

STANDARD TERMS AND CONDITIONS OF SALE

1. **CONTROLLING TERMS AND CONDITIONS.** These Standard Terms and Conditions of Sale constitute an integral part of the contract between Seller and Buyer, and Seller agrees to sell to Buyer only on the express condition that Buyer assents to all of the terms and conditions set forth on each of Seller's Order Acknowledgements and Invoices and in these Standard Terms and Conditions of Sale. Seller's shipments hereunder shall not be deemed an acceptance of any provision of Buyer's offer, expression of acceptance, confirmation, or any other communication which is different from, inconsistent with, or in addition to the terms hereof. All prior proposals, negotiations, representations, and agreements, if any, regarding this transaction are superseded and merged herein, unless subject to or supplemented by other terms and conditions set forth in a separate written agreement intended to govern the relationship between the parties (in which case the terms and conditions thereof shall be deemed to govern to the extent of any inconsistency herewith).
2. **PRICES.** All prices, unless stated as firm, shall be adjusted to Seller's prices in effect at the time of shipment. If transportation charges are included in the prices, any changes in transportation charges shall be to Buyer's account. Unless otherwise stated herein, Seller shall not be responsible for switching, handling, storage, demurrage, or any other transportation or peripheral charges.
3. **TERMS OF PAYMENT.** Buyer shall pay the net invoice amount in full within 30 days from date of invoice, unless other payment arrangements have been contractually made between Seller and Buyer. Buyer agrees to pay a time-price differential charge (service charge) of the lesser of 1.5% per month (18% per annum) or the maximum lawful rate on all past due amounts, and to pay all collection costs incurred by seller in enforcement of the terms and conditions of this agreement, including court costs, actual reasonable attorney's fees and collection agency fees, within the standards of the industry, but not less than 25% of the unpaid amount of principal and accumulated service charge, all without relief from valuation and appraisal laws.
4. **CREDIT APPROVAL.** Performance of work and shipment will at all times be subject to approval by Seller's Credit Department. Seller may at any time condition its performance upon receipt of advanced payment, acceptable security, or agreement to other reasonable credit-related terms and conditions. Buyer represents that by placing its order it is not insolvent as that term is defined in §1-201 (23) of the Uniform Commercial Code, and, should it become insolvent before delivery of the Goods, it will notify Seller. Failure to notify Seller shall be deemed to constitute a written representation of Buyer's solvency as of the date of shipment.
5. **SHIPMENT.** Terms are F.O.B. Seller's place of business in Pittsboro, Indiana and Buyer shall pay all shipping cost. Title and risk of loss passes to Buyer after Seller delivers the Goods to the Carrier. All claims for damages incurred during shipment, whether to person or property, shall be made by Buyer directly to its Carrier, including any claims arising from the failure of the carrier to comply with federal, state and local weight and/or size limitations. In the event that Seller arranges for a Carrier to ship the goods to Buyer, Buyer acknowledges that such arrangements are for Buyer's benefit and releases Seller for any claims, whether to person or property, arising out of the Seller's weighing of the Goods sold. Buyer further acknowledges that Seller's weighing of the Goods is not for the purpose of determining conformity of the shipment with local, state or federal laws or conformity with any permit issued to the Carrier. Shipment shall be made freight collect, unless otherwise stated herein (in which case shipment shall be made freight prepaid and a freight charge shall be included in Seller's invoice.) When loads are scheduled for pick-up, Carrier shall comply with the "Driver Pick-up Procedures" Appendix included herein.
6. **DELIVERY.** Shipment schedules are approximate and are based upon market and production conditions at the time of Seller's acceptance of Buyer's order. Seller shall in good faith attempt to ship by the date specified. Buyer agrees, however, that Seller shall not be liable for any delay in or failure to make one or more deliveries hereunder if such delay or failure is due to force major, acts of God, war, riot, embargoes, acts of civil or military authorities, fires, floods, accidents, quarantine, restrictions, mill conditions, strikes, delays in transportation, shortage of cars, fuel, parts, labor or materials, or any other circumstances or cause beyond Seller's control.
