to delivery location acknowledged by Seller in writing (the “**Delivery Point**”) using Seller’s standard methods for packaging and shipping such Goods. Buyer shall be responsible for all shipping costs and all loading costs, and provide equipment and labor reasonably suited for receipt of the Goods at the Delivery Point.

(c) Seller may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of the Purchase Order.

If for any reason Buyer fails to accept delivery of any of the Goods on the date fixed pursuant to Seller’s notice that the Goods have been delivered at the Delivery Point, or if Seller is unable to deliver the Goods at the Delivery Point on such date because Buyer has not provided appropriate instructions, documents, licenses or authorizations: (i) risk of loss to the Goods shall pass to Buyer; (ii) the Goods shall be deemed to have been delivered; and (iii) Seller, at its option, may store the Goods until Buyer picks them up, whereupon Buyer shall be liable for all related costs and expenses (including, without limitation, storage, and insurance).

3. **Shipping Terms.** Delivery shall be made FOB (INCOTERMS® RULE 2010) (Seller’s address or shipping point), unless otherwise agreed by Seller in writing.

4. **Title and Risk of Loss.** Title and risk of loss pass to Buyer upon delivery of the Goods at the Delivery Point. As collateral security for the payment of the purchase price of the Goods, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title, and interest of Buyer in, to, and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the Washington Uniform Commercial Code.

5. **Inspection and Rejection of Nonconforming Goods.**

(a) Buyer shall inspect the Goods within five (5) days of receipt (“**Inspection Period**”). Buyer will be deemed to have accepted the Goods unless it notifies Seller in writing of any Nonconforming Goods during the Inspection Period and furnishes such written evidence or other documentation as reasonably required by Seller. “**Nonconforming Goods**” means only the following: (i) the Goods shipped are different than identified in Buyer’s Purchase Order; (ii) the Goods’ label or packaging incorrectly identifies its contents; or (iii) the Goods shipped have material defects in components and workmanship.

(b) If Buyer timely notifies Seller of any Nonconforming Goods, Seller shall, in its sole discretion, (i) replace such Nonconforming Goods, so long as they are unused, with conforming Goods, or (ii) credit or refund the Price for such Nonconforming Goods, so long as they are unused.

(c) Buyer acknowledges and agrees that the remedies set forth in this Section are Buyer’s exclusive remedies for the delivery of Nonconforming Goods. Except as provided under this Section, Buyer has no right to return Goods purchased under this Agreement to Seller.

6. **Price.**

(a) Buyer shall purchase the Goods from Seller at the prices (the “**Price(s)**”) set forth in the Quotation and Purchase Order. If the Price(s) should be increased by Seller before delivery of the Goods to a carrier for shipment to Buyer, then these Terms shall be construed as if the increased price(s) were originally inserted herein, and Buyer shall be billed by Seller on the basis of such increased price(s).

(b) All Prices are exclusive of all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any Governmental Authority on any amounts payable by Buyer. Buyer shall be responsible for all such charges, costs, and taxes; provided, that, Buyer shall not be responsible for any taxes imposed on, or with respect to, Seller’s income, revenues, gross receipts, personnel, or real or personal property or other assets. If Buyer is purchasing the Goods for resale, Buyer shall deliver to Seller prior to delivery a duly executed Resale Certificate for the state where delivery shall take place, or such other documents as may be required by any state to prove that a sale is for resale and not subject to applicable sales and use taxes.

7. **Payment Terms.**

(a) Buyer shall pay all invoiced amounts due to Seller by the due date written in Seller’s invoice.

(b) Buyer shall pay interest on all late payments at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, attorneys’ fees. In addition to all other remedies available under these Terms or at law (which Seller does not waive by the exercise of any rights hereunder), Seller shall be entitled to suspend the delivery of any Goods if Buyer fails to pay any amounts when due hereunder.

(c) Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Seller, whether relating to Seller’s breach, bankruptcy, or otherwise.

8. **Limited Warranty.**

(a) Seller warrants to Buyer that for a period of twelve (12) months from the date of shipment of the Goods (“**Warranty Period**”), that such Goods will be free from material defects in components and workmanship.

(b) **EXCEPT FOR THE WARRANTY SET FORTH IN THIS SECTION, SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.**

(c) The Seller shall not be liable for a breach of the warranty set forth in Section 8(a) unless: (i) Buyer gives written notice of the defect, reasonably described, to Seller within five (5) days of the time when Buyer discovers or ought to have discovered the defect; (ii) Seller is given a reasonable opportunity after receiving the notice to examine such Goods and Buyer (if requested to do so by Seller) returns such Goods to Seller’s place of business at Buyer’s cost for the examination to take place there; and (iii) Seller reasonably verifies Buyer’s claim that the Goods are defective.

(d) The Seller shall not be liable for a breach of the warranty set forth in Section 8(a) if: (i) Buyer makes any further use of such Goods after giving such notice; (ii) the defect arises because Buyer failed to follow Seller’s oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Goods; or (iii) Buyer alters or repairs such Goods without the prior written consent of Seller.

