

DEALER TERMS AND CONDITIONS OF SALE

Updated October 10, 2017

For your guidance, Milgard Manufacturing Incorporated ("Milgard"), a wholly owned subsidiary of Masco Corporation ("Masco"), has set out in this document our basic terms and conditions ("Terms") for the sale of our window, door and skylight products ("Products") to you. If you provide us with any pre-printed terms and conditions that appear on any purchase order or other form document, they will be of no force or effect unless we agree expressly in writing to modify these Terms or to state these Terms will not apply. These Terms are deemed to be a part of our published price book as it is revised from time to time and all other documents exchanged between us relating to the sale and purchase of our Products, whether electronic or in writing, including without limitation all quotations, purchase orders, releases, acknowledgments, packing slips and invoices.

1. APPLICATION OF TERMS. Our acknowledgement and acceptance of your order for our Products are expressly limited to and made conditional upon your acceptance of these Terms and any quotation we previously furnished to you. We deem material, object to, and reject any of your terms and conditions additional to or different from these Terms that we have not expressly agreed to in a separate writing (except additional provisions specifying quantity, description of the products ordered and shipping instructions). We will deem you to have waived any objection to these Terms in respect to any order for Products if we have not received written notice of any objection from you within ten days of the date of our quotation or order acknowledgment to you, whichever is earlier, or if neither of the foregoing applies within ten days of the date of the most recent price book released before the order is placed. You will, in any event, be deemed to have agreed to these Terms if you accept any portion of the Products you order from us.

You acknowledge that the prices we charge are predicated on the enforceability of these Terms, that the prices would be substantially higher if these Terms did not apply, and that you accept these Terms in exchange for such lower prices.

2. DISCLAIMER OF WARRANTY. We extend written warranties on our Products to the original consumer residential purchasers of our Products for replacements and as part of new construction, and commercial purchasers of our Products for installation in new construction and as replacements in accordance with the terms, conditions and limitations set forth on the applicable Product warranties published from time to time on our Web Site address at www.milgard.com.

Fulfillment of our warranty obligations to the residential and commercial purchasers identified in our written warranties (or their permissible transferees) is our sole warranty obligation for our Products, except as expressly stated in the following sentence. We warrant to you that our Products will conform to our published specifications as amended from time to time ("Product Specifications") at the time of delivery, subject to the following qualification on Ratings performance. Our Products are manufactured to meet or exceed the industry standards. Many of our products are performance tested according to published voluntary industry standard/specifications (e.g. AAMA/WDMA/CSA 101/I.S.2/A440-05) and have associated performance levels or ratings (e.g. air, water, structural, thermal, etc.) ("Ratings") expressly stated in our Product Specifications. The Ratings on our Products are for comparison purposes only. Performance data and Ratings in our Product Specifications are a guide for the user in determining suitability and do not constitute a warranty. Selection of Milgard® Products to conform to all applicable laws, ordinances, and building, safety and energy codes, standards and requirements and local weather conditions for any particular project ("Project Specifications") is your sole responsibility. By way of example, you are responsible for specifying products that conform to California Wildland-Urban Interface Building Standards if installation will occur in a Fire Hazard Severity Zone where such products are required. See <http://www.fire.ca.gov/wildland.php>. All Project Specifications must be in writing. You acknowledge that you alone have determined that the Products you order will suitably meet the requirements of your intended use and applicable Project Specifications. Except as expressly stated above, **WE DISCLAIM ALL WARRANTIES TO YOU, EXPRESSED, IMPLIED OR STATUTORY, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

Purchases of Milgard® Moving Glass Wall Systems include a specialty warranty and custom install and care and maintenance instructions that can be viewed at milgard.com.

3. LIMITATION OF REMEDIES. You must inspect our Products prior to installation for any failure to conform to the Product Specifications and promptly notify us of any such nonconformance. Your failure to discover and report any nonconformity prior to installation of the Products will constitute a full and complete waiver of

any claim by you for nonconformance. We may require a reasonable opportunity to inspect the Product and confirm the nonconformity. Your sole and exclusive remedy against us for nonconforming Product will be limited, at our option, to our repair or replacement of any nonconforming Product for which you make a claim or our issuance to you of a credit for the nonconforming Product in accordance with any instructions we have given you for the return of the Product or otherwise. In no event will we be responsible for labor or cost of labor for removal or installation of any Product. This exclusive remedy will not be deemed to have failed of its essential purpose so long as we are willing and able to repair or replace the nonconforming Product, and in any event, our liability for any damages due you will be limited to the purchase price of the nonconforming Products. This paragraph states your sole and exclusive remedy for breach of warranty.

