

GENERAL TERMS AND CONDITIONS OF SALE

The following General Terms and Conditions of sale of all goods supplied or services rendered by us to any purchaser thereof (hereinafter called Buyer). No modification or waiver of any of these conditions will be binding on us unless approved by us in writing. No other or additional terms or conditions of sale shall be binding on us unless approved by us in writing.

1. **Acceptance of Orders.** Buyer's order shall not be binding upon us unless and until such order is accepted by us in writing.
2. **Prices.** Published prices are subject to change without notice at any time prior to our acceptance of Buyer's written purchase order. All prices are net and cover only the goods and services expressly specified and unless otherwise expressly stated, do not include any domestic inland freight, federal, state, county or local taxes, or other additional costs, all of which shall be borne by the Buyer. Prices do not include any temporary or permanent import or export duties or surcharges of any kind imposed after January 1, 1987. Any such charges paid by us for Buyer's account shall be charged to Buyer. For technical services and training, our standard rates will apply.
3. **Payment Terms.** We shall invoice Buyer for machinery and equipment according to the payment terms specified in the quotation. Payment terms for spare parts shall be net 30 days. If more than one shipment of goods or services is made, we may invoice Buyer separately for each shipment. So long as the equipment and/or parts supplied by us to Buyer shall substantially conform to this contract, Buyer shall have no right to withhold payments, repudiate, terminate or cancel the contract by reason of minor omissions but the Buyer shall receive credit for such minor omissions. If any payment is not received by us within the period such payment is due and payable, Buyer shall be liable for interest on the amount from the date by which the payment was due, without further notice at the rate of 1 1/2 % per month provided. However, if such rate is in excess of the maximum rate permissible under applicable law, then interest shall be charged at the maximum permissible interest rate.
4. **Cancellation Charges.** Once an order is accepted by us, it may not be cancelled, modified or delayed by the Buyer except with the written consent and upon terms and conditions approved by us in writing. In case of cancellation of any order for replacement parts, there shall be immediately due and payable an amount equal to 15% of the list price for such replacement parts. In case of cancellation of a machine order, there shall be immediately due and payable an amount equal to 10% of the list price, plus the dollar amount equal to 100% of all costs incurred by us in accordance with the order including the actual costs of material and labor, direct and indirect, for all equipment and/or parts identified to this agreement plus the actual costs for discharging liabilities, which are so allocable or apportionable to the cancelled order less any salvage value if applicable.
5. **Delivery.** Expiration of delivery time commences on the date of our order acknowledgment and with respect to special items, dates from the receipt by us of all information necessary to the design and manufacture of such equipment. Delivery point is stated in the quotation.
6. **Delays.** We will not be liable for any delay or failure in the performance of its obligations, including the delivery or shipment of any goods or for any damages suffered by Buyer by reason of such delay or failure when such delay or failure is caused by or arises from any cause beyond our control, including without limitation, delays caused by fire, flood, strikes or other labor disputes, shortages in labor, material or transportation or hostilities, riots, government orders or regulations, or default on the part of any of our suppliers. Under no circumstances will we have any liability for loss of use caused by delay or for any indirect or consequential damages.
7. **Transportation and Warehousing.** Unless otherwise specifically stated in writing, we will select the means of transportation and arrange for shipment of the goods to Buyer. If shipment is delayed by Buyer for any reason, Buyer shall be charged with the warehousing and insurance costs beginning with the date the goods are identified to this agreement and are ready for shipment and all risk of loss or damage to such goods shall pass to Buyer from and after the time the goods are delivered to the carrier, plus interest calculated as described in Article 3 hereof.
8. **Installation.** Our prices include supervised installation and set up by our factory trained service engineers at Buyer's plant. Buyer shall be responsible for offloading and placement at Buyer's facility.
9. **Limitations of Warranty.** All machines sold by us are warranted to be free from defects, in workmanship and materials for use in normal operation for a period of 12 months or 2000 operation hours, whichever shall expire first. Such 12 month period shall commence on the earlier of the date the machine is installed or the date 60 days after the date of delivery. Usual wear and tear items are exempt from these warranty provisions. Replacement parts sold are warranty free from defects in workmanship and materials for use in normal operation, with respect to such replacement parts, for a period of 30 days from date of invoice. For any equipment manufactured by a third party and supplied by us under this agreement, our warranty is limited to the warranty provided by said third party. It shall be a condition of our obligations under the above stated warranties that we be notified in writing by Buyer of any purported defect within 15 days after its discovery. Our