

Terms and Conditions

1. Parties: Reynolds Machinery, Inc. an Ohio corporation, referred to as “Company”. Person or company purchasing referred to as “Buyer”. All materials, products, goods, or work described regardless of type, will be collectively referred to as “Products”.

2. Documents Incorporated: These Terms and Conditions hereby incorporate any and all purchase orders, quotations and proposals and/or acceptances of any purchase order submitted and exchanged by and between Company and Buyer.

3. Credit Approval: All of Company’s credit requirements must be met and current in order to receive credit terms. If those terms requirements are not met, advance payment may be required before acceptance of any purchase order.

4. Price/Payments: The prices stated on any quotation or proposal do not include any sales, use, or other taxes. Any sales or use taxes required to be paid by the Buyer, shall be paid by the Buyer directly to the required taxing authority.

Unless otherwise specified by Company, all prices are F.O.B. Importer or Manufacturer’s factory or warehouse from which shipment is made, and payment will be net/cash 30 days from date of invoice. Invoices unpaid and past due will be subject to a service charge on the unpaid balance at an interest rate equal to the lesser of eighteen percent (18%) per annum or the maximum allowable interest rate under applicable law, and Buyer shall be responsible and liable for all expenses incurred by Company in collection of outstanding amounts due, including reasonable attorneys’ fees and expenses incurred by Company in collection.

5. Scheduling: All scheduling changes are contingent on the prior written acceptance by Company. Additional charges resulting from scheduling changes shall be the sole responsibility of the Buyer.

6. Delivery Dates, Title/ Risk and Shipment: All delivery dates are approximate, and Company shall not be responsible for any damages of any kind resulting from any delay. Regardless of the manner

of shipment, title to any Products and risk of loss or damage thereto shall pass to Buyer upon tender to the carrier at the factory or warehouse of Company, except in those instances in which delivery is made by Company's vehicles. Unless otherwise stated herein, Buyer may exercise its judgment in choosing the carrier and means of delivery. No deferment of shipment at Buyer's request beyond the respective dates indicated will be made except on terms that will indemnify Company against all loss and additional expense, including, but not limited to demurrage, handling, storage and insurance charges.

7. Warranty: Unless otherwise specified by Company, the machine manufacturer warrants its Products to be free from defects in material and workmanship, for a period of 12 months from the date of delivery to Buyer, under normal and proper use in accordance with instructions of the manufacturer. Company's liability under such warranty or in connection with any other claim relating to the Products shall be limited, or at Company's option, the repair or the replacement or refund of the purchase price, of any Products or parts or components thereof which are returned to Company or manufacturer freight prepaid and which are defective in material or workmanship. Products or parts or components thereof which are repaired or replaced by Company or manufacturer will be returned to Buyer freight collect. Warranty excludes Buyer damage due to mishandling, unauthorized use and/or repairs, shipping damage and parts/components specified by Buyer that have a shorter warranty period than manufacturer's warranty.

This warranty is not intended to cover consumer products, as defined in the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act, 15 U.S.C. §§ 2301-12, which are purchased by Buyer for purposes other than resale. If Buyer is not intended to resell the Products, and if the Products are consumer products as defined in the Magnuson-Moss Act, the foregoing warranty, but not the limitation of Company's liability, shall be null and void. Buyer's account must be in current status as to all requirements, including but not limited to all amounts owed Company, for this warranty to be applicable.

EXCEPT AS EXPRESSLY STATED ABOVE, COMPANY MAKES NO WARRANTY, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE OR OTHERWISE, ON THE PRODUCTS, OR ON ANY PARTS OR LABOR FURNISHED DURING THE SALE, DELIVERY OR SERVICING OF THE PRODUCTS.

8. Cancellations: After acceptance by Company, orders shall not be subject to cancellation by Buyer, except with Company's prior written consent and upon terms that will indemnify Company against

all direct, incidental, and consequential losses or damages. In the event of an approved cancellation, cancellation charges may apply. All cancellation charges shall be the responsibility of the Buyer. Cancellation charges will be calculated based on the status of product in process (value will be determined on raw materials costs associated with work order in process and labor charged to the job), raw materials in stock or on order/purchased that cannot be returned due to minimum buy requirements, Non Cancelable Non Refundable, engineering changes and do not include additional services, product or raw materials relating to the order. Cancellation charges may exceed the value of the order in the event excess materials apply. Company's approval and consent to a Buyer's cancellation of an accepted order shall be at Company's sole discretion.

9. Claims; Commencement of Actions: Buyer shall promptly inspect all Products upon delivery. No claims for shortages will be allowed unless such shortages are reported in writing to Company within 10 calendar days after delivery. No other claims against Company will be allowed unless asserted in writing within 60 calendar days after delivery or, in the case of an alleged breach of warranty, be given by written notice within 60 calendar days after the date within the warranty period on which the defect is or should have been discovered by Buyer.

