

## TERMS AND CONDITIONS OF SALE – ONITY

These Terms and Conditions of Sale (“Terms and Conditions”) apply to products and services purchased from Onity Inc. (“Seller”) by a purchaser (“Purchaser”). These Terms and Conditions are subject to change. Please check our website at [www.onity.com](http://www.onity.com) for the latest Terms and Conditions.

Sales of products, software and services by Seller are expressly subject to and conditioned upon the terms and conditions set forth below. Any different or additional terms set forth by Purchaser, whether in Purchaser’s purchase order or another communication, are expressly objected to and rejected and will not be binding on Seller unless agreed to in writing by an authorized representative of Seller.

### 1. WORK AND ORDERS.

A. All purchases by Customer of Onity product (“Product”) and/or related services (“Services”) (individually and collectively “Work”) will be governed by these Terms and Conditions.

B. The Work shall be deemed completed and accepted upon the earlier of (i) the certificate of occupancy; or (ii) beneficial use. Completion and acceptance of the Work shall constitute Onity’s right to payment in full for the Work.

C. The Customer may issue purchase orders, work orders or other documents for administrative and billing purposes, provided, however, Customer expressly acknowledges and agrees that any terms and conditions in such purchase orders, work orders, or other documents shall not in any way add to, delete from or alter any of the provisions of these Terms and Conditions.

D. To the extent that door hardware specifications include ANSI/BHMA 156.13, 156.18 and 156.25, Onity expressly rejects the foregoing specifications. Prior to commencement of the Work, Customer will be presented with certain Project Requirements by Onity to Customer, or Customer’s project manager or other designee (“Customer’s Representative”).

E. Onity agrees only to perform a contract for the sale of a commercial item on a fixed-price or time and material basis. The components, equipment and services provided by Onity are “commercial items” as defined in Section 2.101 of the Federal Acquisition Regulations (“FAR”), and the prices of such components, equipment and services are based on Onity’s commercial pricing policies and practices (which do not consider any special requirements of U.S. Government cost principles, FAR Part 31, or any similar procurement regulations). As such, Onity will not agree to provide or certify cost or pricing data, nor will Onity agree to comply with the Cost Accounting Standards (CAS). In addition, no federal government procurement regulations, such as FARs or DFARs, shall apply to this Agreement except those regulations expressly accepted in writing by Onity.

### 2. DELIVERY AND PERFORMANCE.

A. Materials will not be ordered without an executed Sales Quote or Purchase Order and receipt of any required deposits or payments under these Terms and Conditions. Approximate lead-times for delivery are from date of Onity’s acceptance of a Purchase Order or executed Sales Quote and receipt of deposit, or required payments and are as follows: (a) Standard 626 finish Lockset and standard locking system

Product - six (6) weeks; (b) all other Locksets and locking system Product - ten (10) weeks; (c) Safes Product - fourteen (14) weeks; (d) EMS Product - six (6) weeks; and (e) Non-stock Product – twelve (12) weeks. Any lead-time less than the time listed above will be considered a “rush” and must be approved either at time of initial order or through Change Order and will incur expedited handling charges of 20% of the total order as well as Change Order fees. Onity reserves the right to change the standard lead times. If such lead time impacts Customer’s commencement or completion date or Customer accelerates the Work, then Customer and Onity shall mutually agree upon an extension of time or an equitable adjustment in the Price of the Work in order to accommodate the completion date by Change Order. It is Customer’s duty to inform Onity of all changes in the schedule that affect Onity’s delivery of the Work.

B. All shipments are FOB Onity’s dock, at which time title will pass to Customer. As a courtesy to Customer, Onity will replace damaged Product at no charge if the Product is damaged or lost during shipment using Onity’s carrier. Customer must request a Returned Materials Authorization Number (“RMA #”) from Onity in advance of any returns. Customer returns which do not bear a valid Onity RMA # that is visible on the outside of each carton (or in the event such return is palletized, on the outside of each pallet) shall be subject to rejection of the return by Onity. Any such rejection by Onity shall be at the risk of Customer. Upon verification of the loss or damage by Onity and receipt of the damaged Product from Customer, Onity will credit Customer’s account for any Product lost or damaged in transit.

C. Should the Work require shipment to or performance in Canada or any other country, territory or region where Onity must obtain any governmental permissions, permits, approvals, licenses or other requirements, Onity shall be excused from performance hereunder in the event Onity cannot obtain such permissions, permits, approvals, licenses or other requirements in a timely manner.