(e) Subject to Section 8(c) and Section 8(d) above, with respect to any such Goods during the Warranty Period, Seller shall, in its sole discretion, either: (i) replace such Goods or (ii) credit or refund the price of such Goods at the pro rata contract rate provided that, if Seller so requests, Buyer shall, at Seller’s expense, return such Goods to Seller.

(f) **THE REMEDIES SET FORTH IN SECTION 8(E) SHALL BE THE BUYER’S SOLE AND EXCLUSIVE REMEDY AND SELLER’S**

**ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY SET FORTH IN SECTION 8(A).**

9. Limitation of Liability.

(a) **IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.**

(b) **IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR THE GOODS SOLD IN THE TWELVE-MONTH PERIOD IMMEDIATELY PRECEDENT TO THE EVENT GIVING RISE TO SUCH CLAIM.**

10. Insurance. Buyer shall, at its own expense, maintain and carry insurance in full force and effect which includes, but is not limited to, commercial general liability (including product liability) in a sum no less than twice the invoice amount for any given order with financially sound and reputable insurers, naming Seller as an additional insured. Upon Seller's request, Buyer shall provide Seller with a certificate of insurance from Buyer's insurer evidencing the insurance coverage specified in these Terms.

11. Compliance with Law. Buyer shall comply with all applicable laws, regulations, and ordinances (including but not limited to regulations regarding the federal and state anti-kickback statutes). Buyer shall maintain in effect all the licenses, permissions, authorizations, consents, and permits that it needs to install the Goods and otherwise carry out its obligations under this Agreement (including but not limited to observing applicable building code requirements and obtaining necessary and related permissions).

12. Termination. In addition to any remedies that may be provided under these Terms, Seller may terminate this Agreement with immediate effect upon written notice to Buyer, if Buyer: (i) fails to pay any amount when due under this Agreement; (ii) has not otherwise performed or complied with any of these Terms, in whole or in part; or (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors.

13. Confidential Information. All non-public, confidential or proprietary information of Seller, including but not limited to specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, or rebates, disclosed by Seller to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with this Agreement is confidential, solely for the use of performing this Agreement and may not be disclosed or copied unless authorized in advance by Seller in writing. Upon Seller's request, Buyer shall promptly return all documents and other materials received from Seller. Seller shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

14. General Indemnification. Buyer shall defend, indemnify and hold harmless Seller and Seller's parent company, subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders and employees (collectively, "**Indemnitees**") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "**Losses**") arising out of or occurring in connection with the Goods purchased from Buyer's negligence,

willful misconduct or breach of the Terms. Buyer shall not enter into any settlement without Seller's or Indemnitees' prior written consent.

15. Force Majeure. No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations of Buyer to make payments to Seller hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's ("**Impacted Party**") reasonable control, including, without limitation, the following force majeure events ("**Force Majeure Event(s)**"): (a) acts of God; (b) flood, fire, earthquake, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; (h) shortage of adequate power or transportation facilities; (i) pandemic or epidemic, and (i) other similar events beyond the reasonable control of the Impacted Party. The Impacted Party shall give notice within thirty (30) days of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. Notwithstanding, Buyer's obligation to pay shall not be excused or delayed by any Force Majeure Events.

16. Assignment. Buyer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Seller. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement

17. Miscellaneous. All notices relating hereto shall be delivered to the parties by personal delivery, nationally recognized overnight courier (with all fees pre-paid), or certified or registered mail (in each case, return receipt requested, postage prepaid), at the addresses as shown on the face hereof or to the last known address of the recipient. The parties acknowledge that they have had an adequate opportunity to review each and every provision contained in the Terms, and agree that the rule of construction that a contract be construed against the drafter, if any, shall not be applied in the interpretation and construction of the Terms. The provisions of the Terms are severable, and if a court of competent jurisdiction determines that any of them is unenforceable in accordance with its terms, the court may modify, sever or divide such provision as necessary to enforce such provision to the limit of its enforceability and to enforce all remaining provisions. The relationship between the parties is that of independent contractors. Nothing contained in the Quotation and Purchase Order or Terms shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties. Seller's waiver of any breach or failure to enforce any of the terms or conditions of the Terms at any time shall not in any way affect, limit or waive its right thereafter to enforce strict compliance with every term and condition hereof. The Quotation and Purchase Orders and Terms shall be governed by the laws of the State of Washington without regards to its conflict of laws principles. All disputes arising from or related to the Quotation and Purchase Orders or Terms (except for actions seeking equitable or injunctive relief as may be provided above) shall be exclusively resolved by binding arbitration under the rules of the American Arbitration Association by a single arbitrator. The place of arbitration shall be Seattle, Washington. Arbitral awards may be enforced in any court of competent jurisdiction.