

SALES ORDER TERMS AND CONDITIONS

The following Terms & Conditions are made a part of any sales order contract between Quantum Windows & Doors of Arlington, Washington, USA ("Quantum") and its customers, dealers, distributors, or agents ("Buyer") as if fully set forth within the sales order contract itself.

- Terms & Conditions: The following terms and conditions shall apply to the sale of materials by Quantum to Buyer. No variance in any of the terms, conditions, deliveries, prices, quantities, or specifications shall be binding upon Quantum unless expressly accepted by Quantum in writing.
- Quotes: Prices for Quantum products that are quoted in writing are valid for 30 days. If the initial deposit is received for the order within 30 days of the issuance of the quote, then the quote is not subject to repricing. After the initial deposit, quotes will be valid for an additional 30 days from the date of delivery of the first set of shop drawings. In order to avoid repricing after the receipt of the first set of shop drawings, two conditions must be met within 30 days: 1) the finalized shop drawings, and all details associated with the drawings (e.g. finish, hardware, etc.), must be approved, signed, and returned to Quantum and 2) the production deposit payment must be received by Quantum. If these conditions are not met within this 60-day window, the project is subject to re-pricing.
- 3. **Delivery Dates:** Due to the custom nature of Quantum's product, lead times can only be estimated once a final, signed copy of the sales agreement, confirmed shop drawings fit for production as determined by Quantum, and required deposit have been received.
- Change Orders: Once an order has been confirmed and submitted for production, any change order will have a minimum \$350.00 fee, and possible delivery date ramifications.
- 5. **Invoices:** Quantum shall mail (including email) invoices, showing order number, point of shipment, deposits received, how shipped, and cash discount, if any, to Buyer. Tax and freight charges will be itemized separately on the invoice, and Buyer shall only be liable for those taxes, duties, and imposts which arise under U.S. federal, state, and local laws. Terms of payment are effective upon completion of product and title transfers from F.O.B. point. Cash discount period, if any, will run from date of receipt of invoice. Should delivery be delayed by the customer, Quantum will store finished product for 10 days. A storage fee of \$20 per day will apply beyond 10 days.
- 6. **Shipping:** Quantum provides curbside delivery service and will deliver its products to the specified destination or the point nearest to the specified destination as reasonably feasible site conditions permitting. Quantum shall ship via the method indicated to the destination specified. Quantum shall furnish for each shipment a receipted bill of lading or other required evidence of shipment. Quantum shall show the order number on all shipments, invoices, packing sheets, shipping labels, bills of lading, freight bills, correspondence, and all other papers pertaining hereto.
- 7. **Freight:** Shipping terms are F.O.B. Destination on all sales orders. If Quantum grants a shipping allowance or freight credit to Buyer as part of a sales promotion, inducement, or quantity purchase, the shipping terms remain F.O.B. Destination, but the title to the subject materials passes to Buyer upon acceptance by the authorized common carrier. Buyer is free to specify a carrier of its own choosing. If not, Quantum will arrange for its contract carrier to convey the subject materials, and will prepay and add the freight charges, including fuel surcharges, to Buyer's total invoice amount.
- 8. **Representations and Warranties:** Except as set forth in express warranties that are provided with all Quantum products, Quantum makes no representation or warranty with respect to the goods, including warranties of merchantability and fitness for a particular purpose. Quantum does not authorize any other person (including any installer) to make any additional warranty or otherwise assume any liability for Quantum with respect to the goods. Quantum shall have no obligation to honor any warranty claim unless and until all amounts owing to Quantum for goods and services provided by Quantum have been paid in full to Quantum. Quantum warrants its right and ability to furnish the ordered items. Quantum warrants that it has good title to the materials supplied and that they are free and clear from all liens and encumbrances.
- 9. **Cancellation:** Upon receipt of a bona fide sales order agreement from Buyer, and the receipt of partial payment in the form of a cash deposit, Quantum will issue a non-cancellable production order for the fabrication, assembly, and testing of the subject material. A firm order may be cancelled for cause, such as (a) if Buyer breaches any of the terms hereof, or (b) if proceedings are instituted by or against Buyer in bankruptcy or insolvency, or a receiver or trustee is appointed for Buyer. In the case of a sales order cancellation, Quantum shall levy a cancellation fee in the amount of its actual costs incurred, at a minimum of 20% of the order value. Quantum and Buyer agree such cancellation fee is not a penalty but instead represents a fair estimate of the damages incurred by Quantum in connection with such a cancellation.
- 10. Title and Risk of Loss: All items furnished by Quantum to Buyer will be free and clear of any security interest of vendors or others. Buyer agrees not to assign any rights hereunder, and Quantum is under no obligation to honor any attempt at assignment, by operation of law or otherwise. Title and risk of loss of all materials hereunder shall remain in Buyer after shipment by Quantum at Origin unless otherwise specified.
- 11. **Indemnity:** Buyer agrees to defend, indemnify, release and hold harmless Quantum, its directors, officers, employees and agents, against and from any and all liabilities, claims, demands, suits, causes of action, losses, penalties, fines, expenses and damages, including reasonable attorneys' fees and court costs (including, but not limited to, attorneys' fees incurred by any indemnitee in establishing its right to indemnification hereunder), for personal injury or bodily injury, including death, to any person and for damage to the property of anyone (including property of Quantum), arising out of or in connection with the materials which are the subject hereof. Buyer consents to venue of any such action in Snohomish County, Washington, USA. In no event shall Quantum be liable for incidental or consequential damages, including, but not limited to, the cost of labor, requalifications, rework charges, delay, lost profits, damage to property, personal injury or death, or loss of goodwill arising out of the sale, installation, or use of any Quantum product.
- 12. **Security Interest:** Buyer hereby grants to Quantum a full security interest in the subject materials until such time as payment is made in full, including all freight charges, in accordance with the invoice referenced in Section 5.
- 13. **Compliance with Laws**: Buyer agrees to comply with all applicable local, state, and federal laws and agrees to indemnify Quantum against any loss, cost, liability or damage by reason of Buyer's violation thereof. Any government-mandated regulations that affect the price of the products, including but not limited to the costs of import tariffs, are the sole responsibility of the buyer.
- 14. **Acceptance:** Buyer shall notify Quantum of any visible defects, quantity shortages, or incorrect product shipments within seven (7) days of receipt of the shipment. Failure to notify Quantum in writing of any visible defects in the products, quantity shortages, or incorrect shipments within such period shall be deemed an unqualified waiver of any right to return products on such basis, except as set forth berein
- 15. **Force Majeure:** Quantum shall not be liable for any damage or penalty for delay in delivery or for failure to give notice of delay when such delay is due to the elements, acts of God, acts of the Buyer, act of civil or military authority, war, riots, concerted labor action, shortages of materials, trade wars, import tariffs, or any other causes beyond the reasonable control of Quantum. The anticipated delivery date shall be deemed extended for a period of time equal to the time lost due to any delay excusable under this provision.



