

Terms And Conditions of Sale

I. Terms, NET 30, No retention.

- A. Upon approval of credit the terms of payment are NET 30 days from the date of the invoice.
- B. An Engineering & Design invoice will be issued with submittals and payment is due on receipt of approved submittal drawings. Payment is applied to final invoice.
- C. Invoices will be rendered with each shipment and are due for payment irrespective of whether the material has been installed or whether payment has been received from your customer or the owner. A FINANCE CHARGE EQUAL TO THE MAXIMUM LEGAL RATE FOR YOUR STATE WILL BE CHARGED FOR LATE PAYMENTS. We reserve the right to require payment by irrevocable commercial letter of credit or Cash in Advance, should payment be overdue.
- D. Unless specifically noted local, state, and other taxes have not been included in any quotation or invoice.
- E. No reduction in the payment or contract amount, or backcharge, for materials, labor, or any service may be made without express prior written consent of an officer of Hospital Systems, Inc.
- F. All fees and costs of collecting overdue payments, including but not limited to reasonable attorneys fees and court costs incurred are the responsibility of the purchaser. Purchase orders issued in acceptance of a Hospital Systems, Inc quotation shall be deemed performable in Pittsburg, California, and the laws of the State of California shall govern each and every order accepted by Hospital Systems, Inc
- G. Purchase orders are valid in acceptance of a Hospital Systems, Inc quotation only when in favor of and accepted by Hospital Systems, Inc in Pittsburg, California. Sales representatives are not authorized agents of Hospital Systems, Inc and are not authorized to accept purchase orders.
- H. Only those items listed in our written quotation are included, and unless expressly stated the following, among others are not included: shipping, receiving, storing, installation, blocking and bracing within the wall or ceiling, or any on-site testing of electrical or medical gas systems.

II. Shipping Schedule.

- A. Submittal drawings will be furnished for review and approval after receipt of customer purchase order, contract plans, specifications and addenda, if any. All standard roughing in materials will be furnished as soon as possible after receipt of approved submittal documents, resolution of questions in submittals, engineering design fee and customer release order. Final shipments will be made within 90 days thereafter or per mutually agreeable terms.
- B. Hospital Systems, Inc will not be held responsible for delays in deliveries due to circumstances beyond its control, such as, but not limited to: government action or regulation, strike or other labor unrest, fire, earthquakes or other acts of God, or lack of or inability to obtain raw materials. Hospital Systems, Inc shall not be charged any liquidated damages.
- C. Orders accepted for expedited delivery shall be shipped within 45 working days after receipt of approved submittals, purchase order, and all required information. Hospital Systems, Inc shall only warranty that the shipment will be made as above and that on failure to do so any extra fee for expedited service will be refunded to purchaser.

III. Shipping Terms and Shipping Damages.

- A. Unless stated all quotes are EXW, Pittsburg, CA USA, [freight is not included]
- B. Buyer shall take title of the shipment when the carrier receives the shipment at our factory or other point designated by Hospital Systems, Inc. We will prepay all freight charges and include them as a part of the invoice. The purchaser grants to Hospital Systems, Inc a security interest in the products as security for performance by purchaser of all its obligations hereunder along with the right, without liability, to repossess the products with or without notice in the event of default of any such obligation. The purchaser further agrees to execute, upon demand, all documents necessary or convenient to carry out the provision of these terms.
- C. Buyer is responsible for inspection of the shipment upon receipt and for reporting immediately to the carrier any damage, apparent or concealed. Hospital Systems, Inc will assist in preparing copies of shipping documents and related papers, but all claims for damages must originate with the purchaser. Shortages must be reported to Hospital Systems, Inc within 10 days of receipt of shipment, thereafter the shipment will be deemed complete.

IV. Prices

Prices quoted are in **US Dollars** and are firm for forty-five days from quotation date, unless otherwise noted. All pricing, unless specifically noted, is for shipment within one year of date of quote. For shipments after one year from the PO date; an escalation of 3% per year will be added every subsequent January. Pricing is based solely on our quoted bill of materials and no additional material is expressed or implied even if included in the architects

and/or engineer's drawings, specifications, or addenda. Furthermore, unless so stated this offering, quotation or proposal is for Hospital Systems, Inc standard construction using our standard materials.

V. Approvals.

Materials provided by Hospital Systems, Inc will be manufactured as indicated in our shop drawings, once approved by the architect, engineer, or hospital these shop drawings will form the basis of the products delivered to you. Purchaser hereby agrees to accept as complete the materials provided and manufactured according to these approved shop drawings. Hospital Systems, Inc will not be responsible for errors that result from lack of or improper review of shop drawings by the appropriate approving body. Once approved the shop drawings shall take precedence over the project plans and specifications.

VI. Modification.

In the event that the terms and conditions of an order, verbal agreement, or written communication presented or offered by purchaser vary or differ from these Terms and Conditions, these Terms and Conditions shall prevail.

VII. Patents and Trademarks.

Hospital Systems, Inc agrees to hold harmless and defend the purchaser against claims involving products designed and manufactured by Hospital Systems, Inc and which infringement of a valid U.S. Patent is claimed, provided the purchaser advises Hospital Systems, Inc immediately upon receipt of such claim. Purchaser further agrees to provide reasonable assistance in the preparation of a defense and grants Hospital Systems, Inc and its attorneys control of the possible defense as well as the right to settle or modify the products to avoid possible infringement.

VIII. Testing and Instruction.

Hospital Systems, Inc will provide personnel and equipment to test, inspect and certify its equipment as installed and when necessary, instruct the owner's staff in the operation and maintenance of the equipment as follows:

A. If the test and instruction has been both specified and quoted. Hospital Systems, Inc has included the cost of the test, each for duration of one working day. Thirty days advance notice, in writing, is required from the purchaser to schedule each testing trip.

B. If the test and instruction has not been specified or quoted, the charge for the service will be quoted at the time you request the test. Our technician will attempt to complete all testing and instruction in one visit; however, if additional visits are required an additional charge will be necessary.

IX. Limited Warranty.

All items of Hospital Systems, Inc manufacture are warranted against defective materials and workmanship for a minimum period of 90 days from date of receipt at the hospital or project site. Headwalls have a 12 year warranty and education and training products have an 18 month warranty. Some products may have longer warranties and you may obtain a complete copy of all warranties by writing to the company at address below. In the event of a defect, notify us immediately and we will either arrange to inspect the product on-site or request you return the product to the factory, freight collect. If found defective we will at our option either repair or replace the product and return the product to you freight pre-paid. Hospital Systems, Inc will not be held responsible for damage to equipment from improper handling, installation, internal or external modifications, or attempts to operate the product beyond its capability or in any manner beyond its design capacity. Under no circumstances shall we be responsible or liable for loss of profits or any consequential damages. No warranty is valid and in effect until project has been paid in full.

X. Letters of Credit

International orders that are paid via Letters of Credit must be made at sight, for shipment at a minimum of 60 days and all banking fees, both within the country of origin and the USA are by applicant.

For Information contact:
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