

Standard Terms and Conditions

(Applicable to All Quotations and Orders)

ButtWelders USA, Inc

1. GENERAL

Any order that contains terms and conditions in addition to or inconsistent with the following shall not be binding upon ButtWelders USA, Inc unless acceptance thereof is made in writing by ButtWelders USA, Inc to object to provisions contained in any purchase order or other communication from Buyer shall not be construed as a waiver of these conditions nor an acceptance of any such provisions.

ButtWelders USA, Inc written quotations become void unless accepted by the Buyer within 30 Days of their date. **PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE, EXCEPT AS SPECIFIED IN PARAGRAPH 15 BELOW.**

2. PENALTY CLAUSES

Contracts or quotations showing penalty clauses for failure to meet shipment are not acceptable unless specifically approved in writing by an officer of ButtWelders USA, Inc

3. WARRANTY

New equipment manufactured by ButtWelders USA, in care warranted to be free from defect in workmanship and material for a period of one year from the date of shipment by ButtWelders USA, Inc Phone 321-363-4916 FAX: 321-363-4917

On all rebuilt equipment shipped by ButtWelders USA, Inc they are warranted for 3 months from the date of shipment for parts only.

On all shipments sold "as is" there is no warranty on this equipment, but must be accepted "as is".

Any products which are defective in workmanship or material will be repaired or replaced, at ButtWelders USA Inc.'s option, at no charge to the Buyer. Final determination as to whether a product is actually defective rests with ButtWelders USA, Inc The obligation of ButtWelders USA, Inc hereunder shall be limited solely to repair or replace, at the discretion of ButtWelders USA Inc. products that fall within the foregoing limitations, and shall be conditioned upon receipt by ButtWelders USA, Inc of written notice of any alleged defects or deficiency promptly after components or units purchased by ButtWelders USA Inc. the obligation of ButtWelders USA, Inc shall not exceed the settlement that ButtWelders USA, Inc is able to obtain from the supplier thereof. No products shall be returned to ButtWelders USA, Inc without prior consent. Products which ButtWelders USA, Inc consents to have returned shall be shipped prepaid f.o.b., ButtWelders USA Inc. cannot assume responsibility or accept invoices for unauthorized repairs to its components, even though defective.

The life of the products of ButtWelders USA, Inc depends, to large extent, upon type of usage thereof, and ButtWelders USA, Inc **MAKES NO WARRANTY AS TO FITNESS OF ITS PRODUCTS FOR SPECIFIC APPLICATIONS**

ButtWelders USA, Inc.

1683 Beardall Ave., Unit 153 Sanford, FL 32771 * Ph (321) 363-4916* FAX (321) 363-4917

Neither BY THE BUYER NOR AS TO PERIOD OF SERVICE UNLESS BUTTWELDERS USA, INC SPECIFICALLY AGREES OTHERWISE IN WRITING AFTER THE PROPOSED USAGE HAS BEEN MADE KNOWN TO IT.

THE FORGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

This warranty does not apply to experimental or developmental products.

4. LIMITATION OF LIABILITY

IN NO EVENT SHALL BUTTWELDERS USA, INC. BE LIABLE FOR LOSS OF PROFITS, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES.

5. PATENTS

ButtWelders USA, Inc will hold Buyer harmless against any liability for infringement of any apparatus claim of any United States patent, issued at the date of the contract, and arising out of the sale or use in the form supplied by ButtWelders USA, Inc of equipment designed and/or manufactured by ButtWelders USA Inc.

ButtWelders USA, Inc will assume no liability with respect to equipment specified by either ButtWelders USA, Inc or Buyer, but not designed and/or manufactured by ButtWelders USA Inc.

Buyer will hold ButtWelders USA, Inc harmless against any liability for infringement of any apparatus claim of any United States patent issued at the date of the Contract, and involving equipment furnishing by ButtWelders USA, Inc in accordance with drawings and/or specifications furnished by the Buyer.

The party assuming liability, as above stated, shall be notified immediately of any assertion of infringement, and shall have the absolute Control of the defense thereto, including the right to settle, defend against legal action, or make changes in the equipment to avoid infringement.

6. DELAY

Delay in delivery of any installment shall not relieve Buyer of his obligation to accept remaining deliveries. ButtWelders USA, Inc shall not be liable for damage as a result of any delay due to any cause beyond ButtWelders USA Inc.'s control, including, without limitations, acts of God, act of the Buyer or his representatives, embargo or other governmental act, regulation or request, fire, accident, strike, slow-down, war or riot delay in transportation or inability to obtain necessary labor, materials, fuel, or manufacturing facilities. In the event of any such delay, the date of delivery shall be extended for a period equal to the lost by reason of delay, and, if such delay is caused by the act of the Buyer or his representatives, ButtWelders USA, Inc shall be reimbursed for any additional cost arising from such delay.

7. PAYMENTS

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Standard terms of credit for orders under \$5,000.00 are net 15 days providing satisfactory credit is established with ButtWelders USA, Inc. Amounts past due are subject to a service charge of 1 ½% per month or portion thereof, plus all cost of collection. All quoted prices and payments shall be in U.S. Dollars.

If, in the judgment of ButtWelders USA, Inc the financial condition of the Buyer at any time does not justify continuance of production of shipment on the terms of payment originally specified, ButtWelders USA, Inc may required full or partial payment in advance, and, in the event of bankruptcy or insolvency of the Buyer or if Buyer fails to pay ButtWelders USA, Inc any sum when due, then upon 7 Calendar days written notice ButtWelders USA, Inc may cancel any order then outstanding and shall receive reimbursement for its cancellation charges.

