

Terms and Conditions of Sale

CONTROLLING PROVISIONS – This document, including any provisions on the face hereof and in any signed agreement which incorporates these Terms and Conditions by reference (together with these Terms and Conditions, the “Contract”) constitutes an offer by The Chicago Faucet Company (the “Company”) with regard to “Chicago Faucets” branded products to provide the products described herein (the “Products”) to the buyer to which this offer is addressed (the “Buyer”). If this document is deemed an acceptance of a prior offer by Buyer, such acceptance is limited to the express terms contained herein. This offer and Buyer’s acceptance of this offer are limited to the terms, covenants and conditions contained in this offer. The Company hereby objects to and rejects any additional, different or varying terms proposed by Buyer, unless the Company expressly agrees to such terms in a signed agreement. Such proposal of additional, different or varying terms by Buyer shall not operate as a rejection of the Company’s offer except to the extent such variances are in the terms of the description, quantity, price or place or date of delivery of the Products, and the Company’s offer shall be deemed accepted without such additional, different or varying terms. **THIS CONTRACT IS THE FINAL AGREEMENT BETWEEN THE PARTIES AND CONSTITUTES THE FINAL EXPRESSION OF THE TERMS BETWEEN THE COMPANY AND BUYER REGARDING THE PRODUCTS AND IS A COMPLETE AND EXCLUSIVE STATEMENT OF THOSE TERMS. ANY TERMS, CONDITIONS, NEGOTIATIONS OR UNDERSTANDINGS WHICH ARE NOT CONTAINED IN THIS CONTRACT SHALL HAVE NO FORCE OR EFFECT UNLESS MADE IN WRITING AND SIGNED BY THE COMPANY AND BUYER.** The Company’s sales representatives are without authority to change the terms of this Contract. Buyer shall be deemed to have made an unqualified acceptance of this offer and these terms and conditions on the earliest of the following to occur: (1) the Company’s receipt of a copy of this Contract signed by Buyer or any signed agreement that incorporates these terms and conditions by reference (with scanned or facsimile signatures treated as original signatures); (2) Buyer’s payment of any amounts due under this Contract; (3) Buyer’s delivery to the Company of any material to be furnished by Buyer; (4) the Company’s delivery of the Products; (5) failure by Buyer to notify the Company to the contrary before placing an order; (6) failure by Buyer to notify the Company to the contrary within ten days after receipt of this Contract; or (7) any other event constituting acceptance under applicable law. Buyer grants permission and consent for the Company to send or transmit communications (including but not limited to facsimiles, texts, wireless communications and e-mails) to Buyer including, without limitation, advertisements and promotions. It is the express wish of the parties that this Contract and any related documents be drafted in English. Il est la volonté expresse des parties que cette convention et tous les documents s’y rattachent soient rédigés en anglais.

THE COMPANY’S POLICIES - The Company reserves the right to enact policies from time to time including, without limitation, minimum advertised pricing policies. The Company will provide copies of policies on request; Buyer can find copies of such policies at www.chicagofaucets.com. Buyer shall comply with such policies and any other such policies as the Company may enact from time to time.

PRICES – Prices quoted herein are subject to change without notice and all orders that are accepted are subject to prices prevailing at time of order entry.

TERMS OF PAYMENT – Unless stipulated by the Company elsewhere, net payment is due 60 days from invoice date. A 1-1/2% cash discount will be allowed on invoices paid on or before 50 days from invoice date. Cash discounts must be calculated on the total amount of the invoice, before transportation charges and any applicable taxes. The 1 ½% discount is not extended to any pre-paid payments, C.O.D., or credit cards. A 1-1/2% per month service charge (or the maximum rate allowed by law, if lower) will be added to all past due invoices. Buyer agrees to reimburse the Company for all costs and fees incurred by the Company in collecting any sums owed by Buyer to the Company including, without limitation, attorneys’ fees and repossession fees. Buyer shall not set off any claims against amounts due to the Company. Prices are stated and payable in U.S. dollars.