4. LIMITATIONS ON ACTIONS AND LIABILITY. The period within which you must bring any and all claims arising under these Terms will expire one year from the date the claim accrues. WE WILL NOT BE LIABLE FOR ANY LOSS DAMAGE OR INJURY RESULTING FROM DELAY IN DELIVERY OF THE PRODUCTS OR ANY FAILURE TO PERFORM DUE TO CIRCUMSTANCES BEYOND OUR CONTROL. OUR MAXIMUM LIABILITY, IF ANY, FOR ALL DAMAGES, INCLUDING WITHOUT LIMITATION CONTRACT DAMAGES AND DAMAGES FOR INJURIES TO PERSONS OR PROPERTY, WHETHER ARISING FROM OUR BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT WITH RESPECT TO THE PRODUCTS IS LIMITED TO AN AMOUNT NOT TO EXCEED OUR PRICES CHARGED FOR THE PRODUCTS. IN NO EVENT WILL WE BE LIABLE TO YOU FOR ANY CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUES AND PROFITS, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE RIGHT TO RECOVER DAMAGES WITHIN THE LIMITATION SPECIFIED IS YOUR EXCLUSIVE ALTERNATE REMEDY IN THE EVENT THAT ANY OTHER REMEDY AVAILABLE UNDER THESE TERMS FAILS OF ITS ESSENTIAL PURPOSE

5. DEALER PRODUCT STATEMENTS. You have no authority to bind or assume any obligation on behalf of Milgard in any way, including without limitation, any warranty, representation, advertising claim or promise related in any way to the Products. You shall defend, indemnify and hold harmless Milgard from all claims, demands, damages, losses, expenses, costs, penalties, fines or attorneys' fees, suits, proceedings or liabilities of any kind arising out of any warranty, representation, advertising claim or promise made by you or your agents to anyone relating in any way to the Products without our advance express written consent.

6. ORDERS. We request that you confirm in writing all orders you place with us over the telephone. To avoid delays and errors, you need to state clearly the quantity, size, series, finish and complete description of the Products you order. Our usual practice is for our Sales Department to confirm your telephone order verbally and in writing; however, you will accept responsibility for errors if you have not placed your order with us in writing or if you fail to notify us of any discrepancies immediately upon receipt of a written acknowledgment of the order from us, and in any event prior to commencement of production of your order.

7. PRICES, TERMS AND SHIPMENT. You will pay the prices for our Products in effect at the time of shipment, unless we otherwise agree in writing. Unless otherwise expressly agreed by us in writing, the normal Dealer Credit terms are "2% 10 Prox, Net End of Month". No cash discount is allowed unless we otherwise specify to you in writing. You will not be entitled to any set offs or counterclaims unless we agree in writing. In addition to the prices specified, you agree to pay any applicable taxes or duties assessed in connection with any sale and purchase of Products. Prices are (1) F.O.B. shipping point, if the Products are shipped by common carrier or your truck, or (2) F.O.B. destination point, if the Products are shipped by Milgard's truck. Delivery of the Products shall occur and title and risk of loss of the Products will transfer to you at the F.O.B. point, to wit: (i) upon shipment of Products from the F.O.B. shipping point, or (ii) upon tender of the products for unloading at your designated delivery destination, including without limitation your locations and third-party job sites. You further agree to be responsible for and reimburse us for any damage sustained to our trailers and other equipment while parked or located at your designated delivery destination. We reserve the right to impose a surcharge(s) from time to time upon thirty days notice when it is necessitated by fluctuating market prices for energy, which affect the price of vinyl and fiberglass resins, glass, and delivery costs incurred by us to manufacture and deliver the Products. We shall retain, and you hereby grant to us a security interest in any Products we ship to you until the full purchase price is paid by you. You agree that we may file a Uniform Commercial Code Financing Statement with respect to the Products we sell to you in order to protect our interest in such Products until you make payment in full.

8. LATE PAYMENTS/REBATES, ETC. All early payment discounts, allowances, rebates, and other programs are only applicable if your accounts (including those of your subsidiaries and affiliates) are current with all Masco subsidiaries and other affiliates. If the accounts are not current, then any such amounts are considered not earned or payable. Further, if at any time your account is not current with Milgard or any other Masco subsidiary or other affiliate (hereinafter a "payment default"), we may, in addition to any and all other remedies available to us hereunder or otherwise,

in our sole discretion, (i) terminate our dealer relationship with you upon written notice to you of such payment default and your failure to cure such payment default within ten (10) days from the date of such notice, and (ii) elect to not ship Products to you or accept any orders for additional Products. In addition, rebates are not earned or payable if the ratings issued by any agency, such as S&P, Moody's, or Fitch, relating to your company, parent, subsidiaries or affiliates are lower than investment grade quality. Any earned payment may be withheld or be used to satisfy any of the accounts or other obligations to a Masco subsidiary or affiliate.

9. DELIVERY SCHEDULES. The promised delivery date is our best estimate possible of when we will ship the products or render the services. We will not be liable for any loss, damage, incidental, consequential or other damages due to delays.

10. VARIATIONS IN QUANTITIES, SHORTAGES AND ALLOCATION. Deliveries scheduled to be made by us over an extended number of shipments may vary from your order in quantities not to exceed ten percent (10%), plus or minus, of each product involved (unless otherwise agreed to in writing) and we will adjust the billing accordingly. You must make all claims for shortages within fifteen (15) days of your receipt of shipment. We will not be responsible for any claim for shortage not reported within that period. In the event of a shortage or other contingency due to circumstances beyond our control or the control of our suppliers, we may allocate production and deliveries among our customers in such manner as we determine in our sole discretion.