D. If Onity has quoted Work based on information, plans or specifications provided by Customer, Customer’s failure to provide accurate information may affect the ability of installers to commence or complete the Work as scheduled resulting in fees for additional material, trip charges, labor, tax and shipping, handling or other fees or expenses, and Customer agrees to pay such sums. Inaccurate information includes, but is not limited to, measurements, Product finish, door/frame condition, door/frame material, handling of Product, Product quantity, number of doors or rooms which need material, or incomplete plans or specifications. If installation delays are incurred due to inadequate preparation for the Work by Customer, and the installer or trainer is required to return to the project location, Customer will be charged an amount per day each day the Work is delayed at Onity’s then current rates plus expenses.

E. If Onity is providing installation or training services, Customer agrees to have at least the following available and ready for installation or set up: (a) Locksets – eighty (80) consecutive doors per day; (b) Safes – twenty (20) consecutive rooms per day; (c) Access – five (5) doors per day; and (d) Locations for front desk system/encoder. Hallways or rooms must be reasonably clear of people, furniture and equipment.

Doors must be painted, sanded and hinged in the opening prior to installation. Customer is responsible for installing all cable, terminal connectors and power outlets required for access door systems or the front desk system/encoder per Onity specifications. All safe locations must be prepared, according to Onity's instructions, prior to installation. Customer agrees to pay Onity's current trip charge if Onity is unable to work due to Customer's failure to comply with any applicable provision of this paragraph.

F. If the installation and/or training date is rescheduled, cancelled or changed by any party other than Onity within fourteen (14) days prior to the confirmed scheduled installation and training date, or keying information is not provided to Onity within fourteen (14) days prior to confirmed scheduled installation and training date, Customer will be charged a cancellation fee (excepting federal government projects, in which Customer will be charged the actual costs to Onity for rescheduling). In the event Customer has not met the requirements for proper installation as outlined in the pre-installation assessment guideline, if applicable, Onity may, at its option, elect to terminate the order, including the provision of any goods or services thereunder. Field re-preparation of existing doors may affect the labeling certification of doors, and Customer is responsible for re-certification of the doors. Re-certification may affect the installation schedule and costs. Onity's then current rate shall be charged for all additional training requests. If Customer cancels the delivery of change, or any portion thereof, more than fourteen (14) days after Customer accepts Onity's Sales Quote, Customer shall be subject to a twenty percent (20%) cancellation fee per cancellation occurrence. Special order or non-stock Product cannot be returned. Unless otherwise mutually agreed upon by the parties, Customer shall be subject to a twenty percent (20%) storage fee if Customer does not accept delivery of Product within ninety (90) days of the mutually agreed upon scheduled delivery date. A Change Order is not required for any charges or fees arising under this Section 3.G.

G. Conditions not apparent during initial site survey or take-off may add to the cost and completion time of the Work. Such costs will be charged to Customer at Onity's then current rates.

H. If Onity determines at any time that the cabling or pre-wiring is deficient or sub-standard, terminated, or installed incorrectly, Customer will be responsible for correction of the condition and will be charged at Onity's then current rates for any additional labor and materials required after Customer corrects the condition.

I. Onity shall not be bound by any project labor agreement.

J. Customer is responsible for the storage of the delivered Product and materials prior to and during installation, and Onity will accept no responsibility for loss incurred for inadequate storage.

K. Failure to provide the minimum of doors and rooms as set forth in the Project Requirements will affect the installation schedule and may result in additional charges to Customer.

L. Additional charges which occur as a result of this Section 3 will be invoiced upon (1) Onity's change in schedule, (2) installer's or trainer's scheduled return, (3) cancellation, (4) non-receipt of required information, or (5) discovery of condition.

M. Customer will provide installers and trainers with lodging, parking and material storage at the sole expense of Customer. Lodging is required as follows, with no more than two (2) people assigned per room: (i) Guest room lock and safe crews - two (2) or more rooms, (ii) perimeter lock crews - one (1) room, (iii) energy management crews - one (1) room per two (2) installers, and (iv) trainers - one (1) room, for the duration of the installation, training, and on-site support. If rooms, parking and/or storage are not available, a per-diem per day will be established, based upon the value of the rooms, parking and storage, and added to the Price and billed to the Customer.

N. Customer acknowledges that union rate changes are beyond the control of Onity and in such cases where union rates have changed between the time of the execution of this Agreement and the installation date, it will be necessary for Onity to re-quote such labor rates to Customer reflect those changes.

