

**TERMS AND CONDITIONS OF SALE**

1. **Acceptance; Agreement.** These terms and conditions of sale (these "Terms and Conditions") are the only terms which govern the sale of the goods ("Goods") by the Seller to the Buyer; provided, however, if a written agreement signed by both parties is in existence covering the sale of the Goods covered hereby, the terms and conditions of said agreement shall prevail to the extent they are inconsistent with these Terms and Conditions. Other than the foregoing, these Terms and Conditions supersede all other terms and conditions, oral or written, and all other communications between the parties suggesting additional or different terms and may be amended or cancelled only by written agreement signed by both parties. These Terms and Conditions expressly limit acceptance to these provisions. No order shall have any force or effect until acknowledged in writing by Seller. Any proposal for additional or different terms or any attempt by Buyer to vary in any degree any of the provisions of these Terms and Conditions is hereby deemed material and is objected to and rejected. No terms of any document or form submitted by Buyer shall be effective to alter or add to the provisions contained in these Terms and Conditions. Unless otherwise stated herein, Buyer's receipt of any portion of the goods ("Goods") shall constitute acceptance of these Terms and Conditions unless Buyer returns all such Goods within twenty-four (24) hours of receipt of Goods.

2. **Prices.** Seller's prices are subject to change without notice. Unless otherwise specified, all quotations are binding only for acceptance within twenty-four (24) hours of receipt of quotation. Clerical errors are subject to correction by Seller without liability.

3. **Terms of Payment.** Unless otherwise indicated by Seller in writing, all payments are due NET 30 days from date of invoice, without any right of abatement, deduction, or setoff. All orders are subject to acceptance by Seller. No discounts shall be taken except as specifically allowed in writing by Seller. The date of payment of an invoice shall be the date the payment is received by Seller at the location designated on the invoice.

4. **Taxes.** Prices do not include any sales, use, excise, privilege, or other taxes or assessments now or hereafter imposed or levied by or under the authority of any Federal, State, or local law, rule, or regulation concerning the Goods sold hereunder or the manufacture or sale thereof unless specified on the front page of this form. If Seller pays any such taxes or assessments, Buyer shall, upon demand, reimburse Seller for such amounts within two days (48 hours).

5. **Risk of Loss.** Seller will invoice Buyer, and title and risk of loss for the Goods will pass to Buyer upon the completion of the manufacture of the Goods for Buyer by the Seller. This completes the transfer of ownership.

6. **Delivery.** All completion dates are estimates and are based upon prompt receipt of all necessary information from Buyer. Delays in securing Buyer's approval of necessary specifications or samples of products and materials shall, if Seller so chooses, extend such dates. Seller shall not be liable for any claim, loss, expense, or damage of any kind whatsoever for any such delays. Delivery is completed once manufacturing is complete and the unit has been placed

on the manufacture's yard. The benefits and burdens of ownership have been transferred to the purchaser.

7. **Warranties and LIMITATIONS ON WARRANTIES.**

A. The only express warranties made by the Seller are those contained in the written warranty(ies) in effect for the Goods at the time of sale and provided to the Buyer upon delivery of the Goods. Said warranty(ies) are also available at [www.fontaineheavyhaul.com](http://www.fontaineheavyhaul.com) or by calling **Fontaine Heavy Haul** at 1-205-467-6171. THESE ARE SELLER'S ONLY WARRANTIES. SELLER MAKES NO OTHER EXPRESS WARRANTIES OF ANY KIND WHATSOEVER AND HEREBY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. All written warranties provided by Seller must be passed on by Buyer to the end user of the Goods.

B. If Buyer notifies Seller in writing within the warranty period of a defect in any Goods or part thereof sold by Seller to Buyer, and if Seller determines, after appropriate tests and inspection by Seller, that such Goods or part thereof are not in conformity with the warranty given hereunder, Seller will repair or replace, at its sole option, FOB point of manufacture or repair facility designated by Seller, the defective Goods or part thereof, provided Buyer returns such Goods or part thereof to Seller's designated repair/replacement center, freight prepaid. No Goods or part thereof shall be returned without Seller's prior approval. This shall be the exclusive remedy for Seller's liability hereunder. Any claims not made within the warranty period are deemed waived by Buyer. In lieu of repairing or replacing the defective Goods or part thereof, Seller may, at its sole option, provide credit or refund the purchase price therefore.

