

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").

PRICES: Billing prices are those in effect at the time the order is shipped. All prices are subject to change without notice.

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.

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.

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.

"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 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.

THIS LIMITED WARRANTY EXTENDS ONLY TO BUYERS WHO PURCHASE SELLER'S PRODUCT(S) DIRECTLY FROM SELLER ("ORIGINAL PURCHASERS"), INCLUDING DISTRIBUTORS, WHOLESALE, UTILITIES, AND CONTRACTORS. THIS LIMITED WARRANTY IS NOT ASSIGNABLE OR OTHERWISE TRANSFERABLE BY THE ORIGINAL PURCHASER TO ANY OTHER PARTY.

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.

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.

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.

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: WARNING: WARNING: WARNING: WARNING: WARNING: WARNING:

WARNING: Beginning January 1, 2010, it is unlawful in CALIFORNIA and VERMONT 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%.

WARNING: WARNING: WARNING: WARNING: WARNING: WARNING: WARNING:

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 (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)\$4,000 Net
- 3. Curb Boxes and Accessories\$2,000 Net
- 4. Pumps 12+ units
- 5. Pump Accessories and Plumbing Products.....\$1,100 Net
- 6. Tanks 24+ units (may be 24 units in combination with Jets and Submersibles)
- 7. Pit Setters . . . 15" diameter – 144 units
 18" diameter – 96 units
 21" diameter – 72 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.