O. It is the Customer's duty to inform Onity of all changes in the schedule that affect Onity's delivery of the Work. Delays, rescheduling, cancellation and other unexpected changes that are not the fault of Onity or within Onity's control may prolong delivery and installation timeframes. Onity shall have no liability or obligation for any liquidated damages or other damages attributable to project delay.

### 3. PAYMENT TERMS.

A. Product will be invoiced upon shipment. Installation, certification or training will be invoiced when completed.

B. All payments are due net thirty (30) days from invoice date.

C. Onity, in its sole discretion, may require prepayment for orders.

D. If required, the costs of permits, performance and payment bonds, shall be borne by Customer.

E. Late payments are subject to interest from the due date at the rate of two percent (2%) per month or the highest rate permitted by applicable law, whichever is greater, from the date payment is due. The obligation of Customer to pay amounts payable hereunder shall be absolute and unconditional and shall not be subject to the diminution or reduction by set-off, charge-back, counterclaim, recoupment, defense, abatement, or any other right that Customer may have. It is Customer's responsibility to account for fees for shipping, handling, taxes, and any other additional fees added to any invoice pursuant to this Agreement.

F. Onity will not comply with any special billing and invoicing requirements of Customer or Owner and will only invoice using Onity's standard processes. Onity may suspend shipping materials and Product and/or installation and/or training if Customer's account is more than thirty (30) days past due. Onity shall be entitled to recover its reasonable attorney's fees and other costs incurred in event that Onity determines it is necessary to take legal action or to employ the services of an attorney or agency to collect payment for any part of the Work or services set forth in this Agreement or to enforce its lien rights.

G. Notwithstanding the above, and in addition thereto, Customer shall be responsible for (a) the payment of all shipping and delivery charges; (b) charges at Onity's then current labor and materials rates for the performance of any Work authorized by Customer outside: (i) the scope of the Work under these Terms and Conditions, (ii) Onity's

obligations under these Terms and Conditions, or (iii) Onity's obligations under the Limited Installation or Product Warranty; and (c) all taxes and government charges imposed associated with the Work, including without limitation, licenses, permits, and code compliance.

H. If a Sales Quote, Purchase Order or Change Order does not include applicable shipping and handling or sales tax, Customer is responsible for paying these amounts. Customers exempt from remitting sales and use tax must provide a tax-exempt certificate to Onity prior to ordering material.

I. If, through no fault of Onity, Customer does not pay Onity within seven (7) days after the payment due date, Onity may, without prejudice to other available remedies, stop performance of the Work until payment has been received.

**4. SOFTWARE LICENSE AND WARRANTY.** Software provided under these Terms and Conditions ("Software") is licensed solely with the Product provided hereunder ("License") and is subject to the terms and conditions of the End User License Agreement contained in the Software. Customer acknowledges and agrees that the source code form remains a confidential trade secret of Onity and therefore hereby agrees not to reverse engineer, decompile, disassemble or otherwise translate the Software. This License only conveys a limited and revocable right of use and does not convey an interest in or to the Software and related material. Customer may make a copy of the Software solely for backup and archive purposes. The sales price paid hereunder is paid in consideration of this License. Non-payment of the sales price may result in revocation of this License. Onity warrants, for Customer's benefit alone, for a period of ninety (90) days from the date of shipment of the Software (referred to as the "Software Warranty Period") that the Software shall operate substantially in accordance with the functional specifications in the user's manual. If during the Software Warranty Period, a defect in the Software appears, it may be returned to Onity for either replacement or, if so elected by Onity, refund of the fees paid for the software under these Terms and Conditions. Customer agrees that the foregoing constitutes the sole and exclusive remedy for breach by Onity of the Software warranties made under this Agreement. Customer acknowledges that the Software is of U.S. origin and subject to the export control laws of the United States and applicable export and import control laws of other countries. Customer agrees to comply with and use the Software in a manner consistent with such applicable international and national laws, rules and regulations that apply to the Software and Customer's use of the Software, including the U.S. Export Administration Regulations, as well as end user, end use, and destination restrictions issued by U.S. or other governments. All rights to use the Software are granted on the condition that such rights are forfeited if Customer fails to comply with these Terms and Conditions. EXCEPT FOR THE WARRANTIES SET FORTH ABOVE, THE SOFTWARE CONTAINED THEREIN, IS LICENSED "AS IS," AND ONITY DISCLAIMS ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**5. LIMITED WARRANTY.**