C. Except with respect to title, Seller's warranty does not attach to Goods or parts thereof not manufactured by Seller. Seller will, as an accommodation to Buyer, pass on to Buyer whatever warranty, if any, it receives from the manufacturer of such Goods or part, but only to the extent allowed by such manufacturer.

D. Seller's liability to Buyer, or anyone claiming through or on behalf of Buyer, with respect to any claim or loss arising out of any Goods sold by Seller to Buyer or alleged to have resulted from an act or omission of Seller, whether negligent or otherwise, and whether in tort, contract, or otherwise, including failure to deliver, delay in delivery, or breach of warranty, shall be limited to an amount equal to the purchase price of the Goods or part thereof with respect to which such liability is claimed or, where appropriate and at the option of Seller, to the then replacement value of the Goods or part thereof. In no event shall Seller be liable for any bodily injury, death, or property damage resulting from or in any way arising out of the Goods or their marketing, sale, use, or manufacture. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY OTHER PERSON OR ENTITY FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES, LOSSES, OR EXPENSES INCLUDING ANY DAMAGES FOR BUSINESS INTERRUPTION, LOSS OF USE, REVENUE OR PROFIT, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND

WHETHER OR NOT THE BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

E. If Buyer or any third party repairs or modifies all or part of the Goods without the prior written consent of Seller, or if the Goods are not installed or used in compliance with applicable law, industry standards or Seller's directions, this warranty shall be void.

F. IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THESE TERMS AND CONDITIONS, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL AMOUNT PAID TO THE SELLER FOR THE PIECE OF EQUIPMENT GIVING RISE TO THE CLAIM. THE FOREGOING LIMITATIONS SHALL APPLY EVEN IF THE BUYER'S REMEDIES UNDER THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

8. **Inspection.** Buyer shall inspect the Goods as soon as possible, but at least within seven days, after receipt, and Buyer shall immediately notify Seller in writing of any claims that the Goods do not conform to Seller's warranty for such Goods.

9. **Indemnification.** Buyer shall indemnify, defend, and hold harmless Seller against all claims, demands, losses, liabilities, and expenses (including, without limitation, attorneys' fees), which Seller may incur or become liable to pay which arise from or relate to: (A) repairs or modifications to the Goods by anyone other than Seller; (B) specifications, structure, operation, material, or method of making Goods provided by or on behalf of Buyer; (C) the Goods being subjected to, in whole or part: (i) improper installation or storage; (ii) accident, damage, abuse or misuse; (iii) abnormal operating conditions or applications; (iv) operating conditions or applications above the rated capacity of the Goods; (v) use or application in violation of applicable law, Seller's specifications, Terms and Conditions other than or varying in any degree from that for which the Goods were designed; (D) if the Goods are manufactured in accordance with specifications or other directions provided by Buyer; or (E) product liability claims, claims relating to patent, trademark, copyright infringement, or unfair competition, claims of non-compliance with any Federal, State, or local law or regulation, and any other claim of any third party which relates to or in any way arises out of such specifications or other directions provided by Buyer

10. **Insurance.** Buyer shall maintain in force, and shall continue to maintain in force, insurance with a carrier(s) with financial strength of at least A- VII or better as defined by AM Best (in amounts and coverage satisfactory to Seller) sufficient to cover any and all product liability claims but in no event less than \$2 million per occurrence and \$4 million annual aggregate for bodily injury and property damage with a combined single limit for products and completed operations liability, which may be brought with respect to the Goods or services, whether by Seller or any third party. The Buyer's insurance will be (i) primary and non-contributory; (ii) name the Seller as an Additional Insured as its interests applies per this written agreement; (iii) and provide a Waiver of Subrogation in favor of the Seller. Buyer shall furnish Seller with a Certificate of Insurance evidencing such coverage.

B. Buyer shall maintain in force, and shall continue to maintain in force, Workers' Compensation insurance with a carrier(s) with financial strength of at least A- VII or better as defined by AM Best, including coverage for all costs, benefits, and liabilities under Workers' Compensation and similar laws which may accrue in favor of any person employed by Buyer, for all States in which the Buyer will perform services for Seller, and Employer's Liability insurance with limits of liability of at least \$500,000 per accident or disease and \$1,000,000 aggregate by disease. Buyer warrants that its subcontractors will maintain Workers' Compensation and Employer's Liability insurance, and Buyer shall indemnify Seller for any loss, cost, liability, expense and/or damage suffered by Seller as a result of failure of its subcontractors to maintain such insurance. Buyer further warrants that, if a subcontractor does not maintain Workers' Compensation insurance, Buyer's Workers' Compensation insurance shall insure the subcontractor. Buyer may self-insure Workers' Compensation only in States where the governing State bureau has issued to the Buyer a qualified self-insurance license for Workers' Compensation. The Buyer's insurance will be (i) primary and non-contributory; (ii) name the Seller as an Additional Insured as its interests applies per this written agreement; (iii) and provide a Waiver of Subrogation in favor of the Seller. Buyer shall furnish Seller with a Certificate of Insurance evidencing such coverage.

