

**SPYRAFLO, INC,
TERMS AND CONDITIONS OF SALE**

- 1. PAYMENT:** Purchaser's credit may be established at time of order. Net payment is to be received within 30 days from the date of invoice if open terms are extended unless other terms are agreed. If open credit is not extended by Spyraflo, Inc. hereinafter called Corporation, Purchaser will be notified of alternative payment terms. In the event Purchaser's account is Passed Due and must be placed for collections; Purchaser shall be liable for any and all expense of collection.
- 2. Price, TRANSPORTATION (INSURANCE) AND TAXES:** Published prices are subject to change without notice at any time prior to acceptance of your order, except when a written quotation has been given, and is still valid. All prices are F.O.B. Shipping Point. The price does not include other charges, such as transportation, insurance, special handling, packaging, documentation, certification or other charges; any present or future sales, use, occupation, value added and / or other tax which may be imposed on this transaction, all of which shall be paid by the Purchaser. Any outbound shipment billed to Corporation's shipping account due to lack of credit on Purchaser's shipping account will be assessed a \$5 per box handling and convenience fee, plus any and all amounts billed by shipping company as a result.
- 3. CANCELLATION:** These Terms and Conditions shall be conclusively presumed to be accepted by Purchaser and thereafter no cancellation of order shall be effective without consent of Corporation except, the Purchaser will be liable for a cancellation charge equal to the purchase price, as solely determined by Corporation, to a lesser charge, depending on degree of completion of order and expenses or liabilities incurred by Corporation to the day cancellation notice is received. If order is accompanied by a notice that products are required for performance of a contract with the United States, or any agency thereof, containing a standard termination clause, the provisions of such termination clause most favorable to Corporation shall be applicable to this order.
- 4. FORCE MAJEURE:** Corporation shall not be liable for any failure to, or delay in shipment or delivery due to strike or labor trouble (whenever occurring), civil commotion, fire, explosion accident flood, act of God, breakdown of machinery or shortage of fuel, power, or material or any other cause beyond the reasonable control of the Corporation. In the event of non-delivery or delay in delivery or a shortage of supply of any raw material ordered by Corporation for the purpose of fulfilling its obligations under this contract, Corporation reserves the right to cancel in whole or in part its contract for the sale of finished products to the Purchaser or alternatively, to renegotiate that contract in light of the new circumstances prevailing at such time. In the event the production, sale or other distribution of the products by Corporation becomes impractical by reason of compliance with any applicable federal, state or local government law, ordinance, regulation or order, whether or not it should later be held invalid, Corporation shall be relieved of all obligations hereunder. Corporation shall notify Purchaser at the address specified on the face hereof within a commercially reasonable period of time in the event of non-delivery or delay in the delivery of the products as a result of the occurrence of any of the events described in this paragraph.
- 5. GENERAL:** The provisions of this document shall constitute an integral part of the contract for the products covered hereby, which contract shall be governed by the laws of Georgia. No waiver, alteration or modification of any of these provisions shall be valid unless made in writing and signed

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by an authorized officer of the Corporation. Any resale made by Purchaser to others shall be made using only a trademark under which products are sold by Corporation.

- 6. RETURN OF PRODUCTS:** Permission must be granted by Corporation in the form of an RMA before any products are returned. If return of products is made necessary due to any fault of Corporation, and permission is granted for return, Corporation shall give full credit, including all transportation charges. If return is due to no fault of Corporation and permission is granted for return, credit, less a service charge on accepted pieces, will be issued when product has been returned, transportation prepaid, counted, inspected and found to be in saleable condition by Corporation. (See #15 for further requirements for returns.)
- 7. WARRANTY:** Corporation makes no warranty, expressed or implied, including the implied warranties of merchantability and fitness for a particular purpose, with regards to any of its products except that its Catalog-listed Products shall substantially conform to the specifications thereof listed in Corporation's current catalog at the time the order is accepted by the Corporation and as to its Special Products that they shall substantially conform to the specifications on the drawings agreed upon in advance of confirmation of the order by Purchaser.
- 8. TECHNICAL OR OTHER ASSISTANCE:** Any information or assistance which may be given by Corporation to Purchaser is based on our experience and judgement, but no warranty, expressed or implied, is made as to the information or assistance.
- 9. TITLE TO MERCHANDISE:** All risk of loss, damage or charge and title shall pass to Purchaser upon delivery to the carrier. Purchaser hereby grants a security interest in the goods to Corporation as security for full payment, and Purchaser, upon the request of Corporation, will execute and deliver one or more Uniform Commercial Code Financing Statements and / or such other documents as may be requested by Corporation as evidence of the security interest hereby granted. In the event any default in payment by Purchaser, Corporation or its representative, in addition to any other rights or remedies, may have hereunder or under and applicable law, shall have the right, at any reasonable time, to enter upon Purchaser's premises and retake possession of the products and Purchaser shall not interfere in any way with such entry and possession.
- 10. NON-CONFORMING PRODUCTS:** Corporation may, in the event it delivers non-conforming products to Purchaser, within thirty (30) days after receipt of notice of such non-conformance, deliver to Purchaser conforming products, and such conforming products will be deemed to have been delivered as of the date of delivery of the original products. Corporation's sole liability for delivering non-conforming products shall be to deliver conforming products as provided in this paragraph. All non-conforming products must be returned to Corporation if requested by Corporation. Purchaser acknowledges that Corporation will charge a restocking fee of 20% of original purchase price, as well as charge Purchaser for return shipping if a return is received by Corporation without proper authorization in the form of an RMA.

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- 11. WAIVER:** No claim arising out of breach hereunder can be discharged by Corporation in whole or in part by a waiver or renunciation of the claim or right unless such waiver or renunciation is in writing signed by Corporation, No custom or practice of the parties in variance of the Terms and Conditions hereof and no failure of Corporation to exercise any power or right conferred hereunder or afforded by applicable law or to demand strict adherence by Purchaser to its obligations hereunder shall constitute a waiver of such power or rights of Corporation's right to demand strict adhere by purchaser to its obligations hereunder.
- 12. LIABILITY:** Corporation shall not be liable for any incidental or consequential damages which may arise in connection with any breach by Corporation hereunder. Corporation's liabilities for damages for any kinds shall in no event exceed the purchase price of the particular shipment with respect to when a claim is asserted.
- 13. LIMITATION ON ACTION:** Any action by or on behalf of Purchaser for breach of this contract must be commenced within one year after the cause of actions has accrued.
- 14. ASSINNMENT:** This contract shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto, but the rights and obligations of Purchaser hereunder may neither be assigned nor delegated without written consent of Corporation.
- 15. LOT TRACEABILITY:** Lot traceability must be maintained at all times. Any request for Return of both conforming and non-conforming parts must be accompanied by the Lot number and quantity. Any return must include original Spyraflo packaging. If multiple Lot numbers, these Lots must not be mixed. Failure to maintain Lot traceability will void any claim to product return eligibility.
- 16. SEPARABILITY:** The invalidity or unenforceability of any particular provision of this contract shall not affect the other provisions of this contract, and this contract shall be construed in all respects as if such invalid or unenforceable provisions were omitted.