A. Onity warrants that Onity-supplied Product (except batteries and keycards) installed by Onity shall be free of defects in materials and workmanship ("Limited Product

Warranty") in accordance with manufacturer's specifications under normal use and service as follows: (i) for a period of two (2) years for Onity locking systems and (ii) for a period of one (1) year for all other Onity supplied Product. Such warranty commences as of the date of shipment of the Product (the "Product Warranty Period"). During the Product Warranty Period, if Customer has paid in full all amounts then due and owing, then as Customer's sole remedy hereunder Onity shall provide technical telephone support and/or, in Onity's discretion, provide direction for depot repair or replacement of defective Product, in accordance with Onity Return & Warranty Policy (currently available at <http://en.onity.com/warranty>), which is subject to change in Onity's sole discretion. Onity's obligation pursuant to such Limited Product Warranty does not extend to any goods or parts thereof which Onity determines to have been either subjected to misuse, accident or neglect or installed by a non-Onity certified installer, operated, maintained, repaired, or altered improperly or otherwise than in conformity with Onity's applicable instruction.

B. Installation performed by Onity shall be free from defects in workmanship ("Limited Installation Warranty") for a period of thirty (30) days from the date installation is complete. If Onity determines that the installation is defective, as Customer's sole remedy hereunder, Onity shall make such repairs as it deems necessary to conform to this Limited Installation Warranty.

C. THIS EXPRESS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. CUSTOMER'S FAILURE TO MAKE PAYMENT IN PART OR IN WHOLE WILL RENDER THIS LIMITED WARRANTY NULL AND VOID.

D. ONITY DOES NOT REPRESENT THAT THE SOFTWARE, PRODUCT OR RELATED SERVICES MAY NOT BE HACKED, COMPROMISED AND/OR CIRCUMVENTED. ONITY DOES NOT WARRANT THAT THE SOFTWARE, PRODUCT OR RELATED SERVICES WILL WORK PROPERLY IN ALL ENVIRONMENTS AND APPLICATIONS AND DOES NOT WARRANT ANY SOFTWARE, PRODUCT OR RELATED SERVICES AGAINST HARMFUL ELECTROMAGNETIC INTERFERENCE INDUCTION OR RADIATION (EMI, RFI, ETC.) EMITTED FROM EXTERNAL SOURCES. THE ABILITY OF THE SOFTWARE, PRODUCT AND RELATED SERVICES TO WORK PROPERLY DEPENDS ON A NUMBER OF PRODUCTS AND SERVICES MADE AVAILABLE BY THIRD PARTIES OVER WHICH ONITY HAS NO CONTROL INCLUDING, BUT NOT LIMITED TO, INTERNET, CELLULAR AND LANDLINE CONNECTIVITY; MOBILE DEVICE AND RELATED OPERATING SYSTEM COMPATIBILITY; OR PROPER INSTALLATION AND MAINTENANCE OF AUTHORIZED HARDWARE AND OTHER SOFTWARE.

**6. RETURN OF PRODUCT.** Special order or non-stock items are not eligible for return or credit. Product returned more than thirty (30) days after Customer's receipt is not eligible for return or credit. Customer will be charged a twenty percent (20%) restocking fee for Product ordered and returned to Onity within the first thirty (30) days of receipt by Customer. Customer must have prior written authorization to return Product or material and is responsible for the packaging of the returned Product all shipping and assumes all risk of loss or

damage to the Product or material in-transit in accordance with the Onity Return & Warranty Policy (currently available at <http://en.onity.com/warranty>).

**7. LIMITATION OF LIABILITY.**

**A. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN AND TO THE EXTENT PERMITTED BY LAW, ONITY'S AGGREGATE LIABILITY, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, SHALL IN NO EVENT EXCEED THE VALUE OF THE PAYMENTS RECEIVED FOR THE PERFORMANCE OF THE WORK, WHETHER SUCH LIABILITY ARISES FROM SINGLE OR MULTIPLE EVENTS.**

**B. ONITY WILL NOT BE LIABLE TO THE CUSTOMER FOR ANY BREACH OF THE AGREEMENT OR ANY CLAIM ARISING FROM ONITY'S PERFORMANCE THEREUNDER UNLESS WRITTEN NOTICE OF THE BREACH OR CLAIM IS GIVEN TO ONITY WITHIN ONE (1) YEAR AFTER THE DATE OF CUSTOMER HAVING NOTICE OF THE EVENT FORMING THE BASIS FOR THE CLAIM.**

