

REID SUPPLY COMPANY

TERMS OF SALE

All sales of Reid Supply Company products are made on the following terms and conditions. The item or items being sold by Reid Supply Company are referred to below as "goods" or "products," Reid Supply is referred to as "Seller," and the customer is referred to as "Buyer."

1. **Agreement.** If Buyer has not otherwise agreed to these terms of sale, Buyer's acceptance of delivery or payment for the goods will constitute Buyer's agreement to these terms.
2. **Payment Terms.** Unless Seller agrees otherwise in writing, businesses with approved credit ratings must make payment in full of the price within thirty (30) days after shipment. To all other Buyers payment is C.O.D. without discount until proper credit ratings have been established. Any payment not made when due will accrue a late charge of one and one-half percent (1½%) per month. Payment must be made at Seller's office in Muskegon, Michigan. All prices are in U.S. Dollars and payment should be made in U.S. Dollars. Any exchange rate charges will be billed to Buyer.
3. **Delivery and Risk of Loss.** Delivery will be F.O.B. Muskegon, Michigan, and risk of loss will pass to Buyer upon delivery to the shipper. Shipping dates are estimates only. Time is not of the essence. Seller may ship all the goods at one time or in portions from time to time. Seller will have the right to determine the method of shipment and routing of the goods unless otherwise specified by Buyer.
4. **Taxes, Brokerage Fees, Duties.** Seller's price does not include any privilege, occupation, personal property, value-added, sales, excise, use or other taxes, brokerage fees or duties and Buyer will be liable for all such taxes, brokerage fees or duties, whether or not invoiced by Seller.
5. **Unavoidable Delay.** If Seller is unable to finish and ship the goods to Buyer on time because of anything Seller cannot control (such as casualty, labor disputes, accidents or unavailability of supplies or transportation), the estimated delivery time will be extended accordingly, and Seller will not be liable to Buyer for any damages caused by the delay.
6. **Returns.** All standard catalog items are shipped on a thirty (30) day trial basis. As long as the product is in new and reusable condition, as determined by Seller in its sole discretion, at the time of return, Buyer may return the merchandise, freight prepaid, and Buyer will be issued a credit upon Seller's receipt of the same. All standard catalog item returns of products in new and reusable condition past the thirty (30) day trial time period are subject to a ten percent (10%) restocking charge. Special order or modified items may be returned only at the sole discretion of Seller who is permitted a reasonable time to inspect such items to determine whether it will accept the attempted return. Any returned special order or modified items accepted by Seller will be subject to a restocking charge higher than ten percent (10%) that may be determined from time to time by Seller. All returns must be made via United Parcel Service (UPS) with the shipping charges prepaid in full and with reference to Seller's shipper and invoice number.
7. **LIMITED WARRANTY.** Goods sold are warranted by Seller only to Buyers for resale, for use in business or original equipment manufacture against defect in workmanship or materials under normal use for six (6) months after date of original delivery. Seller, in its sole discretion, will determine whether any product is defective. The acceptance by Seller of any product returned is not an admission that the product is defective, and if Seller determines the product is not covered by this Limited Warranty, the product will be returned to the Buyer at Buyer's expense. Only if the product was destroyed as a result of its defect or any defect in any product covered by this Limited Warranty and Seller is reasonably satisfied that the product was defective at the time of sale will Buyer be excused from providing Seller with the product at issue. In the event Seller determines any product to be defective, Buyer's **EXCLUSIVE REMEDY** will be, at Seller's option, the repair, replacement or return of the purchase price of the product.

Further exclusions from this Limited Warranty are as follows:

- a. Any defects that appear after the warranty period are excluded from this Limited Warranty.
- b. Seller makes no warranty on products for which another manufacturer or seller furnishes a separate warranty – such products are sold **AS IS**.
- c. This Limited Warranty does not apply to defects caused by cleaning, repairs, lubrication, calibrations, maintenance or replacements because of (a) improper repairs, misapplication, abuse, improper installation, improper operation, unauthorized alteration or modification, misuse or lack of proper maintenance by the Buyer, its employees and agents or (b) abnormal conditions of temperature, moisture, dirt, corrosive matter, and similar conditions.
- d. There will be no obligation to repair or replace products that by their nature are expendable.
- e. This Limited Warranty does not apply to damage caused by weather or disaster such as fire, wind, or flood, or an unsuitable installation location, or defects from labor or materials furnished by persons other than Seller, its employees and agents.
- f. Seller neither assumes nor authorizes any person to assume for it any other liability in connection with the sale of products.
- g. Repairs or replacements under this Limited Warranty are warranted as described and limited in this Limited Warranty but only for the remainder of the original warranty period.
- h. This Limited Warranty is effective only if and so long as the Buyer complies with all payment obligations to Seller. Failure to meet payment obligations voids all warranties and does not extend the Limited Warranty period when payment is made.
- i. Seller assumes no obligation or liability for advice or assistance given or results obtained in connection with goods sold hereunder. All such advice or assistance is given and accepted at the Buyer's risk. Any decision as to use or installation of goods hereunder is that of the Buyer.
- j. **NO WARRANTY TO CONSUMERS.** SELLER MAKES NO WARRANTIES TO THOSE DEFINED AS "CONSUMERS" IN THE MAGNUSON-MOSS WARRANTY-FEDERAL TRADE COMMISSION IMPROVEMENT ACT.
- k. **LIMITATION OF LIABILITY.** BUYER'S SOLE AND EXCLUSIVE REMEDY AGAINST SELLER WILL BE FOR THE REPAIR, REPLACEMENT, OR RETURN OF PURCHASE PRICE OF THE DEFECTIVE PRODUCT(S) AS PROVIDED ABOVE. NO OTHER REMEDY (INCLUDING, BUT NOT LIMITED TO, INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR LOST PROFITS, LOST SALES, INJURY TO PERSONS OR PROPERTY, OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL LOSS) WILL BE AVAILABLE TO BUYERS, SELLER'S LIABILITY IS LIMITED TO AND WILL NOT EXCEED, THE PURCHASE PRICE.
- l. **THIS WARRANTY IS IN LIEU OF ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

8. **Solvency and Security Interest.** Buyer represents that Buyer is solvent. Seller retains a security interest in the goods to secure payment of the price and all other indebtedness now and in the future owing by Buyer to Seller. At Seller's request, Buyer will sign and deliver to Seller a financing statement evidencing this security interest.

9. **Permits and Compliance.** Seller is not responsible for obtaining any permits, inspections or licenses required for installation or operation of the goods. Seller makes no promise or representation that the goods will conform to any federal, state or local laws, ordinances, regulations, codes, or standards.

10. **Safety Features.** Buyer will install and operate the goods properly and according to Seller's operating instructions and will not remove or change any safety devices, warnings or operating instructions placed on the goods by the Seller.

11. **Components of Another Product.** If any of the goods constitute parts or components to be incorporated or installed in a product manufactured or assembled by or for Buyer, then: (1) Buyer will obtain, or cause the end-user of the product to obtain, all permits, inspections and licenses required for installation or operation of the product, (2) Buyer will cause the product to conform to all applicable laws, ordinances, regulations, codes and standards and (3) Buyer will place on the product all safety devices and warnings, and will furnish to its buyer all operating instructions, that will be necessary or desirable to prevent any death, personal injury or property damage from being caused by any use or operation of the product.

12. **Indemnity.** Buyer will indemnify and hold harmless Seller from and against all damages, losses, claims, and expenses, including attorney fees, incurred by Seller as a result of: (a) incorporation of the product into another product, (b) any breach by Buyer of any of its obligations under these terms of sale or (c) any claimed unfair competition or patent, trademark or copyright infringement or any other claim resulting from Seller's manufacture of goods to Buyer's specifications.

13. **Seller's Rights.** Seller has all rights and remedies given to sellers by applicable law, and Seller's rights and remedies are cumulative and may be exercised from time to time. No waiver by Seller or any right on one occasion will constitute a waiver of any future exercise of that right.

14. **Time for Bringing Action.** Any action by Buyer against Seller for breach of this Agreement or for any other claim arising out of or relating to the goods or their design, manufacture, sale or delivery must be brought within one (1) year after the cause of action accrues.

15. **Applicable Law.** This agreement between Seller and Buyer will be considered to have been made in the State of Michigan, and it will be governed by and interpreted according to Michigan law. Any action arising out of or relating to this agreement may be brought in any state court in Muskegon, Michigan or federal court in Grand Rapids, Michigan, having jurisdiction of the subject matter, and Buyer irrevocably consents that any such court will have personal jurisdiction over Buyer and waives any objection that the court is an inconvenient forum.

16. **Complete Agreement; Amendment.** No terms or conditions, other than those stated herein and no agreement or understanding, oral or written in any way purporting to modify these terms and conditions, whether contained in Buyer's purchase order, Seller's acknowledgement, shipping forms, or elsewhere, will be binding on Seller unless made in writing and signed by an officer of the Company. Trade usage will neither be applicable or relevant to this agreement, nor be used in any manner whatsoever to explain, qualify or supplement any of the provisions herein.