

TERMS AND CONDITIONS OF SALE

PR Machine Works, Inc., 1825 Nussbaum Pkwy, Mansfield, Ohio 44906

- Effect of Buyer modifications to this quotation.** The price and delivery terms in this quotation are subject to change if Buyer wishes to change any terms of this quotation.
- Acceptance** of this quotation may be by any reasonable and customary communication. No inconsistent terms in Buyer's purchase orders, such as quantities, delivery schedules or inconsistent printed text will have any force or effect unless specifically agreed to in writing by PR Machine Works, Inc. Any terms additional to or different from the terms of this quotation are expressly rejected by PR Machine Works, Inc.
- Price increases for materials.** This quotation is based on the present cost of materials. Buyer shall pay PR Machine Works, Inc. for any increase in cost of materials purchased by PR Machine Works, Inc. to fulfill this contract.
- Payment terms** quoted are based on the Buyer's present financial condition and record of payment. If any material change arises, PR Machine Works, Inc. has the right to require C.O.D., or other security for payment, or to withhold delivery. Buyer agrees to pay 1 1/2% per month (18% per year) interest on all invoices unpaid after 30 days. If Buyer defaults in payment, Buyer shall pay PR Machine Works, Inc.'s costs of collection including reasonable attorney's fees, in addition to damages.
- No warranties on goods; Limitation on Liability.** The goods sold to Buyer will meet the specifications set forth in the quotation, and no other express or implied warranties are made by PR Machine Works, Inc., including any warranty of fitness to perform any particular function unless expressly stated in this quotation. Buyer has furnished the drawings and specifications for the goods and Buyer is not relying on PR Machine Works, Inc. to select goods or engineering designs. **PR MACHINE WORKS, INC. DOES NOT WARRANT THAT THE GOODS ARE FIT FOR ANY PARTICULAR PURPOSE AND MAKES NO WARRANTY OF MERCHANTABILITY OR NONINFRINGEMENT.** Buyer shall indemnify and hold harmless PR Machine Works, Inc. from any claims or liability arising from any use of the Goods subject of this contract.
- Limitation on Liability. PR MACHINE WORKS, INC. SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES. THE REMEDIES OF BUYER SET FORTH IN THESE TERMS AND CONDITIONS ARE EXCLUSIVE, AND THE LIABILITY OF PR MACHINE WORKS, INC. WITH RESPECT TO ANY CONTRACT OR SALE, OR ANYTHING DONE IN CONNECTION THEREWITH, WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, EXPRESS OR IMPLIED, SHALL NOT, EXCEPT AS EXPRESSLY PROVIDED HEREIN, EXCEED THE PRICE OF THE GOODS UPON WHICH SUCH LIABILITY IS BASED. FURTHER, PR. MACHINE WORKS, INC. SHALL NOT BE LIABLE OR RESPONSIBLE FOR LOSSES, DETENTIONS, OR DELAYS OCCASIONED BY ACCIDENT, STRIKES, OR FIRES AFFECTING PR MACHINE WORKS, INC.'S OPERATIONS, OR THE OPERATIONS OF ITS SUPPLIERS, OR ANY OTHER CAUSES BEYOND THE CONTROL OF PR MACHINE WORKS, INC.**
- Raw materials availability.** This contract is contingent upon the availability of raw materials required for the manufacture of the goods. PR Machine Works, Inc. shall not be deemed in breach of this agreement for delay in manufacture or delivery where such raw materials are unavailable. In such case, PR Machine Works, Inc. may, at its option, cancel this agreement or deliver to you a pro-rata share of its production.
- Force majeure.** PR Machine Works, Inc. will not be liable for any delay or failure in performance resulting from labor disputes, war, riot, insurrection, fire, flood, accident, storm, act of God, or other causes beyond its control, or from PR Machine Works, Inc.'s good-faith compliance with any foreign or domestic governmental law, rule, order or regulation, whether or not it later is held invalid.
- Special tooling.** Unless otherwise specifically provided in PR Machine Works, Inc.'s quotation, special tooling developed by PR Machine Works, Inc. to complete this contract shall be the property of PR Machine Works, Inc. Special tooling supplied by Buyer or special tooling developed by PR Machine Works, Inc. subject to property ownership of Buyer shall be maintained by PR Machine Works, Inc. with reasonable care at Buyer's risk or loss of damage arising from force majeure events. Buyer is encouraged to provide its own insurance against such loss or damage. In the event Buyer does not claim such special tooling subject to property ownership of Buyer within two years after completion of PR Machine Works, Inc.'s deliveries under this contract, then title shall transfer to PR Machine Works, Inc. and it shall have the right, following 30 days' written notice to Buyer, to dispose of such special tooling without liability to Buyer.
