



RELIABLE SOURCE INC.

Reliable Source Inc.

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TERMS & CONDITIONS

PRICES – Prices are quoted based on best price practices and in accordance with market conditions. Prices are subject to change without notice, unless “notice of change” is negotiated in advance. Reliable The company reserves the right to make typographical and or clerical error corrections to Quotations, Sales Orders and their Acknowledgments at any time during the course of the related transactions. Unless a proper exemption certificate is furnished to Reliable Source, Inc. all taxes shall be paid by the Buyer to our Company at the time of payment.

SURCHARGES – Surcharges imposed on Reliable Source, Inc. by its suppliers at time of shipment shall be passed on to the customer. Such surcharged materials include but not limited to nickel, chromium, molybdenum, scrap, fuel and natural gas.

TERMS AND CONDITIONS OF PAYMENTS AND SUSPENSION OF PERFORMANCE – Standard terms of payment are NET 30 from date of invoice. Past due accounts will be subject to a 1.5% per month penalty service charge from the date of invoice unless otherwise agreed. If any proceedings against the customer under any bankruptcy or insolvency law arise, our Company may, at its election, require advance payment or cancel any unshipped order and require payment for any reasonable cancellation charges arising out of such cancellation. In all cases, title to the product remains with our Company until full invoice balance is settled. The customer also agrees to pay for all fees including but not limited to professional, collection and legal fees involved in the collection of any unpaid balance. Should Reliable Source at any time, during the course of the order or shipment, have reasonable doubt about the customer's financial responsibility, it reserves the right, without liability and without prejudice to any other remedies, to suspend performance, decline to ship or stop any material in transit, until Reliable Source receives payment of all owed balances, whether due or not.

DELIVERIES – Deliveries are FOB Fontana unless otherwise negotiated or stated. Shipment schedules are approximate and Reliable Source shall not be made liable for any delays in delivery or failure to give notice or for any other failure to perform hereunder due to causes beyond the reasonable control of the Company. Such causes shall include, but not be limited to production schedules of the producing mills, unavailability of materials, labor disturbances, acts of God, the elements, transportation difficulties or causes which abnormally increase the cost of performance. Should shortages of Reliable source's supply occur for any reason, Reliable Source may allocate the material in such a manner and amount as needs determine. Acceptance by the customer of any goods shall constitute a waiver by the customer of any claim for damages on account of any delay in delivery of such goods.

PRODUCT QUANTITIES, TOLERANCES AND VARIATIONS – If an item is to be shipped direct from a producing mill, the producing mill may reserve the privilege of shipping over or under the ordered quantity in accordance with established percentages, which will constitute full and complete shipment of the specified material. All goods shall be subject to tolerances and variations consistent with usual trade practices regarding dimensions, straightness, section, composition and mechanical properties. Normal variations in surface and internal conditions and quality shall also be subject to deviations from tolerances and variations consistent with practical testing and inspection methods.

CLAIMS AND INSPECTION – Materials must be examined by the customer immediately upon receipt to determine correctness of shipment as it relates wot quantity, size, length, dimensions and condition. Customer must not cut, fabricate or use material without such prior examination. If upon inspection by the customer, any goods received are nonconforming, damaged, visibly defective or if discrepant quantities, the customer must notate that on the delivery receipt. If goods are nonconforming or damaged when unpacking or customer intends to assert any claim against Reliable Source relating to the delivery, the customer must do so within 10 calendar days of receipt of goods. Reliable Source will not honor any claims for damages caused by the customer nor by any improper storage of the goods.

RETURN MERCHANDISE AUTHORIZATION – No materials shall be returned without a Return Merchandise Authorization (RMA) from Reliable Source Inc. Credit issued for the return shall be applied only to future shipments unless an exchange or same transactional credit is negotiated in advance. A 25% restocking fee will be applied and any costs associated with restoring the product back to original condition will be deducted from the credit.

WARRANTY – Reliable Source warrants only that the goods conform to their description as stated, subject to tolerances and variations (see paragraph relating to Product Tolerances and Variances). RELIABLE SOURCE MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS AND EXCLUDES ANY AND ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

LIMITATION OF LIABILITY – Customer's exclusive remedy and Reliable Source's only liability arising out of this contract, shall be replacement or repair of the goods, or credit of the purchase price paid by buyer, whichever such remedy Reliable Source shall select. If Reliable Source elects to repay the purchase price, customer must return the goods to Reliable Source immediately. Except for nonpayment by customer, any action arising out of this contract must be commenced within one year from the date of delivery. In no event will Reliable Source be liable for incidental or consequential damages.

TOOLS, DIES & FIXTURES – Unless otherwise expressly provided, any tools, dies or fixtures which may be developed for use in the production of the goods covered shall be owned by Reliable Source or any producing mill, as Reliable Source shall elect, even though buyer is charged in whole or in part for the cost of such tools, dies and fixtures.

PATENT INFRINGEMENT – If any goods are to be furnished to customer's specifications, customer agrees to indemnify Reliable Source and its successors, against all liabilities and expenses resulting from any claim of infringement of any patent or other propriety right in connection with the production of such goods.

GOVERNMENT CONTRACTS – Unless otherwise expressly provided, buyer's order has not been placed under a prime contract with the United States Government or a subcontract thereunder and none of the clauses contained in the Armed Services Procurement Regulations as presently in effect, are incorporated herein.

COMPLIANCE WITH LAWS – Reliable Source agrees that in our sale of these goods, Reliable Source will comply with all applicable federal, state and local laws, rules and regulations.

CANCELLATION – A contract may be canceled or modified only by written agreement between Reliable Source and Customer. Customer's insistence upon canceling or suspending fabrication or shipment, due to customer's failure to furnish specifications when required, may be treated by Reliable Source as a breach of contract by customer, whereby Reliable Source may cancel any unshipped balance without prejudice to any other remedies.

OFF-SET – You authorize us to apply payment of any monies that becomes due to us hereunder, any sums which may now or hereafter be owed to you by Reliable Source Inc., or by any subsidiary or affiliated company of Reliable Source Inc.

AGREEMENT – The terms set forth herein constitute the sole terms and conditions upon which Reliable Source offers goods for sale. No other terms, conditions, or understandings, whether oral or written shall be binding upon Reliable Source, unless hereafter made in writing and signed by an authorized representative of Reliable Source. Reliable Source hereby specifically objects to any different or additional terms that may be contained in customer's purchase order. Terms and conditions of this agreement are subject to change. Always refer to the latest online document at www.reliablesourcemetals.com.