

## I. Shipments

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- A) All material will be shipped by SAF-HOLLAND F.O.B. plant of manufacture and shall be shipped by the most suitable method as determined by SAF-HOLLAND.
- B) Delivery by SAF-HOLLAND shall be made within reasonable period of time based upon availability. SAF-HOLLAND assumes no responsibility for delays prior to or during shipment due to causes beyond its control.
- C) Material shall be packaged by SAF-HOLLAND as required to assure common carrier acceptance.
- D) A packing slip and bill of lading will be supplied with each shipment referencing the buyer's purchase order number and SAF-HOLLAND's part number(s).
- E) All claims by buyer for shortage or damage in transit are to be made promptly to the shipper with a copy to SAF-HOLLAND.

## II. Tooling

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Tooling, unless invoiced separately, shall be the property of SAF-HOLLAND who will have sole control of same. SAF-HOLLAND's sole responsibility for tooling purchased or supplied by the Buyer shall be to maintain that tooling in reasonable working condition for a period not to exceed 6 months following the last date of use in production.

## III. Additional Charges

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SAF-HOLLAND may assess reasonable, additional charges to the buyer for any changes in this order including, but not limited to, charges occasioned by changes in specifications, quantities, delivery, schedule or cancellation.

## IV. Specification Changes

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SAF-HOLLAND reserves the right to manufacture to later and more current engineering specifications, including the latest ordnance engineering changes where applicable, if such current specifications do not affect interchangeability or manufacturing costs to either SAF-HOLLAND or Buyer.

## V. Warranties

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SAF-HOLLAND warrants all Commercial Products manufactured by it, when properly installed, to be free from defects in material and workmanship under normal use and service for the period outlined in the product's corresponding SAF Holland warranty certificate. This warranty is void with respect to any product which has been altered in any way from its manufactured condition such as by intentional modification, accident, corrosion, misuse, failure to provide necessary and reasonable maintenance, and is exclusive of normal wear. Written authorization from SAF-HOLLAND must be obtained prior to returning any part or parts. No charges for transportation or for labor performed on SAF-HOLLAND products by unauthorized persons will be allowed under this warranty.

## VI. Disclaimers

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THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR A WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE EXTENDING BEYOND THAT SET FORTH IN PARAGRAPH 5.

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## VII. General Limitations of Liability

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SAF-HOLLAND's liability under this agreement, and in particular, SAF-HOLLAND's liability for breach of Paragraph 5, shall be limited to repair or replacement of any defective or nonconforming equipment or in the event the material cannot be repaired or replaced, refund of the purchase price paid by Buyer provided said goods are returned with transportation charges prepaid. SAF-HOLLAND and Buyer agree that this shall be the Buyer's sole and exclusive remedy and SAF-HOLLAND shall be not be liable, in any event, for proximate, incidental, consequential or other damages, including but not limited to damages for loss of productions or injury to persons or property arising out of any breach or repudiation of this contract. The limitation of liability for injury to persons shall not apply to damage arising out of defects in any consumer products.

## VIII. Indemnity - General

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SAF-HOLLAND will not indemnify or hold harmless any party or parties from or against any claim, suit, demand or cost arising out of the use, manufacture, or operation of material supplied herein.

## IX. Indemnity - Patent

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SAF-HOLLAND warrants that it will indemnify Buyer for award of damages against Buyer by a court of competent jurisdiction for infringement of a valid U.S. patent when material is in accordance with SAF-HOLLAND's designs and specifications.

Buyer shall indemnify SAF-HOLLAND against all liability, loss, cost, or expense from the infringement or alleged infringement of any patent or patents arising from the manufacture, use or sale of material delivered to Buyer where the material is developed for the Buyer in accordance with Buyer's designs, specifications or recommendations.

## X. Compliance With Laws and Regulations

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SAF-HOLLAND represents that all material furnished under this contract is manufactured and sold in compliance with federal, state and local laws, rules and regulations which apply to the good purchased hereunder and which, if violated by SAF-HOLLAND, would have a material adverse and detrimental effect upon Buyer.

## XI. Assignment

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SAF-HOLLAND reserves the right to assign any portion of this contract provided, however, any such assignment shall not relieve SAF-HOLLAND's obligation of performance. This contract shall not be assignable by Buyer without SAF-HOLLAND's Consent.

## XII. Financial Responsibility

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In the event Buyer's financial responsibility shall be or become unsatisfactory to SAF-HOLLAND, cash advances or security may be demanded by SAF-HOLLAND, and in the event of default of such cash advances or security, SAF-HOLLAND may cease performance under the contract, discontinue any deliveries and charge the Buyer with all expenses incurred in connection with the contract.

## XIII. Waiver

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The failure of either party to require the performance of any term of this contract or the waiver by either party of any breach under the contract shall not prevent a subsequent enforcement of the term nor be deemed a waiver of any subsequent breach.

## XIV. Construction - Governing Law

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This contract constitutes the entire agreement between SAF-HOLLAND USA, Inc. and the Buyer and shall be construed in accordance with the laws of the state of SAF-HOLLAND's principal place of business and in particular the Uniform Commercial Code of that state.

## XVII. Purchase Price

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The purchase price will be that on the current price list published by SAF-HOLLAND, which is incorporated herein by reference, unless covered by a specific, valid quotation to Buyer. All prices include federal excise tax unless otherwise noted.



SAF-HOLLAND, Inc.  
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