

**Pero Sales, Inc.**  
(REFERRED TO HEREIN AS THE COMPANY)  
**Standard Conditions of Sale**

**1. TERMS.** The following terms and conditions will apply to all proposals, quotations and sales by PERO SALES, INC. ("Company") of its equipment and other products. Acceptance by company of the purchaser's order, or purchaser's acceptance of Company's proposal, is expressly limited to and conditioned upon purchaser's acceptance of these terms and conditions. Company expressly rejects all additional, inconsistent or different terms, whether in purchaser's purchase order or other documents. Purchaser acknowledges that notwithstanding anything to the contrary contained in its purchase order or other documents, purchaser's receipt and acceptance of the equipment or other products will constitute acceptance of these terms and conditions. All orders are subject to acceptance in writing by company.

**2. CANCELLATION.** Orders accepted by the Company may not be canceled without the Company's written consent, and without the Company's being reimbursed for any and all expenses including but not limited to expenses arising from fabrication and engineering done in connection with the order.

**3. SHIPMENT.** Shipping dates are approximate and date from receipt of complete and accurate purchase order. The Company reserves the right to make partial shipments. The Company shall not be liable for loss, damage or delay caused by fire, strike, civil or military authority, insurrection or riot, embargoes, shortages, wrecks and delays in transportation, or inability to obtain necessary labor, materials, or manufacturing facilities due to such causes or resulting from other causes beyond its control. Delivery of all or any part of this contract is contingent on the Company's ability to obtain raw material and parts, and is further subject to the requirements and regulations, including priority systems, of the U.S. Government or any agency thereof or by Company's acceptance of U.S. Government contracts. Receipt of the equipment sold hereunder by the Purchaser upon its delivery shall constitute a waiver of all claims for delay. The Purchaser agrees to assume all risk for loss or damage or injury to, the equipment from the time it is delivered to a carrier at the manufacturing facility.

**4. PAYMENT; TAXES.** Payment is due within 30 days of invoice date. Late payments are subject to a finance charge of 1½% per month, but not more than the maximum rate permitted by applicable law. If Purchaser defaults, without in any manner limiting the damages to which Company may be entitled, Purchaser will pay on demand all collection costs and expenses, including reasonable attorneys' fees and expenses. The price does not include sales, excise, use, gross receipts or similar taxes, whether now existing or hereafter arising, and all such taxes and charges will be paid by Purchaser.

**5. SPECIFICATIONS.** In the event Purchaser desires changes in specifications furnished by the Company, such changes shall be subject to Company's acceptance and any increased cost resulting therefrom shall be paid by Purchaser upon invoice.

**6. TITLE.** The title and right of possession of any equipment and material sold hereunder shall remain in and with the Company until fully paid for in cash, notwithstanding F.O.B. shipment.

**7. LIMITED WARRANTY.** The Company warrants products supplied to Purchaser against defects of material and workmanship under normal use and service for a period of eighteen (18) months from date of shipment or twelve (12) months from date of installation whichever occurs first. This warranty does not apply to any of Company's products or any part thereof which has been subject to extraordinary wear and tear, improper installation, accident, abuse, misuse, overloading, negligence or alteration. On products furnished by Company, but manufactured by others, such as motors, Company extends the same warranty as Company received from the manufacturer thereof. Expenses incurred by Purchaser(s) in repairing or replacing any defective product will not be allowed except where authorized in writing and signed by an officer of the Company.

The obligation of the Company under this warranty shall be limited to repairing or replacing F.O.B. manufacturing facility or allowing credit at Company's option. This warranty is expressly in lieu of all other warranties expressed or implied including the warranties of merchantability and fitness for a particular purpose and of all other obligations and liabilities of the company. The purchaser acknowledges that no other representations were made to purchaser or relied upon by purchaser with respect to the quality or function of the products herein sold.

