

Terms & Conditions of Sale

TERMS AND PRICES

- a) Terms and payment on all orders are subject to the approval of Fantech’s credit department and, unless otherwise stated, are NET 30 days from the date of invoice without regard to the date of delivery of the Products. All orders will be COD prior to credit approval. No prox billing. 1-1/2% charge on all invoices over 30 days.
- b) Prices and deliveries are FOB Fantech warehouse, or as otherwise stated, and the risk of loss and damage shall pass to Buyer upon the delivery to the carrier.
- c) Buyer shall pay Fantech the amount of any sales, use or any other local, state or federal taxes which arise from the sale or delivery of the Products.
- d) All pricing will be according to the current Fantech price list. Verbal quotes obtained via telephone are not binding, and subject to correction by the current printed Fantech price list. Unless a pricing quote is in writing from Fantech, the prices on the current price list supersede all prior price quotes.
- e) Individual Project or Job quotes are subject to expiration 30 days from date of the quote unless otherwise stated.
- f) The prices of any Product are subject to increase by Fantech to reflect increased costs of labor, raw materials, components, parts, overhead and other expenses.
- g) Fantech reserves the right to change prices and specifications without notice.
- h) No order will be shipped if any invoices are past due.
- i) Next day or second day air shipments received after 12:00 PM EST are processed the following work day.

SHIPPING AND DELIVERY

- a) Buyer’s receipt of any products delivered by Fantech shall be an unqualified acceptance of, and a waiver by Buyer for any and all claims with respect to, such Products on the earliest to occur of 1) payment for the Products, or 2) failure of Fantech to receive notice in writing of shortages in the Products within ten (10) days of their delivery to Buyer.
- b) **UNDER NO CIRCUMSTANCES WILL FANTECH BE RESPONSIBLE FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING OUT OF OR OWING TO ANY DELAYS IN DELIVERY.**

MINIMUM ORDER REQUIREMENTS

Traditional Distributors

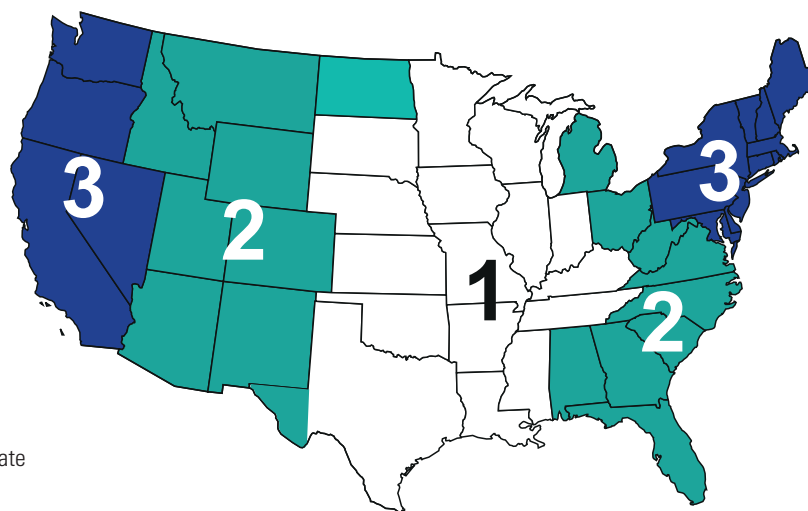
\$200 Minimum order (orders will be raised to \$200.00 if order is < \$200)

Internet Distributors

\$500 Minimum order (\$100 handling charge will be applied for orders < \$500)

FREIGHT POLICIES

There are three classifications of products in this price list: Class 1, Class 2 and Class 3. Please, refer to the Fantech Excel version pricing sheet for Product Class Designations.



Zone	Freight adder	
	Class 1 or 2	Class 3
1	6.5 %	2 %
2	7.0 %	3 %
3	8.5 %	4 %

Class 1 Products

Fantech will prepay freight on orders of \$2000 or more at net invoice pricing. For order less than \$2000 NET freight charges will be calculated based on destination of shipment and added to invoice or shipped Collect. Please, refer to the three distinct zones indicated on the map at right and the freight added chart (above) to calculate charges. Inquire with your Fantech Sales Representative how to qualify for Class 1 prepaid threshold at \$1,250 NET (orders without ERV/HRVs).

