

Machine Warranty

Limited Warranty Statement and Disclaimers

Concordia warrants the Goods to be free from defects in materials and workmanship under normal conditions for a period of twelve (12) months after the original date of factory shipment. (“Limited Warranty period”), subject to the terms set forth herein. In the event of a failure of the Goods during the Limited Warranty due to a defect in materials or workmanship, subject to the warranty exclusions set forth below, Concordia will arrange for the Goods to be repaired on-site, without charge for labor, travel, or parts, if the limited warranty service occurs during normal business hours (8:00 a.m. to 5:00 p.m., local time, Monday through Friday, except holidays) and is within a 60 mile radius of a Concordia Authorized Service Agent. Customers outside of 60 miles will be charged a fee based on the Authorized Service Agent’s travel rates. If limited warranty service is required outside normal business hours, the customer will be charged the Authorized Service Agent’s applicable rates.

THE FOREGOING LIMITED WARRANTY REPRESENTS THE FULL EXTENT OF CONCORDIA’S LIABILITY WITH RESPECT TO THE GOODS. YOUR RIGHT TO REPAIR AS SPECIFIED ABOVE IS YOUR SOLE AND EXCLUSIVE REMEDY AGAINST CONCORDIA. IN NO EVENT SHALL CONCORDIA BE LIABLE FOR DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, ARISING FROM OR RELATING TO THE SALE OR USE OF THE GOODS, EITHER DURING OR AFTER THE TERM OF LIMITED WARRANTY.

Additional Limited Warranty Exclusions

This limited warranty does not cover cost of repairs made or attempted by anyone other than Concordia-authorized personnel. In the event of such unauthorized repairs, Concordia will void the limited warranty. In addition, this limited warranty does not apply if Concordia determines that a problem resulted from inadequate or improper maintenance, improper operations, unauthorized alterations or adjustments, or use of unapproved supplies.

The above includes, but is not limited to the following:

- Evidence of proper maintenances, as outlined in the User Guide, not being followed.
- Lack of Preventive Maintenance, as defined in the User Guide.
- The Goods not being cleaned, maintained, and operated in accordance with instructions, as defined in the User Guide.
- Evidence that Concordia cleaning supplies and procedures are not used.
- Internally affected or damaged components caused by poor water conditions, including water exceeding three grains of hardness per gallon.
- Use of non-dairy milk products in the milk system. The milk system is designed for use with whole, 2%, and non-fat cow milk.
- Use of unapproved syrup products in the syrup system. The syrup system is designed for Concordia-approved syrup products only.
- Jammed or impacted coffee grinder caused by foreign object in grinder, or improper cleaning of the grinder.
- Plumbing issues [to include, but not limited to plugged drains or insufficient water supply].
- Ambient or intake air temperatures exceeding 85 degrees Fahrenheit.
- Installation of other equipment that affects operation of Concordia equipment.
- Consumable parts and wear items [to include, but not limited to o-rings, rollers, guide rings, air filters, and water filters].
- Inoperative brew group due to improper maintenance or cleaning.
- Incorrect or insufficient power supply.
- Necessary recalibration due to customer preferences [to include, but not limited to type of coffee, type of milk, size of cup].
- Relocation of the Goods from the originally installed location.

EXCEPT FOR THE ABOVE LIMITED WARRANTY, CONCORDIA DISCLAIMS AND MAKES NO PERFORMANCE REPRESENTATIONS, WARRANTIES, GUARANTEES, OR CONDITIONS, EITHER EXPRESS OR IMPLIED, ORAL, OR WRITTEN, WITH RESPECT TO THE GOODS OR ANY SERVICES PROVIDED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY, GUARANTEE, OR CONDITION (A) OF MERCHANTABILITY, (B) OF FITNESS FOR A PARTICULAR PURPOSE, OR (C) ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE. IN NO EVENT SHALL CONCORDIA'S LIABILITY EXCEED THE AMOUNT OF THE PURCHASE PRICE FOR THE GOODS.