FINISH TERMS AND CONDITIONS

Quantum's construction coat factory application of paint or stain is intended to provide adequate protection until the finish coats can be site-applied. The factory finish is applied to window and door component parts prior to installation of glass, hardware, weather-strips, and trims; thus, finishing these items at the components stage provides an initial coverage that is superior to that which could be achieved on site. Our construction coat factory applied finish is not to be construed as a final finish. Expectations associated with factory finishing:

- Nail holes in glazing stops, exterior trim, in addition to nail and screw holes from installation, and any open miters or other modifications to our product have to be filled by the on-site painter prior to application of final finish coats.
- Products will require hand sanding prior to application of additional paint or stain.
- Separately finished component parts can have a slight variation in color from one piece to another, and this becomes apparent when the
 windows and doors are assembled. This variation in paint or stain colors from component to component should be resolved with siteapplied final finishes.
- Applying one coat of dark color paint over white primer often results in visible bleed-through of the primer color. If this is a concern, a
 second coat of finish should be considered on the component parts prior to assembly. A minimum of one on-site final finish coat will still
 be required. Dark colors, when exposed to direct sunlight, are subject to potential problems of warping, checking, shrinkage, or pitch
 bleeding and pitch shift (see Quantum's warranty).
- All exposed interior and exterior surfaces must be finished immediately. Primer alone is not a suitable barrier against exterior exposure.
 Failure to apply the final finish on all sides before any exposure to inclement weather and within the following amount of days of delivery will void Quantum's warranty: Raw: 7 days, Primer/Benite: 30 days, Paint/Stain: 60 days

Materials Used

Quantum's stock paint preferred manufacturer is Benjamin Moore. The paint is a premium quality acrylic available in low luster and semi-gloss finishes. Please contact Benjamin Moore directly for more information regarding their available products. Quantum will, on a per-project basis, review the use of other brand names of latex paints specified by the customer.

The compatibility of site-applied finish coats over any factory finish is the responsibility of the purchaser. Quantum's role is limited to that of an applicator of primary coats only; the durability or appearance of the applied finishes are not guaranteed or warranted. The desired final appearance is the responsibility of purchaser's on-site professional finisher. Quantum is not responsible for damages to the product due to a failure in the finish. Written confirmation of pre-finishing specifications is required before an order can proceed to production. **Door sills will be unfinished unless noted otherwise.**

Complete Finish

In the event that Quantum applies a complete final finish, purchaser is required to inspect finish and report any damages at the time of shipment to Quantum and on the BOL. No additional site work is required at the time of delivery except minor touch-up of blemishes that may occur from handling or construction. Regular care and maintenance is necessary. Refer to the manufactures instructions and guidance, as well as Quantum's Warranty for more information.