

STROCO Manufacturing, Inc. CUSTOMER Terms and Conditions & Quality Clauses

- PAYMENT TERMS.** Unless otherwise indicated on the face hereof, Customer shall pay in full the net amount of each invoice submitted by SELLER within 30 days of the date thereof. Payment is to be made in U.S. dollars for each shipment hereunder. Should any Customer check(s) be returned by the bank for the reason of insufficient funds, Customer shall pay twenty-five dollars (\$25.00) for each check returned to SELLER as a handling charge.
- RETURNS.** No goods can be returned without prior written authorization by SELLER.
- PRICES AND INSTALLMENTS.** All prices subject to change without notice. SELLER reserves the right to invoice at SELLER's price prevailing at time of shipment, unless otherwise expressly stated. SELLER shall have the right to make delivery in installments. All installments shall be separately invoiced and paid as billed without regard to subsequent deliveries. Failure to pay for any installment when due shall excuse SELLER from making further deliveries. Delay in delivery of any installment shall not relieve Customer of its obligation to accept remaining installments.
- CANCELLATIONS OR MODIFICATIONS.** Once placed with and accepted by SELLER, an order may be cancelled or modified only with SELLER's written consent and only upon terms that will indemnify SELLER against any loss arising out of such transaction. Customer will be responsible for all work and material in process at time of cancellation and will be invoiced accordingly. Minimum cancellation charge will be \$35.00.
- DELIVERY.** All goods are sold, and all shipments are made, F.O.B. Origin. SELLER will use its discretion in routing all shipments and reserves the right to select carrier and truck size. If any shipment made in accordance with Customer's instructions incurs additional labor or carrier costs, such costs shall be paid by Customer as invoices are rendered. Parts will be packed bulk in SELLER's containers. Crating, wrapping and special packaging to avoid scratches, pits, or other marks or for waterproofing, rust prevention or other safety measures may involve additional charges, which shall be borne by Customer. The shipment date mentioned on this quotation or on any acknowledgement of Customer's purchase order is SELLER's best approximation of the probable shipment date and is not a fixed or guaranteed date. Shipment of goods is subject to any and all delays or cancellations due to any condition or happening whatsoever beyond SELLER's control, including but not limited to strikes, fires, riots, wars, acts of God, inability to obtain materials or intervening governmental regulation (an "Event of Force Majeure"). SELLER shall not be liable for failure to deliver or delay in delivery occasioned by any Event of Force Majeure. SELLER shall not be responsible for any damage or loss resulting, whether directly or incidentally, from delayed shipments, and SELLER assumes no responsibility or liability whatsoever for damage which may occur in transit. This order and deliveries hereunder are subject to all regulations and requirements of the United States government and any department thereof.
- FINANCIAL RESPONSIBILITY.** Customer agrees to furnish to SELLER, at any time upon SELLER's demand, security satisfactory to SELLER for performance of Customer's obligations hereunder. Reasonable doubt of financial responsibility shall entitle SELLER to stop operation, decline shipment or stop any goods in transit without liability, until the goods shall have been paid for or SELLER is satisfied of Customer's financial responsibility. In the event SELLER exercises its rights under this provision, all unpaid invoices (or similar confirmation) upon which Customer is liable shall immediately become due and payable.
- F.O.B. CONTRACT.** For materials sold F.O.B. shipping point, all transportation and other charges in excess of the base price applicable as extras shall be for the account of the Customer. All such material is at Customer's risk after delivery by SELLER to carrier. Title to materials shall pass to Customer upon placement with carrier.
- PRICE CHANGE ON PARTIAL SHIPMENT.** Prices are based on delivery of full quantity as specified. Where orders are cancelled in part pursuant to the Terms and Conditions, the delivered quantity may be priced proportionately higher by SELLER.
- LIMITATION OF LIABILITY.** (a) SELLER shall not be liable for any incidental or consequential damages incurred by the Customer, including but not limited to, loss of profits, loss of sales, personal injury or any commercial loss, or any other incidental or consequential loss, provided, however, that in the event any of the goods sold under this invoice are deemed "consumer goods" the limitation on consequential damages for injury to the person shall not apply. (b) The Customer's sole and exclusive remedy against the SELLER for damaged or defective goods not in conformity with the Customer's specification and the SELLER's liability therefore should be limited to replacement of such damaged, defective, or non-conforming goods, or refund for the purchase price as the SELLER may elect, provided (i) the goods are proved to be damaged, defective or not in conformity with the specifications, (ii) Customer has notified