Terms and Conditions

Concordia Beverage Systems ("Concordia") and Distributor ("Distributor") or Buyer ("Buyer") agrees that the following Terms and Conditions shall govern this Sales Order:

- 1. Sale.** Concordia agrees to sell to Distributor or Buyer, and Distributor or Buyer agrees to purchase, the tangible personal property (the "Goods") stated on the front of this Sales Order.
- 2. Acceptance and Cancellation of Order.** All Sales Orders for Goods are subject to acceptance in writing by a duly authorized agent of Concordia. In the event of cancellation of a Sales Order *prior to shipment* for any reason, Distributor or Buyer shall pay to Concordia all expenses then incurred and commitments made by Concordia, including reasonable cancellation or restocking charges. Sales Orders accepted by Concordia may be cancelled by Distributor or Buyer only upon written consent of Concordia. All sales are final once the Goods have been shipped.
- 3. Price.** Distributor or Buyer shall pay Concordia for the Goods as stated on the front of this Sales Order. Distributor or Buyer shall make payment of the purchase price in full according to the Terms of Payment set forth in Section 8 below, following delivery of the Goods by Concordia as provided herein, subject to Distributor's or Buyer's Right of Inspection set forth in Section 5 below.
- 4. Shipping.** Concordia shall deliver the Goods to a shipper (as mutually agreed between Concordia and Distributor or Buyer) F.O.B. Redmond, Washington. Distributor or Buyer shall be solely responsible for the expenses associated with shipping. The risk of loss from any casualty to the Goods, regardless of the cause, shall be upon Distributor or Buyer upon the delivery of the Goods to shipper as set forth herein. When practicable, Concordia will follow Distributor's or Buyer's requested shipping instructions. If none are requested, Concordia will without liability use its discretion in selecting an appropriate shipping method.
- 5. Right of Inspection.** The Distributor or Buyer is responsible for the Goods including the shipping condition. The Distributor or Buyer shall have the right to inspect the Goods on arrival at Distributor's or Buyer's facility. Within 48 hours after arrival, the Distributor or Buyer must give written notice to Concordia or the shipper of any claim with respect to the condition, quality, or grade of the Goods or non-conformance to this Sales Order, specifying the basis of the claim in detail. Failure of Distributor or Buyer to comply with these conditions within the time set forth herein shall constitute irrevocable acceptance of the Goods by Distributor or Buyer. In the event the Goods do not conform to this Sales Order, Distributor's or Buyer's sole remedy and Concordia's sole obligation shall be at Concordia's option to replace the Goods at Concordia's expense or credit Distributor or Buyer the amount of the purchase price for the non-conforming Goods. Return shipping shall be the responsibility of Concordia.
- 6. Identification of Goods.** Identification of the Goods shall not be deemed to have been made until both Distributor or Buyer and Concordia have specified that the Goods are to be appropriated to the performance of this Sales Order.
- 7. Transfer of Title.** Concordia hereby retains a purchase money security interest in the Goods to secure payment of the purchase price. Distributor or Buyer agrees that a copy of the Sales Order or invoice or similar document for the Goods may be filed by Concordia as a Financing Statement at any time.
- 8. Terms of Payment.** Distributor or Buyer agrees to make payment to Concordia in accordance with net 30 day payment terms from invoice date and agrees to pay an annual rate of 18% or the maximum rate permitted by law on all overdue payments and reasonable collection costs, including attorneys' fees, necessary to collect payment for items invoiced; *provided*, that if Concordia and Distributor or Buyer have entered into a separate written credit agreement setting forth the payment

obligations of Distributor or Buyer with respect to the Goods, then the provisions of such credit agreement shall control.