above stated warranties shall be subject to the further conditions that all materials and supplies required for the operation of any machine sold by us or obtained from us are in accordance with our specifications and that the machines were installed or initially started up by our specialists or as otherwise permitted by us in writing. In the event of any breach of our above-stated warranties, our sole obligation, and Buyer's exclusive remedy, shall be the repair or replacement at our election of any machine or parts, which we determine on its inspection to be defective in material or workmanship. After replacement of any defective parts or machines, the defective parts or machine shall become our property and shall be returned to us upon request. Under no circumstances shall Buyer be entitled to any incidental or consequential damages or lost profits or to rescission of any purchase obligation or to any reduction in price. We shall have no obligation for any machine or parts, which become damaged due to improper maintenance, carelessness, technical alterations, improper operation accident or any cause other than defective material or workmanship furnished by us.
THE WARRANTIES SET FORTH ABOVE ARE EXPRESSLY IN LIEU OF ANY OTHER EXPRESS WARRANTY OF ANY KIND AND IN LIEU OF ANY IMPLIED WARRANTY, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WE SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE DIRECTLY OR INDIRECTLY, ARISING FROM THE USE OF THE GOODS OR EQUIPMENT SOLD TO BUYER OR FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING FOR ANY REASON, INCLUDING DAMAGES RESULTING FROM DEFECTIVE MATERIALS OR WORKMANSHIP AND WHETHER SUCH DAMAGES ARE CLAIMED TO ARISE FROM BREACH OF CONTRACT IN TORT OR OTHERWISE, BUYERS SOLE AND EXCLUSIVE REMEDY SHALL BE THE RIGHT TO HAVE ANY DEFECTIVE GOODS OR PARTS REPAIRED OR REPLACED ON THE TERMS AND SUBJECT TO THE CONDITIONS DESCRIBED ABOVE.
10. **Security Interest.** As security for payment in full by Buyer of all amounts payable to us with respect to the goods and services sold hereunder, we reserve (and Buyer grants to us) a security interest in all goods sold hereunder, and in all additions and accessories thereto and all proceeds from their sale and disposition. Buyer shall execute and deliver any financing statements or other documents that we reasonably require for the perfection of our security interest. At our election, we may file a copy of this agreement as a financing statement. So long as we have a security interest in the goods identified to this agreement, Buyer shall maintain insurance satisfactory to us on such goods for any damage due to fire, lightning, explosion, or other usual risks and the Buyer shall name us in the insurance policy as an additional insured, and shall keep the equipment and/or parts free and clear of any other liens or encumbrances.
11. **Patents.** We shall indemnify and hold harmless Buyer from any liability arising out of any infringement of any patent or patent rights resulting from the design, nature or structure of any product designed and manufactured by us under this agreement. Should any product become or in our opinion likely to become the subject of a claim of infringement, we at its option and expense may either procure for Buyer the right to use the product or replace or modify the same so that the product becomes non-infringing. Buyer shall indemnify and hold us harmless from any liability or cost arising out of any claim for the infringement of any patent or other rights which are or may be asserted against us because of the design, nature, structure or use of any product which is manufactured or fabricated in whole or part, according to designs or specifications furnished by Buyer or which is modified at the request of Buyer.
12. **Technical Documentation.** Technical documents, drawings or descriptions are for informational purposes only and we reserve the right to make any changes considered necessary. We expressly reserve all property rights and the copyright therein.
13. **Returns.** No goods will be accepted by us for return without our prior written consent. All transportation charges must be prepaid by Buyer.
14. **Manufacturing Variations.** Goods and materials shall be subject to our and the supplier's standard manufacturing variations. We and our suppliers reserve the right to change material specifications at any time and assume no required price revisions.
15. **OSHA.** Although we cannot certify that any machine meets OSHA requirements, we will advise Buyer of any OSHA requirements of which it has knowledge. Requested changes which vary the specifications of our quotes may require price revisions. Compliance with OSHA and similar statutes pursuant to Buyer direction will be verified by Buyer's engineers during machine run-off if so desired. Upon delivery of equipment, Buyer shall have the entire responsibility for meeting the requirements of OSHA before putting the machine into operation and thereafter.
16. **Governing Law.** This contract shall be governed by and construed under the laws of the State of Michigan.
17. **Waiver of Breach.** No waiver by either party of any breach of these conditions shall constitute a waiver of any other breach.
18. **Limitations of Actions.** Any action by Buyer for breach of our obligations must be commenced within one year after the cause of actions has accrued.
19. **Invalidity.** If any provision hereof is held to be invalid or otherwise unenforceable for any reason, all other terms and remaining conditions will continue to be in force.
20. **Complete Agreement.** The terms and conditions herein contained and in the quotation, shall constitute the complete agreement between us and Buyer, and shall supersede all prior oral or written statements made by the parties.