



TERMS AND CONDITIONS OF SALE

The following are the terms and conditions under which Ohio Magnetics, Inc. or Stearns Magnetics sells their products, unless such terms and conditions are modified on their face, or unless otherwise agreed to in a writing signed by the President or Vice President of Seller:

- 1.)** The prices set forth herein are based on Seller's current costs of material and labor. If any changes should occur Seller may adjust said prices at any time before shipment either (a) proportionately to such changes in costs or (b) in accordance with a general price adjustment made concurrently by Seller to buyers of the same class. Stenographic and clerical errors are subject to correction by Seller.
- 2.)** Any change by Buyer in quantities, or in the schedule or dates of production or shipment, or in specifications, will be accepted by Seller only if (a) such changes do not affect Seller's costs in any manner or (b) if an appropriate adjustment in price is agreed upon.
- 3.)** Seller's quoted prices do not include sales, use, excise and/or other Federal, State or Local taxes, unless specifically shown. Any such levies must necessarily be charged to Buyer. Buyer shall furnish tax exemption certificates if applicable prior to date of delivery.
- 4.)** The delivery dates promised are approximate. Seller shall not be responsible for reasonable or excusable delays, nor shall Buyer refuse to accept deliveries because of such delays. "Excusable delays" include delays resulting from fire, strikes or other labor difficulties, floods, riots, accidents, governmental regulations, controls or requirements, operations of law, delay in transportation, inability to obtain labor, fuel, power or materials from supplier's failure of materials ordered by Seller to meet specifications, war, acts of God, or any other causes beyond Seller's control. "Reasonable delays" include, without limitation, delays to which the Buyer, when notified, makes no objection. In the event of any reasonable or excusable delay, the contract shall be extended by the period of time lost by such delay, without any liability on Seller's part as provided above.
- 5.)** Orders will not be subject to cancellation or modification, either in whole or in part, without Seller's prior written consent and then only upon terms that will indemnify Seller for all applicable costs incurred by Seller, including, without limitation, costs of purchased materials, and a reasonable allowance for profit.
- 6.)** Seller warrants to the original purchaser of each product manufactured and sold by Seller, that the goods sold are in conformity with the quotations, drawings and specifications agreed upon, and with the exception of controllers and generators, that the goods, shall be free from manufacturing defects in material and workmanship under normal service for a period of (1) one year, from and after the date of shipment from its Maple Heights, Ohio, U.S.A., plant.

Seller warrants to the original purchaser of each new controller and generator manufactured and sold by Seller that such goods shall be free from manufacturing defects in material and workmanship under normal service for a period of ninety (90) days, from and after the date of shipment from its Maple Heights, Ohio, U.S.A., plant.

THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ANY OTHER WARRANTIES EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY, FITNESS FOR PURPOSE, OR OTHERWISE, AND NO OTHER WARRANTIES BEYOND THOSE SPECIFICALLY SET FORTH ON THE FACE HEREOF SHALL APPLY TO THE GOODS SOLD HEREUNDER.
This warranty does not apply to any goods which have been subject to accident, negligence, alteration, abuse or misuse or upon which repairs or alterations have been made by others than Seller, except where said repairs are made by others with Seller's written approval.
All equipment being returned to Seller's plant must be returned on a freight prepaid basis and reshipped freight collect.
- 7.)** Seller makes no warranty with respect to accessory equipment manufactured by others and sold by Seller. These items are subject to the warranties of the manufacturer, and any warranty claims on these items shall be directed by the user to the respective manufacturer.
- 8.)** SELLER'S ONLY LIABILITY AND BUYER'S EXCLUSIVE REMEDY FOR BREACH OF CONTRACT AS TO ANY AND ALL GOODS, WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, OR OTHERWISE, SHALL BE REPLACEMENT OR REPAIR OF ANY PART OR PARTS WHICH ARE PROVEN TO SELLER'S SATISFACTION TO BE DEFECTIVE UNDER NORMAL USE AND SERVICE. AT SELLER'S PLANT IN MAPLE HEIGHTS, OHIO, U.S.A., OR AT A POINT DESIGNATED BY IT. UNDER NO CIRCUMSTANCES WILL SELLER BE RESPONSIBLE FOR ANY DIRECT, INDIRECT, SPECIAL CONSEQUENTIAL, INCIDENTAL OR OTHER LOSSES OR DAMAGES, DOWN TIME, LOSS OF PROFITS, COST OF CONSEQUENTIAL LABOR, CONTINGENT LIABILITIES OR FOR ANY EXPENSES INCURRED OR SUSTAINED BY BUYER AND/OR BY ANY OTHER PERSONS, ARISING FROM THE USE, SALE, PERFORMANCE, HANDLING AND/OR STORAGE OF ANY OF THE GOODS COVERED HEREBY, OR ANY TRANSPORTATION CHARGE INCURRED IN CONNECTION WITH THE REPLACEMENT OF OR REPAIR OF SUCH GOODS, OR FROM OTHER CAUSES, AND IN NO EVENT WILL SELLER'S LIABILITY EXCEED THE COST OF CORRECTING DEFECTS IN THE GOODS AS HEREIN PROVIDED, AND, UPON EXPIRATION OF THE AFORESAID WARRANTY PERIODS OF NINETY (90) DAYS OR ONE (1) YEAR AS APPLICABLE, ALL SUCH LIABILITY SHALL TERMINATE. ANY CLAIMS BY BUYER FOR ALLOWANCES MUST BE MADE WITHIN FIVE (5) DAYS AFTER RECEIPT OF SUCH GOODS.
- 9.)** Statements made by Seller with respect to ratings, life, performance, advantages or other qualities of its product shall be deemed estimates only, and no such statements shall constitute a warranty of any kind.
- 10.)** Seller will comply with all Federal, State, and Local laws and all government regulations necessarily applicable to a purchase order accepted by Seller. Any contract arising from Seller's acceptance of a purchase order is to be construed in accordance with the provisions of the Uniform Commercial Code as adopted by the State of Ohio.
- 11.)** Any technical data and correspondence by Seller, to any party shall be in the English language, and U.S.A. terms or measurements. Any desired translations or conversion thereof, into any other language or system of measurement, shall be performed by said party at its own risk and expense. Seller represents only that its technical data will be in accordance with the usual standards employed by Seller in its own business in the U.S.A.
- 12.)** No terms or conditions, other than those stated herein, and no agreement or understand, oral or written, in any way purporting to modify these terms and conditions shall be binding upon Seller unless hereafter made in writing and signed by its authorized representative. Seller hereby objects to and rejects any and all additional or different terms proposed by Buyer, whether contained in Buyer's purchasing or shipping release forms, or elsewhere. All proposals, negotiations and representations, if any, made prior and with reference hereto are merged herein.
- 13.)** Seller represents that these goods were produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof.