

TERMS & CONDITIONS OF SALES

These standard terms and conditions apply to all purchases whether such purchase is subject to a signed purchase order agreement or distribution agreement between Automated Room Controls, Inc. (ARC) and the Purchaser. Automated Room Controls hereby gives notice of its exception to any different or additional Terms and Conditions other than as stated herein and these Terms and Conditions supersede all those published and issued previously by Automated Room Controls as well as any terms and conditions set forth within Buyer's documents. All sales are expressly made conditional upon Buyer's consent to the following Terms and Conditions. Buyer's acceptance of the provisions of Automated Room Controls Terms and Conditions as recited herein shall be conclusively presumed upon Buyer's receipt of the goods. These Terms and Conditions constitute the entire agreement between Automated Room Controls and the Buyer, other than the specific terms set forth in the purchase order as accepted by Automated Room Controls, Inc. and supersede other communications between the two parties, whether written or oral.

PRICING

QUOTATION PRICE PROTECTION

All prices shown in the price lists are subject to change without notice. All quotations on special products or modifications to catalog items are binding only if confirmed in writing by Automated Room Controls for the period shown on the quotation. All quotations on equals are subject to approval after the submission of catalog cuts. Quotations are based on complete shipments unless otherwise stated in writing on our quotation. Price protection will be provided for a period of thirty days from date of quotation from Automated Room Controls.

Acceptance of Orders

ACCEPTANCE

All orders are subject to (i) acceptance by Automated Room Controls and (ii) these terms and conditions. No order is binding unless Automated Room Controls issues a written acknowledgement or acceptance. Automated Room Controls reserves the right to reject any order for any reason. Large orders require a 50% deposit before proceeding to manufacturing. All orders are subject to acceptance by Automated Room Controls at its order receipt location and are subject to Automated Room Controls, Inc. Terms and Conditions set forth herein. Automated Room Controls reserves the right to select its customers and reject any order. Additions to orders are allowed provided the original order has not yet been released to manufacturing. Any other terms proposed by Buyer and/or stated in a customer's purchase order are not allowed unless expressly accepted in writing. Acceptance of any order is subject to availability of product and the ability of Automated Room Controls to deliver. Orders will be billed at prices in effect at time of shipment unless otherwise agreed. Automated Room Controls reserves the right to refuse to make direct shipments to destinations outside the customer's normal trading area. Buyers placing orders who are not authorized to purchase and sell Automated Room Controls products will be referred to the closest appointed stocking distributor in their area.

Limited Warranty and Limitation of Liability

WARRANTIES

Automated Room Controls sole and exclusive warranty and liability therefore is set forth on Automated Room Controls website.

APPLICATION

Automated Room Controls does not warrant the accuracy of and results from product or system performance recommendations resulting from any engineering analysis or study. This applies regardless of whether a charge is made for the recommendation, or if it is provided free of charge. Responsibility for selection of the proper product or application rests solely with the Buyer. In the event that errors or inaccuracies are determined to be caused by Automated Room Controls, its liability will be limited to the reperformance of any such analysis or study. Products should be installed, used and maintained in accordance with the applicable Automated Room Controls instructions, National Electrical code and/or any prevailing local codes. No modifications to Automated Room Controls product can be made. Any modification will void any U.L. listings and Automated Room Controls warranty.

LIMITATION OF LIABILITY

IN NO EVENT, WHETHER AS A RESULT OF A BREACH OF CONTRACT, TORT, STRICT LIABILITY, WARRANTY OR ALLEGED NEGLIGENCE, SHALL AUTOMATED ROOM CONTROLS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, MULTIPLE, PUNITIVE OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF THE EQUIPMENT OR ANY ASSOCIATED EQUIPMENT, LOSS OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, OR CLAIMS OF THIRD PARTIES OF THE BUYER FOR SUCH DAMAGES. IN NO EVENT SHALL AUTOMATED ROOM CONTROL'S TOTAL LIABILITY FOR ANY REASON ARISING HEREUNDER EXCEED THE PURCHASE PRICE PAID TO AUTOMATED ROOM CONTROLS FOR THE PRODUCT PURCHASED BY BUYER HEREUNDER.

Any claim by Buyer for breach of the foregoing warranty shall be deemed waived by Buyer unless submitted to Automated Room Controls in writing within thirty (30) days from the date Buyer discovered, or by reasonable inspection should have discovered the alleged breach. Any cause of action for breach of the foregoing

warranty shall be brought within one year after the cause of action has occurred. Any charges for labor, materials, etc. that does not have our written approval before such work is implemented will not be allowed. Contact Automated Room Controls Technical Services for support. NOTE: Catalog pages are for reference only. Specifications and dimensions may change without notice.

CANCELLATIONS

If Automated Room Controls chooses to replace the Product and is not able to do so because it has been discontinued or is not available, Automated Room Controls may replace it with a comparable product. Where defects in materials, manufacturing or design cause the product/solution failure, they shall be repaired or replaced (at Automated Room Control's discretion) according to the most practical resolution for the customer as defined by Customer Care Transport related damage is also included in the policy and should be redeemable from our transport contracts. Shipment related to resolving the warranty claim (products to the customer/site, samples back from the customer/site to Automated Room Controls) is included in the agreed conditions. Stock Product – Buyer may cancel orders with written notice to Automated Room Controls subject to the following conditions and with Automated Room Control's written consent. For current stocked product the buyer shall accept delivery of and pay for at the agreed upon prices all products which are released and/or allocated for this order. Automated Room Controls will always try to accommodate requests for cancellations but cannot guarantee stoppage of shipment for stocked product. If an order for stocked product is stopped after picking and prior to shipment buyer shall pay any costs associated with this order. If a cancellation request is received and the order cannot be stopped the product can be returned according to terms as outlined in the Return Goods Policy section. If work has been performed any costs incurred will be charged to the customer, which may include a cancellation charge up to the price of the product. Upon cancellation, buyer owned materials will be disposed of by the seller at its discretion.