**8. LIMITATION OF LIABILITY.** Notice of any claim, including a claim for defect in material or workmanship, must be given to Company in writing within 30 days after receipt of the equipment or other products. Company reserves the right to inspect any alleged defect at Purchaser's facility before any claim can be allowed and before adjustment, credit, allowance, replacement or return will be authorized. Purchaser will not return any equipment or other products unless Purchaser has first

obtained a written return authorization from Company. Company's liability with respect to such defects will be limited to the replacement, free of charge, of parts returned at Purchaser's expense F.O.B. manufacturing facility and found to be defective. IN NO EVENT WILL COMPANY BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, INCLUDING WITHOUT LIMITATION DAMAGES FOR INJURY TO PERSONS OR PROPERTY, LOST PROFITS OR REVENUE, LOST SALES OR LOSS OF USE OF ANY PRODUCT SOLD HEREUNDER. PURCHASER'S SOLE AND EXCLUSIVE REMEDY AGAINST COMPANY WILL BE THE REPLACEMENT OF DEFECTIVE PARTS AS PROVIDED HEREIN OR REFUND OF THE PURCHASE PRICE FOR DEFECTIVE PRODUCTS, AT COMPANY'S SOLE OPTION. COMPANY'S LIABILITY ON ANY CLAIM, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, FOR ANY LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH PURCHASER'S ORDER OR THE PRODUCTS OR EQUIPMENT PURCHASED HEREUNDER, SHALL IN NO CASE EXCEED THE PURCHASE PRICE OF THE EQUIPMENT GIVING RISE TO THE CLAIM.

**9. RESPONSIBILITY.** It is the understanding of the Company that Purchaser will use this equipment in conjunction with additional equipment or accessories to comply with all local and Federal regulations. The Company assumes no responsibility for Purchaser's compliance with state and local regulations.

**10. AGREEMENTS.** There are no oral or written understandings or agreements between the Company and Purchaser relative to this matter which are not fully expressed herein or in the accompanying quotation. Typographical errors are subject to correction. All purchase orders of the Purchaser shall be accepted in accordance with these Standard Conditions of Sale. Company's terms and conditions take precedence over Purchaser's conditions. Purchaser may not assign its rights or delegate its duties hereunder, or assign any interest herein, without Company's prior written consent. Any such assignment or delegation without Company's prior written consent shall be void and of no effect. Conflicting Purchaser's terms and conditions are not accepted by the Company without a specific written acknowledgment by an officer of the Company. This contract shall be construed in accordance with the laws of the State of Missouri.

**11. ADVICE.** Any technical or other advice furnished by Company to Purchaser with respect to the equipment or other products purchased from Company is given without charge and Company assumes no obligation or liability for the advice or the results thereof. Purchaser's reliance on any such advice is at its own risk.

**12. INDEMNIFICATION.** Purchaser will hold Company harmless against any expense, loss, or damage resulting from actual or alleged infringement or violation of any patent, copyright, trademark or other intellectual property right as a result of Company's compliance with Purchaser's designs, specifications or instructions. Purchaser shall further hold Company harmless against liability or obligation with respect to any expense, loss or damage resulting from equipment, parts or materials being improperly installed or stored, subjected to accident, damage, misuse or abnormal or unusual operating conditions or conditions not made known in writing to or contemplated by Company at the time of agreement of sale, or applied or used for a purpose at variance in any degree from that for which designed.

**14. MISCELLANEOUS.** The applicability of the U.N. Convention on the International Sale of Goods is hereby expressly excluded. Purchaser hereby agrees to the exclusive jurisdiction of any state or federal court located within Missouri; provided, however, that nothing contained herein will prevent Company from bringing any action or exercising any rights against Purchaser or its property within any other state or nation. Any legal action between the parties relating to the Company's products or this agreement must be brought within two (2) years after the cause of action arises or be forever barred. If any provision hereof is held to contravene any applicable law, such provision only shall be deemed reformed to the extent necessary to conform to such law.