Class 2 Products

Fantech will prepay freight on orders of \$10,000 or more at net invoice pricing. For order less than \$10,000 NET freight charges will be calculated based on destination of shipment and added to invoice or shipped Collect. Please, refer to the three distinct zones indicated on the map at right and the freight added chart (above) to calculate charges.

Class 3 Products

Fantech will prepay freight on orders of \$10,000 and more net, however a lower freight charge schedule will apply for the Class 3 items shipped in the continental USA.

Terms & Conditions of Sale

FREIGHT POLICIES (Cont.)

Class 3 Products

Model	Item #	Model	Item #
SHR 6904	40417	SHR 14105R	40445-1
SHR 6905R	41047	SER 6004	75266
SHR 8004	40443-1	SER 9504	75267
SHR 8005R	40455-1	SER 13004	75268
SHR 11004	40419	MUAS 650	K46000
SHR 11005R	41048	MUAS 1600	K46001
SHR 14104	40438-1	MUAS 2000	K46002

An order with a combination of Classes 1, 2 or 3 products where the total net invoice is less than \$10,000:

Items that would have qualified for Freight allowed such as \$2,000 of Class 1 items will ship Freight allowed. The balance of the order will be charged freight and handling respective to Class.

This freight allowed is valid within the continental U.S. only; no order will be prepaid to Alaska, Hawaii, Canada, Puerto Rico, or any other location outside the continental U.S. Freight allowed shipments will be shipped by best way "ground" as determined by Fantech. For special or nonstock products check with Fantech Customer Service. Orders which include special or nonstock Products will be processed as split shipments with stock items shipped at once and special or nonstock products shipped when available unless a notation to the contrary appears on Buyer's purchase order. If Buyer specifies express or air shipment, Buyer shall pay the difference between express or air and freight rates (see Shipping Policy for additional information).

DAMAGES OR SHORTAGES

- Claims for damages or shortages must be reported within ten (10) days of receipt of Product.
- For any Product received damaged by a trucking company

THESE INSTRUCTIONS MUST BE FOLLOWED:

- If Product received by UPS:
 - Concealed damages: Keep all cartons, call for inspection and notify Fantech immediately. Visible damages: Damaged goods due to shipping must be filed with UPS immediately.
- If Product received by a freight company:
 - All damages due to handling during shipping must be filed directly with the freight company. Claim must be made by receiver immediately.
- Shortages: Sign only for the number of pieces received, and call Fantech immediately.

FANTECH RETURN POLICY

- All returns must be preauthorized and shipped with a Returned Materials Authorization (RMA) number. This can be obtained only by Buyer from Fantech.
- RMA number must be clearly written on the outside of the carton, or the carton will be refused.
- All Products being returned must be shipped prepaid.
- Any Product returned to us that is not covered by Warranty will be returned, without action, to Buyer, freight collect; no credit will be issued.
- Orders placed cannot be cancelled or altered nor can deferred deliveries of Products completed or in process be extended beyond original specified delivery dates, except with Fantech's consent and upon terms which will indemnify Fantech against loss.
- Any claim based on the receipt of damaged products must be filed with the carrier which delivered the Products. Fantech will not allow credit for the return of damaged Products.
- Items from the Pricelist returned within 1 year from date of purchase are subject to a 25% restocking fee for inspection and repackaging providing all items are in salable condition. No returns will be accepted beyond 12 months from date of sale.
- No returns will be accepted for products not on the current Pricelist.
- PRODUCTS RETURNED WITHOUT FANTECH'S RETURN MATERIALS AUTHORIZATION NUMBER WILL NOT BE ACCEPTED. FANTECH WILL NOT ACCEPT THE RETURN OF ANY SPECIAL, NONSTOCK, OBSOLETE OR UNSALEABLE PRODUCTS.**