C. Buyer shall maintain in force, and shall continue to maintain in force, Automobile Liability insurance with a carrier(s) with financial strength of at least A- VII or better as defined by AM Best for owned, non-owned and hired vehicles, with limits of at least \$1,000,000 per occurrence for bodily injury and property damage combined. If Buyer does not own or lease any vehicles, the Buyer's Commercial General Liability insurance shall be extended to provide insurance for non-owned and hired automobiles in lieu of separate Automobile Liability insurance. The Buyer's insurance will be (i) primary and non-contributory; (ii) name the Seller as an Additional Insured as its interests applies per this written agreement; (iii) and provide a Waiver of Subrogation in favor of the Seller. Buyer shall furnish Seller with a Certificate of Insurance evidencing such coverage. The existence of insurance or Buyer's failure to furnish Seller evidence of coverage shall not limit Buyer's liability.

11. **Patents.** Except as provided in Section 9 with respect to Goods manufactured in accordance with specifications or directions provided by Buyer and except for Goods or components thereof manufactured by others and resold by Seller, and provided Buyer has made all payments due hereunder, Seller shall defend, at its expense, any suit or proceeding brought against Buyer based upon any claim that the Goods or any part thereof infringe any United States patent issued as of the date of Seller's quotation and shall pay any damages and costs awarded therein against Buyer, provided that Seller is notified within 10 days in writing of such claim and is given full authority, information and assistance by Buyer to defend or settle the suit. If the Goods or any part thereof are deemed to infringe any such patent, Seller shall, at its expense and sole option either: procure for Buyer the right to continue using said Goods or part; replace them with non-infringing Goods or parts; modify them so they become non-infringing; or remove them and refund an amount equal to its then depreciated value, but in no event to exceed the purchase price actually paid for them.

12. **Force Majeure.** Seller shall not be liable for any delay in or failure of performance hereunder due to any cause, matter or contingency beyond its reasonable control.

13. **Termination.** Seller shall have the right to terminate these Terms and Conditions or to cease work hereunder, in whole or in part, at any time, if (i) Buyer is in default of or commits a breach of any of the provisions of these Terms and Conditions or any other agreement it has with Seller, or Seller's affiliates; (ii) a petition initiating a proceeding under any applicable law relating to bankruptcy, insolvency, or reorganization is filed by or against Buyer; (iii) Buyer executes an assignment for benefit of creditors; (iv) a receiver is appointed for Buyer or any substantial part of its assets; or (v) Seller shall have any reasonable ground for insecurity with respect to Buyer's ability to perform and Buyer is unable to provide Seller with adequate assurance of its ability to perform upon Seller's written request. Seller's right to terminate under this section is not an exclusive remedy. Seller shall be entitled to all other rights and remedies it may either at law or in equity. No termination hereunder shall affect any accrued rights or obligations of either party as of the effective date of such termination and those provisions which, by their nature, should or are intended by Seller to survive shall survive notwithstanding such termination.

14. **Storage.** In absence of agreed shipping dates, Seller shall have the right to invoice Buyer once the Goods are completed. If Buyer fails to timely pick up the Goods, Seller may, at its option, place the Goods in storage and bill Buyer for the storage charges. In all cases, risk of loss shall pass to Buyer in accordance with Section 5 and the warranty period shall begin at such time.

15. **Waiver.** Failure of Seller at any time to require Buyer's performance of any obligation hereunder shall not affect Seller's right to require performance of that obligation or of any other obligation of Buyer hereunder. No delay, or omission in the exercise of any right, power, or remedy hereunder shall impair such right, power, or remedy or be considered to be a waiver of any default or acquiescence therein.

16. **Miscellaneous.** Buyer shall not assign any of its rights or obligations hereunder without Seller's prior written consent. These Terms and Conditions shall be construed in accordance with the laws of the State of ALABAMA without regard to any rules on conflicts of laws. The section headings contained herein are not part of these Terms and Conditions and are included solely for the convenience of the parties.