

Programmable Controller To Extend Fan / Blower Run Time For Heating, Ventilation and Air Conditioning (HVAC)

A CWS Owned and Designed Energy Saving Device The HVAC-CHIP, is also marketed as HVAC-ESD among other names

5-Year Replacement Warranty

Terms and Conditions For The HVAC-CHIP Series

(Only applicable for CWS-8THEM-0002, CWS-8THEM-0003, CWS-8THEM-0004, CWS-8THEM-0005, CWS-8THEM-0006)

The following terms and conditions represent the complete and exclusive agreement between Coil Winding Specialist, Inc. (hereinafter "CWS") and its customer (hereinafter "Buyer") for the purchase of products described in the invoice (hereinafter called "goods"). Any purchase order issued by Buyer, heretofore, hereafter, or contemporaneous herewith, which is inconsistent with the provisions of this contract, is superseded hereby.

1. Agreement to Terms.

By acceptance of the goods which are the subject of the invoice, Buyer agrees to be bound by the terms and conditions set-forth herein and acknowledges that they are the sole terms and conditions under which Buyer offers to purchase said goods.

2. Billing.

All shipments to Buyer will be billed at CWS's quoted price except as otherwise provided herein.

3. Pricing; Shipping.

Unless otherwise specifically stated, all prices are quoted and will be invoiced, ex-shipping point, and do not include freight charges, federal, state or local sales, use or excise taxes, if any, which will be added to the price where applicable. CWS will not be responsible for risk of loss or damage to the goods after delivery to its carrier. Title to the goods will pass to Buyer upon delivery to the carrier.

4. Method of Shipment.

Unless otherwise directed in writing by Buyer prior to shipping, the method of shipment will be selected by CWS. For all shipments, insurance will be obtained only at Buyer's written direction and expense.

5. Delivery.

Any delivery dates specified in the invoice are based on CWS's best estimate of when delivery to the carrier can be made under the circumstances that exist on the date hereof; and Buyer agrees to excuse delays in delivery due to circumstances beyond the reasonable control of CWS. Claims for shortage in quantity or for damage in shipment shall be deemed waived unless received in writing by CWS within thirty (30) days after delivery. CWS will not be liable for any loss or damage resulting from delays beyond its control, and in no case will CWS be liable for incidental, consequential or special damages, including but not limited to, lost profits or increased costs of Buyer's performance of its contract obligations, however caused.

6. Inspection of Goods; Acceptance.

Buyer's receipt and possession of the goods constitutes its acknowledgment that it has accepted the goods, unless Buyer notifies CWS to the contrary, in writing, within thirty (30) days of receipt of the goods. Buyer's use of the goods constitutes a full and complete acceptance of the goods.

7. Defective Goods Warranty.

a. Subject to the provisions of paragraph 6 hereof, CWS warrants that any goods to be sold hereunder shall substantially conform to the goods described on the invoice and any specifications noted therein.

b. THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND ALL OTHER WARRANTIES ARE HEREBY DISCLAIMED AND EXCLUDED BY CWS. CWS MAKES NO WARRANTIES, COVENANTS, OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, BEYOND THOSE EXPRESSLY SET FORTH HEREIN.

c. The liability of CWS shall be limited to an obligation to replace or repair such goods or to provide a credit adjustment, as CWS may, in its sole discretion, deem appropriate. In no event shall CWS's liability for defects or nonconformity in any goods exceed its invoice price or replacement cost, whichever is lower, or include any labor charges arising from the replacement. In no event shall CWS be liable for incidental, consequential, exemplary or special damages including but not limited to lost or anticipated revenues or profits or increased cost of Buyer's performance of its contract obligations, however caused, even if an authorized representative of CWS is advised of the possibility or likelihood of same.

d. Any action by Buyer for warranty or other cause hereunder must be commenced within five (5) years after delivery of the goods or it shall be thereafter barred for all purposes. In no event shall CWS be liable under the above warranties to anyone other than the original buyer.

8. Customer Accounts.

All invoices on open account are due and payable as provided in the invoice, or in accordance with the customary practices between this Buyer and CWS, unless CWS notifies Buyer of any change. Prorated payments shall be due for partial shipments. Promptness of payments at the times they are respectively due shall be considered as being of the essence of this contract, and failure or substantial delays in making any such payment shall constitute a material breach of this contract, entitling CWS, at its option, to any or all remedies for breach, including rescission of the entire contract. OVERDUE ACCOUNTS SHALL BE SUBJECT TO A SERVICE CHARGE OF 1.5% PER

MONTH (18% PER ANNUM) ON THE UNPAID BALANCE, OR THE MAXIMUM AMOUNT PERMITTED BY LAW, WHICHEVER IS GREATER. Buyer agrees to pay all costs of collection, including reasonable attorneys' fees, in the event Buyer fails to pay any charges when due.

9. Governing Law; Partial Invalidity.

The invoice, and any contract entered into between Buyer and Seller pursuant hereto, shall be governed by and construed in accordance with the laws of the State of California. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability, without invalidating the remainder of such provision or provisions or the remaining provisions hereof, unless such a construction would be unreasonable.

10. Quotations Subject to Change.

All quotations are subject to change due to fluctuations in the price and/or availability of any material and/or labor charges.

11. Entire Agreement; Amendment and Waiver.

Invoices and all exhibits attached hereto and incorporated herein by this reference contain the entire understanding of the parties hereto with regard to the subject matter contained herein or therein, and supersede all prior agreements or understandings between or among any of the parties hereto, whether written or oral.