

## TERMS AND CONDITIONS

The terms and conditions below govern all contracts for the sale of any goods to purchasers ("Buyer") by Republic Pneumatics ("Seller"), and shall control over any conflicting terms and conditions set forth in any request for quote, purchase order, or other transaction document submitted to Seller by Buyer prior to sale.

**Cancellation.** No sale of goods by Buyer to Seller may be cancelled or rescinded by Buyer prior to Delivery, unless Seller consents in writing.

**Delivery.** Delivery of goods to Buyer to any commercial or common carrier shall constitute delivery to the Buyer, regardless of which party retained the carrier. Seller shall not be responsible for any delay in delivery or transportation due to any force majeure. In such an event, the time for delivery shall be extended for a reasonable period dependent upon the cause for delay. All shipment of goods by Seller to Buyer shall be F.O.B. origin. All risk of loss or damage to goods in transit shall be borne by the Buyer.

**Payment.** Buyer shall remit payment for goods to Seller within thirty (30) days of receipt of invoice for same. Seller shall pay 1.5% percent interest per month on amounts outstanding after thirty (30) days.

**Returned Goods.** Goods may only be returned by Buyer with Seller's prior authorization. Only unused goods in original containers will be considered for return. Goods specially manufactured, custom, or otherwise modified for the Seller prior to Delivery shall not be returnable. Buyer shall pay any transportation and insurance charges for any goods accepted for return by Seller. Such goods shall be transported F.O.B. destination. Buyer may be charged a fifteen percent (15%) restocking fee for goods returned to Seller.

**Secured Interest.** To secure payment of Seller's invoice(s), Buyer hereby grants Seller a security interest in all goods sold by Seller to Buyer. Buyer hereby authorizes Seller to file financing statements on behalf of Buyer to perfect Seller's interest therein. Seller may utilize the remedies available to a secured party under Article 9 of the Uniform Commercial Code if Seller fails to timely pay Buyer's invoice(s).

**Warranties.** Seller warrants that any goods sold by Seller to Buyer shall be free from defects in material and workmanship for a period of twelve (12) months from issuance of the invoice for goods. Some goods, such as custom or modified goods, may contain a warranty of a shorter or longer period on Buyer's invoice. A warranty period listed on Buyer's invoice shall supersede the warranty period contained herein. ***ANY CLAIM OR CHOSE IN ACTION OF THE SELLER SHALL BE BROUGHT WITHIN ONE (1) YEAR OF RECEIPT OF INVOICE.***

**Exclusive Remedy.** If, during the warranty period described above, any goods are demonstrated to be defective in Seller's reasonable discretion, then such defective goods shall be repaired or replaced at Seller's discretion. This shall be the sole and exclusive remedy available to Buyer. Buyer shall not be entitled to recover any incidental, consequential, or contingent damages, including but not limited to lost profits.

**Taxes and Other Charges.** Buyer shall be responsible for payment of any taxes, duties, fees or other charges ("Taxes") imposed upon Buyer's purchase of goods by any governmental entity. Taxes shall be reflected on Seller's invoice and tendered by Buyer with Payment. Seller shall be responsible for timely remittance of all Taxes to the appropriate governmental entity.

**Collection Costs.** Buyer shall be liable for any and all costs of collection, including attorney fees, and costs incurred by Seller in collecting amounts due from Buyer or otherwise enforcing the terms and conditions of the sale.

**Governing Law and Jurisdiction.** The sale of goods by Seller to Buyer and any related terms and conditions shall be governed by and construed in accordance with the laws of the State of Indiana as applied to agreements made between residents of Indiana for performance entirely within Indiana. The United States District Court, Southern District of Indiana, New Albany Division and the Circuit Courts of Clark County, Indiana, shall have jurisdiction over any claim brought under this Agreement, and the parties hereby consent to the personal jurisdiction of such courts.

**Arbitration.** In the event of any dispute between the parties arising out of this Agreement, the dispute shall be resolved by arbitration under the rules of the American Arbitration Association by an arbitrator agreed upon in writing by the parties. In the event the parties cannot agree upon the choice of an arbitrator, each party shall appoint one individual representative and the two party representatives shall, between themselves, chose an arbitrator. Venue for mediation or arbitration shall be in Clark County, Indiana.