Each shipment shall be considered a separate and independent transaction and payment therefore shall be made accordingly, if the work covered by the purchase order is delayed by the Buyer, upon demand by ButtWelders USA, Inc payments shall be made on the purchase price based upon percentage of completion. Products held for the Buyer shall be at the risk and expense of the Buyer unless otherwise agreed upon in writing.

ButtWelders USA, Inc reserves the right to ship to its order and make collection by sight draft, C.O.D., or any other terms approved in writing by ButtWelders USA Inc.'s Credit Department.

8. SECURITY INTEREST

ButtWelders USA, Inc retains title to and a security interest in all products sold to Buyer hereunder until the purchase price and other charges, if any, are paid in full. Upon request of ButtWelders USA Inc. Buyer will execute any document or furnish any notices necessary to perfect the security interest of ButtWelders USA, Inc in the products sold hereunder.

9. TAXES AND OTHER CHARGES

Any manufacturer's tax, retailer's occupation tax, use tax, sales tax, excise tax, duty, custom, inspection or testing fee, or any other tax, fee or charge of any nature whatsoever, imposed by any governmental authority, on or measured by any transaction between ButtWelders USA, Inc and the Buyer shall be paid by the Buyer in addition to the prices quoted or invoiced.

10. FREIGHT ALLOWANCE

All prices quoted are f.o.b. ButtWelders USA Inc.'s factory. Associated freight charges will be added to the customer's invoice to the product(s). ButtWelders USA, Inc will select origin of shipment, method of transportation and routing of shipment.

11. PACKING

Prices quoted provide for standard packing for domestic shipment only. If special packing is required for domestic shipment or for export shipments refer to the factory.

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12. MINIMUM BILLING

Minimum billing for any apparatus or parts sold by ButtWelders USA, Inc shall be \$50.00.

13. RETURNS

Before returning material to ButtWelders USA Inc.'s factory, authorization must be obtained from the factory.

14. CANCELLATION, RESCHEDULING & CHANGES

A- CANCELLATION

Cancellation of any item on an order to ButtWelders USA, Inc will be accepted only on the following basis: Any items which upon receipt of a written notice of cancellation are within thirty calendar days of completion, as determined by ButtWelders USA Inc.'s best estimate at the time of receipt of cancellation notice, will be completed and paid for by Buyer in full under the regular terms and conditions of billing. All items which are not within 30 days of completion when cancellation notice, will be completed and paid for by Buyer in full under the regular terms and conditions of billing. All items which are not within 30 days of completion when cancellation is required shall be cancelled for a termination charge of 10% of the net selling price, plus the cost of labor, materials and supplies applied to the production of such items and overhead expenses determined in accordance with good accounting practice. In the event of cancellation of incomplete equipment, ButtWelders USA, Inc figures

Shall be accepted as final and ButtWelders USA, Inc shall be paid within 30 calendar days from date of cancellation. Failure to pay ButtWelders USA, Inc for cancelled material within said thirty calendar days shall constitute Buyer's agreement that ButtWelders USA, Inc for cancelled material within said thirty calendar days shall constitute Buyer's agreement that ButtWelders USA, Inc may dispose of the cancelled materials as it sees fit without further credit to Buyer or obligation of any nature by ButtWelders USA, Inc is delayed by the Buyer, upon demand by ButtWelders USA, Inc payments shall be made on the purchase price based upon percentage of completion. Products held for the Buyer unless otherwise agreed upon in writing.

B- RESCHEDULING

A one-time hold on any item ordered from ButtWelders USA, Inc will be allowed for a maximum of 30 days. After 30 days or upon receipt of notice of a second hold, ButtWelders USA, Inc shall have the right to cancel the order and issue the appropriate cancellation charges which shall be paid by Buyer. Orders rescheduled with ButtWelders USA Inc.'s consent shall have prices

Adjusted in accordance with ButtWelders USA Inc.'s price protection policy for the product(s) (Paragraph 15). In the event that production has proceeded to

The point that ButtWelders USA, Inc deems it cannot reasonably reschedule completion; the product shall be completed, invoiced, and placed in storage at Buyer's expense.

C- CHANGES

If the Buyer requests a product change, ButtWelders USA, Inc will charge for all cost (\$50.00 Minimum) necessary to make the change. These costs include, but are not

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limited to, engineering, drafting, order processing, tooling, hardware, rework, and scrap. In addition to the price book charge, if any, for the product modification shall apply.

15. PRICE PROTECTION

Only those orders which were fully specified and released for production prior to the effective date of a price increase are eligible for price protection. The date on which orders are fully specified and released for production shall be the effective "date of order" as incorporated in the following price protection provisions:

Excluded from the protection afforded herein:

- 1) ButtWelders USA, Inc cannot give price protection in the event of Buyer caused delay for reasons including but not limited to: incomplete information, print approval, lack of shipping instruction, and the price will be adjusted in accordance with any changes in ButtWelders USA Inc.'s published prices and discounts from date order of order to date of shipment.
- 2) ButtWelders USA, Inc cannot give price protection in the event shipment has been delayed due to causes beyond ButtWelders USA Inc.'s reasonable Control as stated in Article 6 "Delay", price adjustment based on actual date of shipment shall prevail.

*Prices will be those in effect at time of shipment, price adjustment will be in accordance with the change in ButtWelders USA Inc.'s published prices and discounts during the period from time of order to time of shipment.

16. REGULATORY LAWS AND/OR STANDARDS

ButtWelders USA, Inc makes no promise or representation that its products will conform to any federal, state or local laws, ordinances, regulation codes or standards, except as particularly specified and agreed upon for compliance in writing as part of a contract between Buyer and ButtWelders USA, Inc ButtWelders USA, Inc prices do not include the cost of any related inspections or permits, or inspection fees.

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