RETURNED GOODS GENERAL CONDITIONS applying to all transactions: Automated Room Controls will not accept any charge-backs, nor will any labor or material costs be reimbursed without prior written approval from Automated Room Controls. No representative, dealer, or employee is authorized to give any warranty other than as expressed herein unless made in writing and signed by an Automated Room Controls officer. This warranty does not apply to products repaired or altered outside the Automated Room Controls factory. Merchandise is not returnable without the written consent of Automated Room Controls. Request for permission to return merchandise must be made in writing within 90 days from date of shipment and expires 90 days after receipt except defective products, and Buyer must provide original Automated Room Controls invoice number.

All returned goods must be in excellent, resalable condition and packaged in the original carton. Products will be inspected upon return and any service or repair needed to place them in first class, saleable condition will be charged and added to the restocking charge. A 35% minimum restocking charge on standard product will be deducted from all credits issued on authorized standard product returns. Credit will be issued for only the actual quantity received and will be based on original invoice or price in effect at the time of the return shipment, whichever is lower.

Return Materials Authorization (RMA) form, supplied by Automated Room Controls, must accompany the return shipment. Return freight must be prepaid. Material must be received by Automated Room Controls within ninety, (90) days of issuance of RMA and must be non-discontinued product. Net value of the return must not be less than \$250.

Automated Room Controls reserves the right to deduct for any damage sustained in transit.

Unauthorized returns will be refused. Items returned without proper authorization from Automated Room Controls will, at the sole option of Automated Room Controls, be returned to Buyer freight collect, or scrapped immediately with no issuance of credit. Unauthorized material included in a return will not be credited. Disposition of these items is left up to Automated Room Controls. All non-stocking, special or custom-made product is not returnable.

On direct shipment orders, returns will be allowed up to 5% of the job value.

The Buyer shall remain absolutely liable for the purchase price of all merchandise, and Automated Room Controls will not be bound by terms and conditions imposed by any third party.

PRODUCT, SPECIFICATIONS, VARIATIONS, ERRORS

In the event of a conflict between a customer's written order and Automated Room Control's drawing or specification sheet marked "approved," the Automated Room Controls drawing or specification sheet shall prevail. Should customer fail to provide detailed specifications, then Automated Room Control's interpretation of non-specified characteristics shall prevail. Every effort is made to avoid errors in catalogs, specification sheets and data references. Automated Room Controls will not accept responsibility for labor charge-backs in connection with errors in typography, measurements and dimensioning, descriptions, omissions, etc. Orders containing such phrases as "all materials to be supplied as per project plans and specifications," etc., are subject to separate written acceptance by Automated Room Controls. Automated Room Controls reserves the right to discontinue items, modify designs, and change specifications or prices without incurring any liability. Discontinued components if ordered may not be returned for credit.

INVOICING

All invoices are due and payable per the standard terms stated herein. Buyer shall be liable for legal fees incurred by Automated Room Controls to collect past due amounts. In the case of an apparent discrepancy in a line item charge, the Buyer is obligated to advise Automated Room Controls Customer Service in writing of the nature of the

claimed discrepancy within five (5) days of receipt of the invoice. This includes all requests for proof of delivery. A claim of discrepancy does not relieve Buyer of the absolute obligation to pay the remaining balance of the invoice in accordance with the standard terms of payment. Automated Room Controls, after review, will have sole discretion to resolve the discrepancy; and the Buyer expressly agrees to abide by Automated Room Control's decision. Automated Room Controls will promptly advise Buyer of its decision regarding any disputed items or charges.

CONFIDENTIALITY

Buyer agrees that all information furnished by Automated Room Controls in connection with the sale of items will be confidential. The Buyer agrees not to disclose any such information to any other person or use such information for any purposes other than performance hereunder.

GENERAL

Any assignment of rights hereunder by Buyer without the prior written consent of Automated Room Controls shall be void. No waiver by Automated Room Controls or any default shall operate as a waiver of any other default or of the same default on a future occasion. Automated Room Controls shall have the right to credit toward the payment of any monies that may become due from Buyer, any amounts that may now or hereafter be owed by Buyer under this or any other agreement or transaction between Automated Room Controls and Buyer. If any provision of this agreement is found to be invalid or unenforceable in any respect, the validity and enforceability of the remaining provisions shall not be affected. All clerical errors are subject to correction. The construction, interpretation and performance of Automated Room Controls and Buyer hereunder and all transactions hereunder shall be governed in accordance with the laws of the State of New York. Venue for any litigation arising hereunder shall lie exclusively in the State and Federal Courts of New York.

FORCE MAJEURE

Under no circumstances shall Automated Room Controls be liable for any delay or failure to perform hereunder when such failure or delay is, directly or indirectly, caused by, or in any manner arises from fire, floods, accidents, civil unrest, acts of God, war, governmental interference or embargoes, strikes, labor difficulties, shortage of labor, fuel, power, materials, or supplies, breakage of machinery or apparatus, transportation delays, or any other cause or causes (whether or not similar in nature to any of those hereinbefore specified) beyond its sole and reasonable control.