Notwithstanding any other provision of these Terms and Conditions, Company may bring a court action for collection of amounts due and owing by a customer, solely in the Montgomery County Court of Common Pleas, Dayton, Ohio, which the parties agree shall be the sole court of jurisdiction and venue. Buyer shall reimburse Company all of its costs and expenses in collection of amounts due herein, including but not limited to attorney fees and related costs and expenses. Ohio law shall govern any court action filed by Company for collection of amounts due and owing by Buyer.

10. Dispute Resolution-Compulsory Arbitration: Except for the right of Company to bring a court lawsuit to collect amounts due and owing by Buyer, any dispute arising under this agreement shall be decided by dispute resolution as follows:

a. The parties will attempt in good faith to resolve any controversy or dispute arising out of or relating to their transaction, promptly by negotiation between authorized persons for each party who have authority to settle the controversy; and

b. In the event that informal negotiations do not resolve an ongoing controversy or dispute, the parties agree to resolve the same by compulsory arbitration to take place in Dayton, Ohio and which will proceed in accordance with the Commercial Arbitration Rules of the American Arbitration Asso-

ciation and in accordance with the laws of the State of Ohio without regard to the provisions thereof concerning conflicts of law. Within seven (7) days or longer if the parties mutually agree after either party elects arbitration, Company and Buyer shall each select one (1) arbitrator with a third arbitrator selected by the two (2) arbitrators chosen by the parties. The party electing arbitration shall bear the costs of the same include filing an arbitrator's fees. Further, the non-prevailing party in arbitration shall reimburse the other for their attorneys' fees and related costs and expenses incurred in arbitration.

Any arbitration brought based upon breach of or upon any other claim arising out of this sale (other than an action by Company for any amount due to Company by Buyer) must be commenced within one year from the date of the tender of delivery by Company or, in the case of a cause of action based upon an alleged breach of warranty, within one year from the date within the warranty period on which the defect is or should have been discovered by Buyer.

11. Engineering Change Notification: Notification of proposed Buyer engineering change(s) shall be only submitted in writing, and are subject to Company's approval. Buyer is responsible for all costs associated with engineering change notification. Permanent changes resulting in additional material and or labor costs shall require an additional quote.

12. Deviations: Any purchase order must reflect the terms and conditions stated on the quote or proposal. Any deviation from this quotation or proposal will have to be negotiated and accepted in writing by Company.

13. Quote Validity: Quotations furnished by Company are not intended as and shall not be construed as constituting an offer to Buyer. Any quotation or confirmation of Company is subject to, and shall not become binding upon Company until actual receipt by Company of Buyer's written order based on all the terms and conditions stated herein, without qualification, received by Company within 60 days after the date of quotation (unless otherwise noted in quote or confirmation) at its main office in West Carrollton, Ohio. A quotation is subject to change if the actual information or documentation is significantly different from the information supplied at the time of request for quotation. Quotations are also subject to change based on manufacturers' pricing and promotions. Pricing at the time of quotation may differ from actual pricing upon order placement.

14. Lead Times: Delivery dates and lead times indicated in the proposal are best estimates based on previous experience, machine availability at time of quotation, and availability of options and acces-

sories selected by the Buyer. Actual equipment availability, and/or delay of Buyer's provided documents or advanced payments may impact original estimated delivery dates.

15. Limitations of Liability: IN NO EVENT SHALL COMPANY BE LIABLE TO BUYER FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR AS THE RESULT OF, THE SALE, DELIVERY, NON-DELIVERY, SERVICING, USE OR LOSS OF USE OF THE PRODUCTS OR ANY PART THEREOF, OR FOR ANY CHARGES OR EXPENSES OF ANY NATURE INCURRED BY BUYER WITHOUT COMPANY'S PRIOR WRITTEN CONSENT, EVEN THOUGH COMPANY HAS BEEN NEGLIGENT. IN NO EVENT SHALL COMPANY'S LIABILITY UNDER ANY CLAIM MADE BY BUYER EXCEED THE PURCHASE PRICE OF THE PRODUCTS IN RESPECT OF WHICH DAMAGES ARE CLAIMED.

16. Contingencies: Company shall not be liable for any default or delay in performance if caused, directly or indirectly, by acts of God; war; force of arms; fire; the elements; riot; labor disputes; picketing or other labor controversies; sabotage; civil commotion; accidents; any governmental action, prohibition or regulation; delay in transportation facilities; shortage or breakdown of or inability to obtain or non-arrival of any labor, material or equipment used in the manufacture of the Products; failure of any party to perform any contract with Company relative to the production of the Products; or from any cause whatsoever beyond Company's control, whether or not such cause be similar or dissimilar to those enumerated. Company shall promptly notify Buyer of the happening of any such event and of, the contemplated effect thereof on the manufacture and delivery of the Products.

17. Loss to Buyer's Property; Patent, Trademark, or Copyright Infringement: Company shall not be liable for, and shall have no duty to provide insurance against, any damage or loss to any goods or materials of Buyer which are used by Company in connection with this order. Where any Product is manufactured from patterns, plans, drawings, or specifications furnished by Buyer, Buyer shall indemnify Company against and save Company harmless from all loss, damage, and expense arising out of any suit or claim against Company for infringement of any patent, trademark, or copyright because of Company's manufacture of such Product or because of the use or sale of such Product by any person. Upon Company's request, Buyer shall appear in and assume the defense of the litigation, at no cost to Company.

18. Company's Specifications, Technical Data, Etc: Any specifications, drawings, plans, notes, instructions, engineering notices, or technical data of Company furnished to Buyer shall be deemed to be incorporated herein by reference the same as if fully set forth. Company shall at all times retain title

to all such documents, and Buyer shall not disclose any of the same to any party other than Company or a party duly authorized, in writing, by Company. Upon Company's request, Buyer shall promptly return to Company all such documents and all copies thereof.

19. Buyer's Obligation; Rights of Company: If Company shall at any time doubt Buyer's financial responsibility, Company may demand adequate assurance of due performance or decline to make any further shipments except upon receipt of cash payment in advance or security. If Company demands adequate assurance of due performance and the same is not forthcoming within 10 calendar days after the date of Company's demand, Company may, at its option, (i) continue to defer further shipments under this order and/or any other order from Buyer which has been accepted by Company until adequate assurance is received, or (ii) cancel this order and/or any other orders from Buyer which have been accepted by Company and recover damages. If Buyer fails in any way to fulfill the terms and conditions on the front or the back hereof, Company may defer further shipments until such default is corrected or cancel this order and recover damages. Company shall have a security interest in, and lien upon, any property of Buyer in Company's possession as security for the payment of any amounts owing to Company by Buyer.

20. Limitation on Assignment: Neither party may assign any of its rights or obligations hereunder without the prior written consent of the other except that Company shall have the right to assign to any company with which it is affiliated or to any corporation into which it shall be merged, with which it shall be consolidated, or by which it, or all or substantially all of its assets, shall be acquired.

21. Equal Opportunity Clause: This clause applies only in the event that the Products are to be used in whole or in part for the performance of government contracts and where the dollar value of said Products exceeds, or may in any one year exceed \$10,000:

"In connection with the performance of work under this contract, the contractor (subcontractor) agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The aforesaid provision shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor (subcontractor) agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause."

"The provisions of the Equal Opportunity Clause, as promulgated by Executive Order 11246 dated September 24, 1965, as amended, are incorporated herein by reference"

22. Entire Agreement: This document and all purchase orders, quotes and/or confirmations incorporated herein, contain the entire agreement between Company and Buyer and constitutes the final, complete and exclusive expression of the terms of the agreement, all prior or contemporaneous written or oral agreements or negotiations with respect to the subject matter hereof being merged herein. By way of illustration and not limitation, Buyer's order shall be deemed to incorporate, without exception, all the terms and conditions hereof notwithstanding any order form of Buyer containing additional or contrary terms or conditions, unless Buyer shall have expressly advised Company to the contrary in a writing apart from such order form, and no acknowledgment by Company of, or reference by Company to, or performance by Company under, an order of Buyer shall be deemed to be an acceptance by Company of any such additional or contrary terms or conditions. In the event of a written request by Buyer for additional or contrary terms or conditions, then such modifications may be made in these terms and conditions only by a written instrument signed by one of Company's officers.

23. Severability: In the event that any provision hereof shall violate any applicable statute, ordinance, or rule of law, such provision shall be ineffective to the extent of such violation without invalidating any other provision hereof.

24. Governing Law: This document and the sale of all Products shall be governed by and construed in accordance with the laws of the State of Ohio, as applicable to contracts executed and wholly performed therein. We are pleased to submit the foregoing confirmation of your order. Our Acceptance of your order will be subject to and include and incorporate these Company Terms and Conditions. It will be expressly made conditional on assent by you to all Company Terms and Conditions hereon, which also supercede and supplement any of your terms and conditions or their equivalent. Your acceptance of any Company quotation or confirmation constitutes your acceptance of and binds you to these Company Terms and Conditions. Means of your acceptance includes but is not limited to, your issue of an order, purchase order or other accepting act of document agreeing to the terms offered by Company.