

## TERMS OF SALE

### 1 LIMITATIONS OF WARRANTIES, REMEDIES AND DAMAGES

THE WARRANTY STATED IN THIS SECTION IS GIVEN IN PLACE OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE. NO PROMISE OR AFFIRMATION OF FACT MADE BY ANY AGENT OR REPRESENTATIVE OF SELLER SHALL CONSTITUTE A WARRANTY BY SELLER OR GIVE RISE TO ANY LIABILITY OR OBLIGATION.

Seller warrants that the goods manufactured by it will be, at the date of shipment, free from defects in workmanship and materials and that any installation thereof by Seller will be free from defects in workmanship. Seller also agrees to notify Buyer of any and all non-conforming product and agrees to obtain approval for nonconforming product disposition. Seller makes no warranty with respect to goods or parts manufactured by others, such goods or parts to carry only such warranty as may be given by the manufacturer.

SELLER'S OBLIGATION IN THE EVENT OF BREACH OF WARRANTY OR CONTRACT OR OF NEGLIGENCE OR OTHERWISE WITH RESPECT TO GOODS OF SERVICES FURNISHED HEREUNDER SHALL BE STRICTLY AND EXCLUSIVELY LIMITED TO THE REPAIR OR REPLACEMENT OF ANY PARTS OR THE CORRECTION OF ANY WORK WHICH SELLER DETERMINES TO HAVE BEEN DEFECTIVE AT THE DATE OF SHIPMENT OR IF THE GOODS ARE INSTALLED BY SELLER AT THE DATE OF INSTALLATION, or if Seller determines that such repair, replacement or correction is not feasible, to a refund of the purchase price upon return of the goods to Seller.

UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR "INCIDENTAL DAMAGES" OR "CONSEQUENTIAL DAMAGES" AS THOSE TERMS ARE DEFINED IN SECTION 2-715 OF THE UNIFORM COMMERCIAL CODE.

NO CLAIM AGAINST SELLER FOR ANY DEFECT IN THE GOODS, INSTALLATION OR OTHER SERVICES, WHETHER FOR BREACH OF WARRANTY, CONTRACT OR FOR NEGLIGENCE OR OTHERWISE, SHALL BE VALID OR ENFORCEABLE UNLESS BUYER'S WRITTEN NOTICE THEREOF IS RECEIVED BY SELLER WITHIN SIX MONTHS FROM THE DATE OF SHIPMENT OR, IN CASE OF INSTALLATION BY SELLER, WITHIN SIX MONTHS FROM THE DATE OF SELLER'S FINAL TEST OF THE INSTALLED GOODS.

Any action against Seller for breach of this warranty or contract or for negligence of Seller must commence within one year after such cause of action accrues.

### 2 TAXES

Any sales, use, excise, property and other taxes applicable to this transaction and the goods and/or services furnished hereunder are not included in the price of such goods and/or services and shall be paid by Buyer when due. If Seller pays such taxes, Buyer shall reimburse Seller therefore upon demand.

### 3 DELIVERY - DELAYS

- a Unless otherwise specified herein, deliveries shall be F.O.B. points of shipment.
- b Estimated shipping dates are approximate and Seller shall not be liable for loss or damage because of delays occasioned by labor disputes, damages to Seller's facilities, or failure of Seller's suppliers or subcontractors to meet scheduled deliveries or because of any cause beyond Seller's reasonable control.
- c If shipment is delayed at Buyer's request, the goods shall be deemed to be stored at Buyer's risk and expense and Seller may thereupon bill Buyer for the full price and storage costs. Buyer shall pay such bill within 10 days.

### 4 RISK OF LOSS

Except as otherwise provided in Section 3c and notwithstanding anything else herein to the contrary, risk of loss shall pass to the Buyer upon Seller's delivery of goods to carrier.

### 5 BUYER'S INSPECTION UPON RECEIPT OF SHIPMENT

Buyer shall inspect the goods, as soon as received. If any loss or damage is discovered, Buyer must notify both the carrier's agent and Seller at once. Seller will cooperate with Buyer in filing claim with carrier.