TAX NOTICE – Buyer shall pay or reimburse the Company on demand for all taxes, fees and costs including, but not limited to, any manufacturer’s tax, retailer’s occupation tax, use tax, sales tax, excise tax, value added tax, duty, customs agent or broker fees, inspection or testing fee, freight costs, insurance, consular fees or any other tax, fee or charge of any nature whatsoever, including interest imposed on, in connection with or measured by any transaction between the Company and Buyer, in addition to the prices quoted or invoiced.

CREDIT APPROVAL – All orders are subject to credit approval by the Company’s Credit Department prior to acceptance of the order. At the Company’s option, orders may be refused, the Company’s obligations may be terminated, amounts may be declared immediately due and payable, credit terms may be changed, delivery may be withheld and/or shipments stopped in transit on accepted orders without any liability on the Company’s part, if Buyer defaults in performance hereunder or if, in the Company’s sole opinion, Buyer’s ability to pay for the Products on the terms and conditions contained herein is in doubt. All New Accounts must submit a \$500 U.S. net minimum order with credit and bank references.

Terms and Conditions of Sale

SECURITY INTEREST – The Company reserves a purchase money security interest in the Products sold in the amount of the purchase price. These interests shall be satisfied by payment in full. A copy of these Terms may be filed as a financing statement with appropriate authorities at any time to perfect the Company's security interest, or in the alternative, Buyer hereby agrees to execute the appropriate UCC forms upon request of the Company to perfect the Company's purchase money security interest.

ORDERS – Buyer's orders are firm following the Company's acceptance and acknowledgement thereof. The Company may accept or reject orders in its sole discretion. All undelivered Products may be cancelled by Buyer only upon written approval of an authorized representative of the Company. In the event of any cancellation of an order by Buyer, Buyer shall pay to the Company its reasonable costs and expenses, plus the Company's usual rate of profit for similar work. Buyer may not alter or modify its order or any part thereof without the Company's prior, written consent. The Company reserves the right to change the price, terms of payment and delivery dates for any Products affected by any alterations or modification to which it consents. Orders or mutually agreed change orders are subject to all provisions of this Contract, whether or not the order or change order so states.

SHIPPING AND HANDLING – Except as otherwise provided in this paragraph, all sales are F.O.B. the Company's facility (the "Facility") (EX WORKS the Facility for deliveries to Buyers outside the United States, pursuant to INCOTERMS 2010 of the International Chamber of Commerce, as amended ("INCOTERMS")). The Company shall have no obligation or risk of loss of or damage to Products following delivery at the Facility, even if the Company agrees to arrange for transportation as a courtesy to Buyer. Any such transportation shall be at Buyer's sole risk and expense, except to the extent described below. The Company will allow full freight at the prevailing CWT rate on shipments of the Company's products with a net invoice value of:

\$1,000 U.S. or more when shipments are within the continental United States, or;

\$2,500 U.S. or more when shipments are to Canada

and have as destination Buyer's usual business address or designated job location. Original P.O. must meet FFA (full freight allowed) terms. Subsequent additions will be considered towards freight allowance if no parts of the order have previously shipped. If Buyer requests the Company to make part shipment of an accepted order, this freight allowance shall apply only to such individual part shipments which in themselves have a net invoice value of \$1,000 U.S. or more (continental United States) or \$2,500 U.S. (Canada). Freight allowed on shipments to Alaska and Hawaii shall be calculated F.A.S., Seattle, Washington. "F.A.S" shall be defined in accordance with INCOTERMS but shall not be deemed to impose any risk or obligation concerning the Products or the shipment thereof upon the Company after the delivery of the Products to the initial carrier. Under no circumstances will a direct C.O.D. shipment be made. Routing of shipments shall be determined at the sole discretion of the Company.