11. RETURNED GOODS. Unless otherwise agreed to by Milgard on a case by case basis, you will need our approval, and issuance of a return authorization number, before returning any Products to us.

12. PATENT OR TRADEMARK INFRINGEMENT. If the Products we sell to you are prepared for manufacture according to your specifications, you will defend, hold harmless and indemnify us and our affiliates against any claims, liability, costs or attorneys' fees incurred in relation to any claim for intellectual property infringement.

13. EXCUSE OF PERFORMANCE. We will not be liable for any delay in delivery or for non-delivery, in whole or in part, caused by the occurrence of any contingency beyond our control or the control of our suppliers, including but not limited to failure or delay in transportation, acts of any government, judicial action, labor disputes, fire, accident, acts of nature, shortage of labor, fuel, raw material or machinery or technical failure. If any contingency occurs, we may allocate production and deliveries among our customers in a manner we will determine in our sole discretion.

14. CONFIDENTIALITY. If your personnel visit our facilities or you otherwise receive any proprietary or confidential information from us, such information will be retained as confidential by you and not be used or disclosed to any third party without our written consent.

15. CREDIT APPROVAL. You will furnish to us all financial information reasonably requested by us from time to time for the purpose of establishing or continuing your credit limit and terms. Shipment and delivery of Products will at all times be subject to the approval of our Credit Department and we may at any time decline to make any shipment or delivery except upon receipt of payment or upon terms and conditions or security satisfactory to us. You agree that we may file a Uniform Commercial Code Financing Statement with respect to the Products we sell to you in order to protect our interest in such Products until you make payment in full.

16. CANCELLATION. Our Products are manufactured to your order and so you may only cancel orders with our written approval and then only upon the conditions we impose on such cancellation.

17. DEFAULT. You may terminate an order for our default, wholly or in part, only if before we receive a written notice of termination, we have received notice in writing specifying such default, and such default is not excusable under any provision hereof, and we have not remedied such default within thirty (30) days after we received such notice of default. If we deliver nonconforming Products to you, you will have the rights set forth in paragraph 3 of these Terms, but such delivery will not be deemed a default for purposes of termination of the order.

If you are entitled to terminate an order for our default, you will be relieved of the obligation to pay for Product not delivered before the effective date of such termination. Our default will not subject us to liability, through payment by us, set off or otherwise, for any other damages, whether direct, consequential or incidental, and whether sought under theories of contract or tort.

18. ASSIGNMENT. You cannot assign any order or any claim against us arising directly or indirectly out of or in connection with an order without our prior written consent. We may assign, without consent, any order and these Terms to any subsidiary or affiliate of ours or of Masco Corporation or to an entity or person that requires all or substantially all of the business to which the order and these Terms relate.

19. PATENTS, INVENTIONS, TECHNICAL DATA. You do not and will not acquire ownership or any rights in our patents, inventions, technical data and/or other intellectual property (such as brands, trade names and

copyrights) under these Terms and any order, regardless of when such patents, inventions, technical data and/or other intellectual property has been issued, conceived, generated or produced. We reserve all of our intellectual property and you will not reproduce or use it for any purpose whatsoever without our prior written permission.

enforcement of any such waiver, change, modification, extension or discharge is sought.

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20. INDEMNIFICATION. Technical assistance and information, if any, we furnish to you in connection with the sale of our Products are furnished for your accommodation. You assume all liability for the proper application of such information, using your own technical expertise and know-how. You shall indemnify and hold us and our affiliates harmless from and against all liabilities, losses, claims, costs and expenses (including reasonable attorneys' fees) related to any claim, investigation, litigation or proceeding (whether or not we are a party) arising out of your installation (or those providing installation on your behalf) of the Products or your selection of Products to meet any Project Specifications.

21. REMEDIES. Our rights and remedies will be cumulative and additional to all other remedies provided by law or equity. We will be entitled to recover costs and attorneys' fees in the enforcement or defense of any rights under these Terms or with respect to any transaction.

22. PAST-DUE ACCOUNTS. We will be entitled to assess a late charge on all past due invoices equal to 1.5% per month (18% per year); however, if a law that applies to such late charge only allows a lesser charge, the late charge will automatically be reduced to the maximum rate allowed by such law.

23. SETOFF. In addition to any right of setoff provided by law, all amounts due to you will be considered net of indebtedness and other obligations of you and your subsidiaries and affiliates to all of our subsidiaries and affiliates. We may deduct such amounts without any other prior notice.

24. GOVERNING LAW AND FORUM. All orders will be construed, interpreted and the rights of the parties determined in accordance with the laws of the State of Washington without regard to any conflict of laws provisions that might otherwise apply. You agree to exercise any right or remedy in connection with these Terms exclusively in, and you agree to submit to the jurisdiction of the appropriate state or federal court of, the State of Washington, with venue in Pierce County.

25. ENTIRE AGREEMENT. These Terms contain our entire agreement relating to the transaction covered by these Terms. These Terms may not be waived, changed, modified, extended or discharged orally but only by agreement in writing and signed by the authorized representative of the party against whom