

TERMS AND CONDITIONS OF SALE

1. **TERM ACCEPTANCE:** Unless otherwise specified in writing, all ValuTex Reinforcements (ValuTex) proposals are valid for a period of thirty (30) days from the date of issuance. All ValuTex proposals, Orders, and sales are conditional upon customer's acceptance of these terms and conditions, notwithstanding receipt or acknowledgement of the Order, specifications containing additional or different terms, or conflicting oral representations by any agent or employee of ValuTex. The Order and all sales by ValuTex under the Order are governed exclusively by these terms and conditions.
2. **PAYMENT TERMS:** All sales are F.O.B. Seller's plant unless otherwise specified in writing by ValuTex. Buyer is responsible for all freight and insurance agreed upon in writing, terms shall be net thirty (30) days from date of invoice with approved credit application.
3. **CREDIT:** Seller reserves the right to suspend credit at any time when in its judgment such action is warranted and may suspend or reduce any or all of the balance of deliveries hereunder, or cancel this or any other order of the Buyer, when any sum due hereunder is in arrears. If the Buyer does not make all payment when due, Buyer promises to pay in addition to all amounts due under the agreement, all cost of collection and reasonable attorney's fees acquired by Seller on account of such collection whether or not suits filed herein.
4. **TAXES:** Customer is responsible for all sales, use, excise, and other similar taxes, duties and charges levied as a result of this order. ValuTex's pricing is exclusive of all such taxes, duties and charges.
5. **CHANGES:** Changes may be made in the Buyer's Order provided a written change order, agreed to and signed by the Seller and Buyer in writing, is issued prior to the change. A charge may be made at the discretion of the Seller, for changes in drawings, specifications or loading instructions after the Buyer and Seller have previously agreed upon same. The total charge for such a change will be reviewed in detail with the Buyer upon written authorization or direction for such changes.
6. **CANCELLATION:** Buyer's cancellation of any Order must be received **FOURTEEN (14) CALENDAR DAYS PRIOR TO SHIP DATE** providing the order has not commenced to build. A twenty percent (20%) restocking charge will apply to any allowable order cancellation. Cancellation will be at the sole discretion of the ValuTex and may be subject to additional cancellation charges due to the special order of raw materials.
7. **FORCE MAJEURE:** Except for any payment obligation, neither party shall be deemed to be in default or liable for any delay in the event and to the extent that performance thereof is delayed or prevented by acts of God, public enemy, war, terrorist act, civil disorder, fire, flood, explosion, riot, labor disputes, work stoppages or strike, unavailability of equipment or material, any act or order of any government authority or any other cause, whether similar or dissimilar, beyond its control.
8. **DELAYS:** The delivery and performance dates in the Order are approximate only; ValuTex shall not be liable for nor be in breach of these terms and conditions because of any delivery or performance within a reasonable time after such dates. In no event shall ValuTex be liable for any delays caused by failure of customer to provide any necessary information in a timely manner.
9. **CLAIMS OR RETURNS:** No claims will be allowed in respect of damaged or short weight goods or in respect of errors in price or terms of sale unless made in writing to Seller within five (5) days of delivery to Buyer of the goods in respect of which such claim is made or of related invoice as the case may be. No claim will be allowed for any other reason in respect for goods delivered hereunder unless made in writing to the Seller within thirty days after the date of delivery. Any action for breach of this Contract must begin within one (1) year after the cause of action has occurred. **NO CLAIM IN RESPECT OF GOODS DELIVERED HEREUNDER SHALL BE GROUNDS FOR WITHHOLDING PAYMENT THEREFORE, NOR SHALL IT GIVE ANY RIGHT OF SET-OFF AGAINST OTHER PAYMENTS DUE FROM THE BUYER TO THE SELLER. SUCH ACTION WILL BE INJURIOUS TO THE BUYER'S CREDIT AND PAYMENT STANDINGS WITH THE SELLER AND MAY EFFECT FUTURE SHIPMENTS OF ORDERS.**
10. **WARRANTIES:** VALUTEX MAKES NO WARRANTY OF ANY KIND, EXPRESSED OR IMPLIED, EXCEPT THAT GOODS DELIVERED HEREUNDER SHALL BE OF MERCHANTABLE QUALITY WITH THE EXCEPTION OF ANY GOODS DESIGNATED HEREIN AS BEING EXPERIMENTAL OR DEVELOPMENTAL PRODUCTION, OR OF INFERIOR QUALITY OR GOODS DESIGNATED "AS IS" OR "BEST EFFORT", WHICH THE SELLER MAKES NO WARRANTY WHATSOEVER.
11. **LIMITATIONS:** IN NO EVENT SHALL VALUTEX BE LIABLE FOR ANY WARRANTIES IMPLIED BY LAW OR OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. VALUTEX SHALL NOT BE LIABLE FOR ANY DAMAGES OF ANY TYPE, INCLUDING BUT NOT LIMITED TO, ANY LOST PROFITS, LOST SAVINGS, LOSS OF ANTICIPATED BENEFITS, OR OTHER CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING OUT OF PERFORMANCE OR FULFILLMENT OF THIS ORDER INCLUDING SUCH DAMAGES BASED ON CONTRACT NEGLIGENCE, STRICT TORT, OR UNDER ANY WARRANTY, OR OTHERWISE, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR FOR ANY OTHER CLAIM BY ANY OTHER PARTY.
12. **LAW AND ARBITRATION:** The Contract shall be governed and construed under the law of the State of Ohio. Any controversy arising in any way related to an order shall be settled by arbitration by three disinterested arbitrators, in accordance with the rules of American Arbitration Association. All fees shall be paid by the party against whom the arbitrators shall render their award or as otherwise directed by the arbitrators.