Terms & Conditions of Sale

FANTECH WARRANTY

1. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE. FANTECH DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AS TO BOTH FANTECH AND NON FANTECH PRODUCTS. FANTECH'S WARRANTIES EXTEND SOLELY TO ITS CUSTOMER. FANTECH WILL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF USE, REVENUES, PROFITS OR SAVINGS, EVEN IF FANTECH KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.
2. Equipment Warranty and Disclaimers
 - a) Subject to conditions (b) through (h) below, Fantech warrants that Equipment sold by it will be free from defects in material and workmanship during the Warranty Period. During the Warranty Period, Fantech will repair or replace any defective item of Equipment or part or component of Equipment, promptly sent to Fantech by Customer, which Fantech determines was defective due to faulty material or workmanship. "Warranty Period" means the period stated to be such on the operations manual
 - b) Because Equipment requires ongoing maintenance, the preceding warranty is void if the maintenance specified by Fantech as required maintenance has not been performed, as determined by Fantech.
 - c) This Warranty is void if the Fantech label control number or date of manufacture, which is affixed to the Equipment, has been removed or altered in any way
 - d) This Warranty does not apply to damage occurring after Fantech shall have delivered the Equipment to a shipper. If damage, whether concealed or visible, has been caused by shipping, Customer must file a claim with the freight company
 - e) This Warranty does not apply to damages resulting from improper wiring or installation, or resulting from improper consumer procedures such as lack of proper maintenance, misuse, abuse, abnormal use, use by an application other than one recommended by Fantech, or accident or application of incorrect electrical voltage or current
 - f) This Warranty does not apply to damage or failure caused by any cause beyond the control of Fantech, including acts of God, war, terrorism, riot, or insurrection
 - g) In no event will Fantech be liable for claims, demands, or actions against Customer by any person except as provided in Section 3
 - h) The entire liability of Fantech and Customer's exclusive remedy for any defective, non-Fantech products provided under this Agreement is limited to their return to Fantech within 90 days after shipment for refund of the amount paid to Fantech for such products (not including any amounts paid for related services).
3. Patent, Copyright and Trade Secret Indemnification.
 - a) Fantech, at its own expense, will defend and indemnify Customer against claims that products furnished under this Agreement infringe a United States patent or copyright, or misappropriate trade secrets protected under United States law, provided Customer: (i) gives Fantech prompt written notice of such claims at the following address: 10048 Industrial Blvd, Lenexa, Kansas 66215; (ii) permits Fantech to defend or settle the claims; and provides all reasonable assistance to Fantech in defending or settling of claims
 - b) As to any product which is, or in the opinion of Fantech, may become subject to a claim of infringement or misappropriation, Fantech may elect to (i) obtain the right of continued use of such product for Customer; or (ii) replace or modify such product to avoid such claim. If neither alternative is available on commercially reasonable terms, as determined by Fantech, then, at the request of Fantech, Customer will discontinue use and return the Equipment, and Fantech will grant a credit for the price paid to Fantech, less a reasonable offset for use and obsolescence
 - c) Fantech will not defend or indemnify Customer if any claim of infringement or misappropriation (i) is asserted by parent, subsidiary or affiliate of Customer; (ii) results from Customer's design or alteration of any product, or (c) results from the use of any product in combination with any non-Fantech product
 - d) This paragraph 3 states the entire liability of Fantech and Customer's sole and exclusive remedies for patent or copyright infringement and trade secret misappropriation.
4. Warranty Claim Procedure
 - a) Customer will pay transportation and insurance costs to ship Equipment if an offsite inspection and repair location is designated by Fantech. Fantech will pay the return costs if the Equipment was defective. Labor costs of diagnosis are not included in this Warranty;

Terms & Conditions of Sale

FACTORY RETURN

For factory return you must:

- Have a Return Materials Authorization (RMA) number. This may be obtained by calling FANTECH at 800.565.3548. Please have bill of sale available
- The RMA number must be clearly written on the outside of the carton, or the carton will be refused.
- All parts and/or product being returned must be shipped prepaid, and be accompanied with a copy of the bill of sale.

or

The List may place an order for the warranty part and/or product and is invoiced. The List will receive a credit equal to the invoice only after product is returned prepaid and verified to be defective.

FANTECH WARRANTY TERMS DO NOT PROVIDE FOR REPLACEMENT WITHOUT CHARGE PRIOR TO INSPECTION FOR A DEFECT. REPLACEMENTS ISSUED IN ADVANCE OF DEFECT INSPECTION ARE INVOICED, AND CREDIT IS PENDING INSPECTION OF RETURNED MATERIAL. DEFECTIVE MATERIAL RETURNED BY END USERS SHOULD NOT BE REPLACED BY THE List WITHOUT CHARGE TO THE END USER, AS CREDIT TO List'S ACCOUNT WILL BE PENDING INSPECTION AND VERIFICATION OF ACTUAL DEFECT BY FANTECH.

WARRANTY VALIDATION

- The user must keep a copy of the bill of sale to verify purchase date.
- These warranties give you specific legal rights, and are subject to any applicable consumer protection legislation. You may have additional rights which vary from state to state.