

## TERMS OF SALE

Prescott Industries (the “Company” or “we/us”) has established the following Terms of Sale for its business relationships with its customers. These Terms of Sale will control all orders that you place with the Company. Standard printed terms on purchase orders received from your firm will be superseded by these Terms of Sale.

To open an account with us we require that you complete a Credit Application and a tax exemption form, if applicable. The Credit Application requests basic information about your company, as well as supplier and bank references. After we have evaluated the information provided, you will be notified of your available line of credit with us. To avoid delays in filling your first order, we require that payment in full be received at the time your first order is placed.

Purchase orders are only accepted in accordance with our regular scheduled prices and these Terms of Sale. Our prices are not guaranteed for any length of time and are subject to change without notice. We reserve the right to correct machine errors.

Verbal quotations are not guaranteed for any length of time. Written quotations are guaranteed for a period of five (5) working days from the date of issue and are subject to us having merchandise on hand at the time an order is received which covers a specific quotation.

All orders are contingent upon our written confirmation to you. All such orders require a written purchase order from you prior to processing such orders and are not subject to cancellation.

We encourage, and in certain cases require, that you send us your orders in writing and/or by e-mail. This is in your best interest as well as ours. By doing so, mistakes and misunderstandings are avoided.

Our invoices are due net 30 days from invoice date and past due thereafter. Late payments will be subject to all finance and late charges imposed under your Credit Application and Agreement with us. A cash discount may be available for payments made in cash, by cashier's check or by bank wire transfer at the time of order placement. Any such discount must be arranged with our accounting department at the time your order is placed.

Shipment/delivery dates are approximate and are not guaranteed. We shall not be liable for delays in shipment/delivery due to causes beyond our control, including but not limited to acts of God, acts of buyer, fires, strikes, flood, riot, war, delays in transportation, inability to obtain necessary labor, material or components. In the event of any such delay, the date of delivery shall be extended to a period equal to the time lost by reason of such delay. If delivery becomes impossible, we shall have the right to cancel your order without further liability.

Shipments will be made in accordance with the instructions issued by our traffic department. For deliveries made by common carrier, you assume the risk of all loss thereof or damage thereto resulting from any cause whatsoever after your order has been received by the common carrier at the point of origination.

At the time of delivery, you are required to check the merchandise carefully before signing for it. Your signed receipt for shipment in good condition constitutes acceptance of the shipment and relieves us of further obligation. Claims for shortages, errors, damage or inferior quality must be made before the merchandise is cut, printed or processed by you in any other manner. You accept full responsibility for a shipping error if you keep and use merchandise sent in error. Any damages must be noted on the freight bill of lading or other delivery document issued by the delivering carrier.

No merchandise may be returned without our written permission. Any request for return of merchandise must be made within 30 days of delivery. No returns are acceptable for merchandise which has been cut, printed or processed by you in any other manner. If we approve a return of merchandise, it must be shipped freight prepaid to our warehouse. We will then credit you 85% of the purchase price but only if the returned merchandise has been received in good condition and is considered saleable by us.

OUR LIABILITY ON ANY CLAIM OF ANY KIND, INCLUDING BUT NOT LIMITED TO OUR OWN NEGLIGENCE, FOR ANY LOSS OR DAMAGE ARISING OUT OF, CONNECTED WITH OR RESULTING FROM THESE TERMS OF SALE, OR FROM THE PERFORMANCE OR BREACH THEREOF, OR FROM THE SALE, DELIVERY, RESALE OR USE OF ANY PRODUCT COVERED BY OR FURNISHED UNDER THESE TERMS OF SALE, SHALL IN NO CASE EXCEED THE PRICE OF THE PRODUCT OR PART THEREOF THAT GIVES RISE TO THE CLAIM. IN NO EVENT SHALL WE BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR DAMAGES IN THE NATURE OF PENALTIES. ANY ACTION AGAINST US FOR BREACH OF CONTRACT, WARRANTY OR ANY OTHER DUTY TO YOU MUST BE COMMENCED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED OR THE ACTION SHALL BE BARRED. TO THE FULLEST EXTENT PERMITTED BY LAW, YOU WAIVE ALL RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES -- CONSUMER PROTECTION ACT FOR ANY LOSS OR DAMAGE THAT WE HAVE DISCLAIMED OR LIMITED UNDER THESE TERMS OF SALE.

YOU AGREE TO INDEMNIFY AND HOLD US, OUR EMPLOYEES AND AGENTS HARMLESS OF AND FROM ANY AND ALL CLAIMS OR LIABILITIES ASSERTED AGAINST US IN CONNECTION WITH THE SALE, DELIVERY, RESALE OR USE OF ANY PRODUCT COVERED OR FURNISHED UNDER THESE TERMS OF SALE ARISING IN WHOLE OR IN PART OUT OF OR BY REASON OF THE FAILURE OF YOU, YOUR EMPLOYEES, AGENTS OR CUSTOMERS TO FOLLOW INSTRUCTIONS, WARNINGS OR RECOMMENDATIONS FURNISHED BY US IN CONNECTION WITH SUCH PRODUCT, OR BY REASON OF THE NEGLIGENCE OF YOU, YOUR EMPLOYEES, AGENTS OR CUSTOMERS.

Invoices must be paid before any resolution regarding warranty claims are made. Warranty claims cannot be a reason to short-pay invoices. Liability for all taxes and import or export duties, imposed by any city, state, federal or other governmental authority, shall be assumed and paid for by you. You further agree to indemnify us against any and all liabilities for such taxes or duties and legal fees or costs incurred by us in connection therewith.

APART FROM ANY EXPRESS WARRANTIES GIVEN TO YOU IN WRITING AT THE TIME OF SALE, WE MAKE NO WARRANTIES, EITHER EXPRESS OR IMPLIED, AND NONE WILL BE DEEMED TO HAVE BEEN MADE BY US, TO ANY PURCHASER, USER OR OTHER ENTITY REGARDING THE MERCHANDISE PURCHASED FROM US. ALL SUCH PERSONS AND ORGANIZATIONS MUST RELY SOLELY UPON THE EXPRESS WRITTEN WARRANTIES AND NONE OTHER. THIS DISCLAIMER OF WARRANTIES INCLUDES BUT IS NOT LIMITED TO, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WE ALSO DISCLAIM AND YOU WAIVE ANY AND ALL LIABILITY FOR INDIRECT, CONSEQUENTIAL AND/OR INCIDENTAL DAMAGES.

We have established a complaint procedure for any quality problems attributed to any of our suppliers' products. To file a complaint under this procedure, you will be required to complete a form. Details concerning our complaint procedure are available from your customer service/sales representative, and you are also invited to review our complaint procedure/problem report form for more information. You agree to follow our complaint procedure prior to taking any other action against The Company on any complaint.

These Terms of Sale, together with any purchase orders you send us, constitute the entire contract of sale and purchase of the products that we sell. In the event of any conflict between these Terms of Sale and your purchase orders, these Terms of Sale will control. No modification of these Terms of Sale shall be binding upon us unless in writing and signed by an officer of our firm. No modification of these Terms of Sale shall be effected by our acknowledgement or acceptance of any purchase order form containing conflicting provisions. Except with respect to mill direct and converter orders, trade usage shall not apply to these Terms of Sale and may not be used in any manner to explain, qualify or supplement any of these Terms of Sale.