9. **Limitation of Liability.** In no event shall Concordia be liable for any special, indirect, incidental or consequential damages arising out of or connected with this Sales Order or the Goods, regardless of whether a claim is based on contract, tort, strict liability or otherwise, nor shall Distributor's or Buyer's damages exceed the amount of the purchase price of the Goods.
10. **Taxes.** Distributor or Buyer shall pay or reimburse Concordia as appropriate for any sales, use, excise or other tax imposed or levied with respect to the payment of the purchase price for the Goods or the conveyance of title in the Goods to Distributor or Buyer. In no event shall Distributor or Buyer be responsible for any tax imposed upon Concordia based upon Concordia's income or for the privilege of doing business.
11. **Notices.** Any notice required by these Terms and Conditions, or given in connection with it or Sales Order, shall be in writing and shall be given to the appropriate party by personal delivery, facsimile transmission, or by mail, postage prepaid, or recognized overnight delivery services as follows:

If to Concordia: Concordia Beverage Systems
6812 185th Ave NE, Redmond, Washington 98052
Attention: Administrative Department

Customerservice@concordiacoffee.com

If to Distributor or Buyer: At Distributor's or Buyer's billing address.

- 12. Warranty Provisions.** Concordia and Distributor acknowledge that Distributor is buying the Goods with the intent to resell the Goods to one or more consumers (“End Users”). Prior to consummation of all transactions between Distributor and End Users, Distributor shall provide to End Users the language set forth at the end of this Sales Order regarding limited warranty coverage and disclaimers (“Limited Warranty Statement and Disclaimers”), which language must be conspicuous and in writing (whether in the sales contract or as a stand-alone document). Distributor further agrees that in connection with its marketing, advertising and sales of the Goods, it shall make no oral or written statement or claim which is inconsistent with the Limited Warranty statement and disclaimers language set forth below. Distributor, Buyer and Concordia agree that the Limited Warranty statement and disclaimers language set forth at the end of this Sales Order shall exclusively govern this Sales Order.
- 13. Governing Law.** This Sales Order and Terms and Conditions shall be construed and enforced in accordance with the laws of the State of Washington, and Distributor or Buyer irrevocably consents that the exclusive jurisdiction and venue for any action shall be in the state and federal courts located in King County, Washington.
- 14. Modifications to the Terms and Conditions of Sale.** These Terms and Conditions terminate and supersede all prior understandings or agreements with the Distributor or Buyer on the subject matter hereof; provided, nothing in this Sales Order or Terms and Conditions shall contradict any provision in the Distributor Agreement between Concordia and Distributor, in which case, the Distributor Agreement shall control. No other terms and conditions, modifications, or amendments proposed by Buyer or Distributor shall be binding upon the parties unless consented to in writing by Concordia. Distributor or Buyer may use its purchase order or similar document to place orders for Goods or services but any terms and conditions on such document which are in addition to or inconsistent with the Terms and Conditions herein shall be deemed stricken from such document. Concordia may modify these Terms and Conditions at any time via written notice to Distributor or Buyer. Distributor or Buyer shall be deemed to accept such modifications in the absence of written response within 30 days of the effective date of any modifications.
- 15. Severability.** If any provision of these Terms and Conditions is held by a court of competent jurisdiction to be invalid or unenforceable, then such provision shall be adjusted to the minimum extent necessary to cure such invalidity. The invalidity or unenforceability of one provision shall not affect any other. The remaining Terms and Conditions will remain in full force and effect as if such invalid or unenforceable provision had never been included.
- 16. Force Majeure.** Except as to the timely payment by Distributor or Buyer to Concordia for Goods, products or services hereunder, no failure to perform any of the Terms and Conditions of this Sales Order will give rise to a claim by one party against the other if the failure to perform is caused by or arises out of: acts of God; acts, regulations or laws of any government; war; civil commotion; destruction of production facilities or materials by fire, earthquake or storm; labor disturbances; epidemic; failure of public utilities or of suppliers; or any other event, matter or thing wherever occurring and whether or not of the same class or kind as those set forth above, which is not reasonably within the control of the party affected thereby. The parties agree to make their best efforts to avoid, remove or cure any condition giving rise to a failure of performance under this paragraph.
- 17. Headings.** Headings used in these Terms and Conditions are provided for convenience only and shall not be used to construe meaning or intent.