DELIVERY – Delivery to the Facility (or, for shipments to Alaska and Hawaii, the initial carrier) shall constitute delivery to Buyer. The Company's responsibility and liability for loss or damage in transit cease upon such delivery, and all Products are shipped at Buyer's risk. Buyer shall check each incoming shipment carefully before acknowledging receipt from the carrier. If Products are visibly damaged, Buyer should insist that written confirmation of the damage be noted on the freight bill by the carrier. If concealed damage is noted after unpacking, Buyer should immediately notify the carrier involved and obtain verification of the damage from the carrier. Claims for shortages or errors in orders will not be considered unless presented to the Company within 30 days after delivery hereunder. Failure to make claims within such time period shall constitute unqualified acceptance and a waiver of all such claims by Buyer. All claims for damage in transit or non-delivery must be filed against the carrier by Buyer. Partial shipments shall be permitted. All delivery dates are approximate. Delivery dates given by the Company are based on prompt receipt of all necessary information regarding the order. The Company will use reasonable efforts to meet such delivery dates, but does not guarantee to meet such dates. Failure by the Company to meet any delivery date does not constitute a cause for cancellation after the shipment has left the Company's warehouse and/or damages of any kind. Time for delivery shall not be of the essence. Any delay in delivery due to causes beyond the Company's reasonable control, or due to any priorities or allocations necessitated by governmental orders or regulations, or due to any causes specified in the following sentence, shall extend the term of delivery by a period equal to the length of such delay. In the event of delay in delivery requested by Buyer or caused by Buyer's (1) failure to supply adequate instructions; (2) failure to arrange for transit or pickup; (3) failure to supply or approve necessary data in a timely manner; (4) requested changes; or (5) failure to provide documents required for the Company to effect delivery, the Company will store all Products at Buyer's risk and expense. Buyer shall pay all storage costs and expenses upon the Company's demand.

FORCE MAJEURE – The Company will not be responsible for delay in delivery of Products or other default under this Contract, or for any damages suffered by reasons thereof, when such delay or default is occasioned by accident, fire, flood, embargo, terrorism, strike, war, labor stoppages, inadequate transportation, shortage of materials, delay or default on the part of vendors, government regulations or any other cause beyond its control. If performance by the Company under this Contract cannot be accomplished due to any such cause, the Company may, at its option, cancel this Contract without incurring any liability therefor.

Terms and Conditions of Sale

RETURNED GOODS – Products may not be returned to the Company unless prior written approval is obtained by Buyer from the Company. Credit will be issued on all Products returned by permission, at the prevailing price at time of purchase, less a minimum handling charge of 25% (35% if repackaging is necessary). No credit whatsoever will be allowed on Products not listed in the Company's current price list or returned twelve months or more after shipment from the factory, except in accordance with any applicable limited warranty offered by the Company. Transportation must be prepaid by Buyer. Buyer's account will be credited for the shipping charges if the Company determines that the return is due to error on the Company's part.

PRODUCT CHANGES – The Company reserves the right to make reasonable changes of any kind in its Products and their packaging without notice.

MINIMUM CHARGE – No invoice will be made for less than \$100 U.S. (One Hundred Dollars Net invoice amount).

GOVERNING LAW – This Contract and any disputes hereunder shall be governed by and construed according to the internal laws of the State of Illinois, without regard to its conflict of laws principles. Neither this Contract nor sales hereunder shall be governed by the provisions of the United Nations Convention on Contracts for the International Sale of Goods. Any cause of action, claim, suit or demand by Buyer allegedly arising from or related to the terms of this Contract or the relationship of the parties shall be brought in a Court situated in the State of Illinois. Both parties hereby irrevocably admit themselves to and consent to the jurisdiction of said Court. The English language version of this Contract shall govern any translation into another language. Upon expiration or termination of this Contract for any reason, the Company shall have all of the rights and remedies provided by law, including, without limitation, the rights of a secured party under the Illinois Uniform Commercial Code–Secured Transactions or any successor statute or similar statute in a jurisdiction where Buyer is located or stores the Products. Any action brought must be commenced within one year after delivery of the Products, notwithstanding any statutory limitation to the contrary.