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the SELLER in writing of the damage, defect, non-conformity within ten (10) days after the delivery of the goods, (iii) the goods have been properly worked or used by the Customer, and (iv) SELLER has been given a reasonable opportunity to inspect the goods. Goods should not be returned to SELLER without SELLER's consent. After inspection or waiver of inspection, SELLER will arrange for disposition or return of damaged, defective or non-conforming goods. Without limiting the generality of the provisions contained herein, in no event shall any liability or responsibility of SELLER which may arise in any circumstance whatsoever exceed the price to Customer of the particular material in respect of which any claim is made.

10. **FREIGHT CHARGES.** (a) If the quoted price for goods was based on freight being allowed to destination, any change in applicable freight rates between the date of quotation and the time of shipment will result in corresponding change in price. If the quotation included sufficient material for a carload or truckload shipment and Customer has ordered shipments to be made in less than carload or truckload amounts, then Customer must pay the difference between carload/truckload and less than carload or truckload freight. If price quotes F.O.B. trucks, it shall mean on the nearest accessible road or street to the building operation, and not unloaded from the trucks. (b) Except as otherwise provided herein, SELLER shall not be responsible for freight, transportation, insurance, shipping, storage, handling, demurrage, or similar charges. If such charges are by the terms of sale included in the price, any increase in rates becoming effective after the quotation shall be charged to Customer.
11. **ACCEPTANCE OF TERMS AND CONDITIONS.** Customer's receipt of an order confirmation and/or invoice shall constitute an acceptance by Customer of the Terms and Conditions hereof, unless prompt written objection is given to SELLER. If Customer has sent a purchase order or other writing to SELLER such that this order confirmation or invoice is deemed to be an acceptance, acceptance is expressly made conditional on Customer's assent to the terms herein contained, notwithstanding any Terms or Conditions contained in writing sent by Customer.
12. **ENFORCEMENT OF CONTRACT.** Suit to enforce or set aside this agreement or suit over any of the rights and obligations arising from the work to be performed hereunder must be brought in a court having jurisdiction over the SELLER in the State in which the SELLER resides. In the event any party brings suit to construe or enforce the terms of this agreement or raises this agreement as a defense in a suit brought by another party, the prevailing party as determined by the court is entitled to recover its reasonable attorneys', consultants' and experts' fees and expenses.
13. **ITAR.** The commodities and all relevant documents, including, but not limited to drawings, files, models, and specifications, purchased from Stroco Manufacturing, Inc. must be exported from the United States in accordance with all U.S. export laws. Some Documents may contain technical data with the definition of the International Traffic in Arm Regulations ("ITAR") and is subject to the export control laws of the U.S. Government. Transfer of this data by any means to an exemption or other approval from the U.S. Department of State is prohibited.
14. **ASSIGNMENT.** Customer shall not assign its rights and obligations under this contract without the written approval of SELLER.
15. **DELAYS.** Customer shall note that lead time may be affected by waiting on drawings, data, CAD files, and/or Mylars from the customer and this shall require adjustment to delivery schedule.
16. **NOTICES.** All notices to be made under this agreement shall be addressed to the recipient at the address specified by the recipient.
17. **NO WAIVER.** No failure on the part of SELLER to exercise, and no delay in exercising, any right granted hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise of any other right.
18. **PURCHASING.** Purchasing lower quantities than the price break on the quote may result in a price change; the quantities provided represent the lowest requested price break or in some cases, the minimum line item quantity. If Customer needs to purchase quantities lower than the price break provided on the quote, SELLER must be contacted for revised pricing. Customer may not place a purchase order for less than the minimum quantity price break.
19. **NO AMENDMENT.** No amendment of this agreement shall be effective unless it is in writing and signed by SELLER and Customer.

All sales shall be subject to the Terms and Conditions & Quality Clauses set forth. Terms and Conditions & Quality Clauses are subject to change without notification.