### 6 CHANGES - CANCELLATION TO AGREEMENT

Seller reserves the right to change or cancel this agreement because of any circumstances requiring allocation of production or delivery, or because such change or cancellation is deemed by it necessary to comply with laws, ordinances, regulations, directives or administrative actions.

### 7 TOOLS, DIES, AND JIGS

Unless otherwise specified herein, Buyer is not entitled to remove tools, dies, jigs, and the like prepared by Seller for production of the goods, and Seller is not obligated to preserve such make ready devices beyond what it deems to be a reasonable time.

### 8 ASSURANCES

Seller's obligations hereunder shall at all times be subject to the approval of the Seller's Credit Department. Seller may at any time decline to make any shipment or perform any work except upon receipt of payment or upon terms and conditions or security satisfactory to such Department.

### 9 PATENTS

Seller agrees that it will, at its own expense, defend and hold Buyer free and harmless in any suit or proceeding brought against the Buyer insofar as the same is based on a claim that use of the goods furnished hereunder in the intended manner and for the purpose for which said goods are furnished constitutes an infringement of any existing U.S. patent, provided Buyer gives Seller prompt written notice of such suit or proceeding, permits Seller through its counsel to defend and/or settle the same and gives Seller all necessary information, assistance, and authority to enable Seller so to do. In case such use of said goods is in such suit held to constitute infringement and the use of said goods is enjoined, Seller shall, at its own expense and at its option, either: (i) procure for Buyer the right to continue using said goods; or (ii) replace the same with non-infringing goods; or (iii) modify said goods so as to become non-infringing, or (iv) remove said goods and refund the purchase price. The foregoing states the entire liability of Seller for patent infringement by the goods furnished hereunder and is not to be construed in any way as rendering Seller liable for damages.

THE FOREGOING PROVISION OF THIS SECTION SHALL NOT APPLY TO ANY GOODS, MATERIALS OR COMPONENTS SPECIFIED BY BUYER OR MANUFACTURED TO BUYER'S DESIGN, NOR TO ANY GOODS MODIFIED BY BUYER OR AT BUYER'S REQUEST. As to such goods Seller assumes no liability whatsoever for patent infringement and Buyer agrees that it will, at its own expense, defend and hold Seller free and harmless in any suit or proceeding brought against Seller insofar as the same is based on a claim that use of such goods constitutes an infringement of any existing patent. Seller agrees to give Buyer written notice of such suit or proceeding, permit Buyer through its counsel to defend and/or settle the same, and give Buyer all necessary information, assistance, and authority to enable Buyer so to do.

10 DRAWINGS

All drawings, designs, details, specifications and other data prepared by Seller are confidential disclosures loaned to Buyer by Seller and shall be received as such by Buyer subject to the conditions that each, and the information embodied therein, shall not be used or caused to be used in any way prejudicial to the interest of Seller and shall not be reproduced or copied in whole or in part. Drawings, manuals, and the like, if any, required to be supplied to Buyer hereunder shall be the property of Buyer, but Buyer agrees to use them solely for the purpose of maintaining and operating the goods, and agrees not to disclose the same to others or to use the same for any other purpose without the written consent of Seller.

11 PRODUCT – PROCESS CHANGES

The Seller agrees to notify Buyer of any changes to the product and/or process, changes of sub-suppliers, changes of manufacturing facility locations, or anything other than originally agreed to and obtain organizational approval.

12 RECORD – RETENTION

The Seller agrees to retain records for a minimum period of 10 years unless otherwise agreed upon and documented with Buyer and Customer

13 MISCELLANIOUS

This proposal when accepted by Buyer will contain and constitute the entire agreement between and binding upon Seller and Buyer, superseding all previous understandings regarding this transaction.

Any amendment or modification of this agreement shall be void unless in writing and signed by Seller.

This agreement shall be governed by the Uniform Commercial Code as in force in New York State on the date thereof.

Any parts being returned to Riley (for any reason) must have an RMA (Return Material Authorization) number assigned prior to receipt at Riley.