SEVERABILITY; WAIVER – The invalidity of any provision or clause of this Contract shall not affect the validity of any other provision or clause hereof. The Company reserves the right to correct clerical or similar errors relating to price or any other term shown in this Contract. The failure of either party to insist, in any one or more instances, upon performance of any term, covenant or condition of this Contract shall not be construed as a waiver or relinquishment or any right granted hereunder or the future performance of such term, covenant or condition.

COMPLIANCE WITH LAWS – Buyer agrees to comply with all laws and regulations applicable to the purchase, transport, use, storage, sale, lease and/or disposal of the Products including, without limitation, to the extent applicable, the U.S. Export Administration Act and all regulations thereunder, and Buyer shall cause its employees and agents to comply with such laws and regulations.

CALIFORNIA RESIDENTS / PROPOSITION 65 – California's Proposition 65 requires that California consumers receive warnings about any products which contain chemicals known to the State of California to cause cancer or birth defects or other reproductive harm, The State of California requires the following notice: WARNING: This product can expose you to lead, which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov

ASSIGNMENT – Buyer may not assign this Contract without the prior written consent of the Company, which consent may be withheld by the Company in its sole discretion. Subject to the foregoing, this Contract shall inure to the benefit of, and be binding upon, the parties and their respective successors and assigns. The Company's warranty limitations and exclusions and damage limitations and exclusions, and any other provision the performance or effectiveness of which naturally survives, shall survive expiration or termination of this Contract for any reason. All of the Company's remedies herein are cumulative and not exclusive of any other remedies available to Company at law, by contract or in equity.

INDEPENDENT CONTRACTOR – Buyer is an independent contractor and neither Buyer nor any of its employees or agents shall be considered an employee of the Company. Neither Buyer nor any of its employees or agents is authorized to incur any obligations or make any promises or representations on the Company's behalf.

Terms and Conditions of Sale

INTELLECTUAL PROPERTY – The Company does not grant, and Buyer does not acquire, any license, rights, title or interest to or in any of the trademarks or trade names, designs or other intellectual property rights of the Company by virtue of this Contract or in connection with the sale of any Products, and Buyer shall not make, or allow any of its affiliates to make, any such use or in any way refer to the Company's trademarks or trade names without the Company's prior written permission. Buyer agrees that neither it nor its affiliates will seek to register any trademark or trade name owned or used by the Company, and if Buyer or any of its affiliates does obtain such a registration, Buyer or its affiliates shall immediately assign the same to the Company. Buyer acknowledges and agrees that the Company owns all right, title and interest in and to the trademarks, trade names, design and other intellectual property rights relating to the Products. Buyer shall promptly inform the Company of any potential or actual infringement of Company's trademarks, trade names, designs and other intellectual property rights.

BUYER'S INDEMNIFICATION OF THE COMPANY – Buyer hereby releases and agrees to promptly defend, indemnify and hold the Company and its affiliates and its and their shareholders, directors, officers, employees, successors and assigns (collectively, "Company Parties") harmless from and against all liabilities, losses, claims, judgments, actions, fines, penalties, costs, damages, attorneys' fees and expenses (collectively, "Damages") arising out of or relating to (a) the alleged violation of any law by Buyer or any of its employees, agents, successors or assigns ("Buyer Parties"), (b) bodily injuries, deaths or property damage caused by the negligent or wrongful act or omission of Buyer or any of the Buyer Parties, (c) any breach of this Contract by Buyer or any of the Buyer Parties, (d) any failure to install or maintain Products in accordance with the Company's written instructions, (e) Buyer's specifications for Products, (f) Buyer's products, (g) Buyer's infringement of the patents or proprietary rights of any individual or entity, and/or (h) improper use of the Products. Prior to settling any claim, Buyer will give the Company an opportunity to participate in the defense and/or settlement of such claim. Buyer shall not settle any claim without the Company's written consent. In the event of any recall affecting the Products, the Company shall have the right to control the recall process and Buyer shall fully cooperate with the Company in connection with the recall. The provisions of this section shall be effective whether or not such loss, damage or injury was proximately caused by the sole or partial negligent acts or omissions of the Company or any Company Parties.