**C. NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT, ONITY SHALL NOT BE LIABLE FOR ANY INDIRECT, COLLATERAL, LIQUIDATED, CONSEQUENTIAL, SPECIAL, PUNITIVE OR ECONOMIC LOSS, COST LIABILITY, DAMAGE OR EXPENSES WHETHER ARISING IN CONTRACT (INCLUDING WARRANTY), TORT (INCLUDING ACTIVE, PASSIVE OR IMPUTED NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.**

**8. FORCE MAJEURE.** Neither party will be in breach or be liable to the other party if it fails to perform or delays the performance of an obligation as a result of an event beyond its reasonable control, including but not limited to strikes, industrial disputes, fire, flood, customs delays, act of God, war, insurrection, vandalism, sabotage, invasion, riot, national emergency, piracy, hijack, acts of terrorism, embargoes or restraints, extreme weather or traffic conditions, temporary closure of roads, epidemic legislation, regulation, order or other act of any government or governmental agency. However, such events shall not affect an obligation by either party to make payments under these Terms and Conditions, and Onity does not waive its right to an equitable adjustment in price in the event of delay, acceleration, interference or other reasons beyond its control.

**9. USE IN NUCLEAR FACILITIES.** Unless otherwise agreed to in writing by the president of seller, products, software and services sold or licensed hereunder are not intended for use in connection with any nuclear facility or activity. If so used or resold for such use, seller disclaims all liability for any nuclear damage, injury, or contamination, and purchaser shall defend, hold harmless and indemnify seller and its legal representatives, agents, employees, officers, directors, divisions, subsidiaries, affiliates, parents and their successors and assigns against any such liability, whether as a result of a breach of contract, warranty, tort (including negligence and strict liability), or otherwise.

**10. EXPORT LAWS.** Customer shall abide by all U.S. export laws in relation to all documentation, hardware, software and other technical information delivered hereunder (collectively, "Technical Data"). Customer acknowledges that Technical Data is subject to export controls imposed by the U.S. Export Administration Act of 1979, as amended (the "Act"), and the regulations promulgated thereunder. Customer shall not export or re-export, directly or indirectly, any Technical Data without complying with the Act and the regulations thereunder, and Customer shall ensure that its contracts with those entities to which it sells or provides the Product and Technical Data shall contain a provision placing obligations on the recipients which are at least equivalent to the obligations placed on Customer in this Section 14.B. Customer shall not: (a) ship or export the Technical Data or the Product to any embargoed country to which the U.S. has prohibited shipment, or (b) use the Technical Data or the Product for any purposes prohibited by the Act or the regulations thereunder, including without limitation, nuclear proliferation or chemical/biological weapons or missiles. A list of embargoed countries is available at the official website of the U.S. Bureau of Export Administration at <http://www.bxa.doc.gov>.

**11. PERSONAL INFORMATION.** The Product and/or Services may require the collection and processing of information or data that is related to any identified or identifiable natural person ("Personally Identifiable Information") to function as intended, including for the purposes of providing, registering or managing Software or Product, activating or deactivating Software, and scheduling and providing Services, as applicable. Any Personally Identifiable Information contained in Customer's systems is owned and controlled by Customer. Customer retains the obligation to provide notice to or obtain consent from any individuals for whom Customer provides Personally Identifiable Information to Onity, to ensure that Customer has the legal right to provide such information to Onity and to otherwise comply with applicable data privacy laws. Onity, its affiliates, its licensors and/or its suppliers will retain, use, process and transfer Personally Identifiable Information in accordance with applicable data privacy laws and in accordance with the Privacy Notice available at <http://www.ccs.utc.com/ccs/en/worldwide/privacy-policy/> or the General Privacy Notice available at [https://www.utc.com/-/media/project/united-technologies/utc/files/privacy-notices/general\\_privacy\\_notice\\_02112019.aspx](https://www.utc.com/-/media/project/united-technologies/utc/files/privacy-notices/general_privacy_notice_02112019.aspx), as applicable.

**12. GOVERNING LAW AND JURISDICTION.** The parties acknowledge that these Terms and Conditions shall be governed by the laws of the state of Oregon, without giving effect to its conflict of law provisions. The United Nations Convention on Contracts for the International Sale of Goods does not apply to these Terms and Conditions. Each party waives venue jurisdiction and submits itself to the jurisdiction and venue of the state courts of Marion County, Oregon.