7. **WARRANTY.** Subject to the provisions of Paragraph 10, Seller warrants that the Goods delivered hereunder will conform to the specifications or grade described in the applicable Order Acknowledgement or Invoice. SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
8. **CONFORMITY OF GOODS.** Buyer shall promptly inspect the Goods upon delivery. If, upon receipt by Buyer, Goods shall appear not to conform to the contract, Buyer shall immediately notify Seller in writing of such condition and afford Seller a reasonable opportunity to inspect the Goods. No Goods shall be returned without Seller's prior consent. Buyer's exclusive remedy against Seller for breach of warranty in respect of any non-conformity of Goods shall be limited, at Seller's sole option, to replacement of the non-conforming Goods, to issuance of a return authorization and credit for the purchase price of the non-conforming Goods, or effecting a purchase price adjustment if Buyer can use the non-conforming Goods. Seller may further issue a credit to Buyer for any processing expenses incurred by Buyer, to the point of discovery of the non-conformity, in such amount and under such circumstances as Seller in its sole discretion shall determine. Buyer specifically agrees that Seller shall not be liable for any special, incidental, or consequential damages under any circumstances.
9. **FAILURE TO ACCEPT.** Except where and only to the extent that Seller has agreed to accumulate Goods for Buyer's account for later shipment, if Buyer either requests deferral of a shipment of Goods otherwise ready for shipment, or fails to release Goods for shipment, or otherwise fails to provide information or documentation necessary for the delivery of Goods, otherwise ready for shipment, and, as a result thereof, Goods must be placed in storage, or held therein longer than agreed, Seller may charge Buyer storage fees commencing 5 days after Seller's notice to buyer that the Goods are available for shipment.
10. **PERMISSIBLE STANDARDS, TOLERANCES AND VARIATIONS; INFORMATION PROVIDED BY OTHERS.** Except as otherwise stated herein or as otherwise agreed to in writing in a separate instrument, with specific reference to or intended to govern this transaction, all Goods shall be produced in accordance with Seller's standard practices. All Goods, including those produced to meet an exact specification, shall be subject to tolerances and variations consistent with usages of the trade and regular mill practices concerning dimension, weight, straightness, section, composition and mechanical properties, normal variations in surface, internal conditions and quality, deviations from tolerances and variations consistent with practical testing and inspection methods, and regular mill practices concerning over and under shipments. Seller shall not be responsible for the correctness, adequacy or consistency of any specifications or other information furnished by others, including (but not limited to) drawings, material specification, coding, structural design or details, plans, bills of material, or any other type of information, regardless of how it is communicated.
11. **SECURITY INTEREST.** The Buyer hereby grants to Seller a security interest in Buyer's equipment, contract rights, inventories, receivables, and proceeds of sales as collateral to secure the Buyer's performance of all present and future obligations to seller. The Buyer hereby appoints any employee, agent, or attorney of Seller as Buyer's attorney in fact to endorse and file on behalf of Buyer any UCC 1 form to perfect or record the security interest.
12. **APPLICABLE LAW.** This Contract shall be treated as a contract made in the State of Indiana and shall be governed by the laws of Indiana. Any action or suit initiated by Buyer in connection with this Contract must be brought in any federal or state court located in Hendricks County, Indiana, and Buyer hereby consents to the jurisdiction of such courts.
13. **WAIVERS.** Any waiver by Buyer or Seller of a breach of a term or condition of this Contract shall not be construed as a waiver of any other breach of any other term or condition, or a waiver of any similar future breach of the same term or condition.
14. **SUCCESSORS.** The terms of this Contract shall be binding on, and inure to the benefit of Buyer, Seller, and their respective successors and assigns. Buyer agrees that it may not assign this Contract without the prior written consent of Seller.
15. **CANCELATIONS, MODIFICATIONS/CHANGE ORDERS.** Buyer may NOT cancel, modify or otherwise change an order without Seller's written consent and acknowledgement. All requests for cancellation, modification or alteration shall be subject to such conditions as may be mutually agreed to by Buyer and Seller, which shall include, at a minimum, protection of Seller against loss.