- Buyer's requests for changes.** Following acceptance of this quotation, any technical, quantity, delivery or other change requested by Buyer shall be in writing and shall be construed as a request to renegotiate the contract without prejudice to the rights of PR Machine Works, Inc. under the contract.
- Cancellation by Buyer.** In the event Buyer cancels this contract following acceptance of this quotation, Buyer agrees to pay PR Machine Works, Inc. the greater of: (a) 20% of the contract amount; or (b) PR Machine Works, Inc. expenditures for raw materials, unamortized tooling, labor incurred, handling and overhead, and all work completed to date and in progress, but not yet delivered to Buyer, plus a cancellation charge of 10% of the amount calculated under (a) or (b). This is without prejudice to such other and additional rights as are available to PR Machine Works, Inc. under the law or equity.
- Incidental charges.** Any special packaging requirements, source inspection by Buyer on the premises of PR Machine Works, Inc., or other requirements not expressly provided for shall be subject to additional charges by PR Machine Works, Inc.
- Short count.** Buyer shall be deemed to have accepted the numerical count of goods shipped unless Buyer notifies PR Machine Works, Inc. in writing of any claim for short count within 10 days after delivery to Buyer.
- Nonconforming goods.** Goods delivered to Buyer shall be deemed to conform to this contract unless Buyer notifies PR Machine Works, Inc. in writing of any claim of nonconformance within 30 days after delivery to Buyer. Buyer will then await instructions and unless otherwise agreed to in writing by PR Machine Works, Inc. Buyer assumes the full risk and expense of returning goods to PR Machine Works, Inc., including but not limited to damage arising from Buyer's improper packaging. PR Machine Works, Inc. agrees to repair or replace nonconforming goods or allow a credit for nonconforming goods at its option, which shall be the sole liability of PR Machine Works, Inc. with respect to nonconforming goods.
- Customer-supplied raw or semifinished materials.** In the event this contract requires PR Machine Works, Inc. to perform work on raw or semifinished materials supplied by Buyer but not purchased by PR Machine Works, Inc. from Buyer, Buyer shall supply an adequate excess to allow for machining losses. If PR Machine Works, Inc. scraps any such materials, it shall not be liable to Buyer for such scrapped materials. Buyer warrants that any raw or semifinished materials shall be suitable for the operations intended to be performed by PR Machine Works, Inc., free of defects in workmanship and material. If found defective during processing, Buyer shall promptly deliver suitable replacements at no charge to PR Machine Works, Inc. Buyer shall pay PR Machine Works, Inc. for all work performed to the time when the defect was discovered.
- Other indemnification.** Buyer agrees to defend at its own expense, indemnify and hold harmless PR Machine Works, Inc. from all claims of patent infringement of trade secret misappropriation arising from its performance under this contract, including damages, costs and attorney's fees.
- Taxes.** Prices quoted are subject to added charges levied by any government taxing authority, all of which shall be paid by Buyer.
- Construction, modification.** This quotation upon acceptance becomes the entire understanding of the parties with respect to this subject matter and supersedes all representations or understandings relating thereto. It may not thereafter be modified orally, but only in writing, signed by the party to be charged; and, it shall be construed in accordance with the laws of Ohio.
- Ohio Law.** This transaction shall be deemed to have been made and entered into in the State of Ohio. The Purchaser agrees that this transaction shall be construed and enforced in accordance with the internal laws of the State of Ohio without regard to its conflicts of laws provisions that apply to the laws of other jurisdictions. All terms which are defined in the Uniform Commercial Code as adopted in the State of Ohio shall have the same meaning herein as in such Code, in addition to all rights and remedies specified herein. Any litigation between the Parties shall take place in the state or federal courts situated in Richland County, Ohio and the parties expressly submit to the jurisdiction of such courts.