



**[FOR US-DOMESTIC ORDERS]**

**R-Textiles LLC Terms and Conditions**

1. Purchase of Products.

(a) Except to the extent otherwise agreed upon in writing, the terms set forth in this agreement ("**Agreement**") shall govern the sale and delivery of the products and components described in the purchase order ("Products") and sold by R-Textiles LLC ("Seller"), and purchased by the purchaser named in the purchase order ("Purchaser") (Seller and Purchaser each a "Party," and collectively the "Parties").

(b) By placing an order, Purchaser accepts all terms contained herein. Unless replaced by a new purchase order in a subsequent sale, the terms herein shall exclusively apply to all of Seller's obligations to Purchaser.

(c) All dealings between the Parties shall be in writing and no order of Purchaser shall be binding on Seller until approved in writing by Seller.

(d) Unless otherwise specifically agreed to in writing, prices of Products are subject to change without notice, and all references in sales brochures, technical data sheets and offers as to size, weight, and other details of the Products are approximate only. No such term shall be binding on Seller unless expressly incorporated in a purchase order which is approved and accepted by Seller in accordance with the terms hereof, provided that Seller may reasonably adjust prices for orders to be delivered three (3) months or more after the date on which the order was placed.

(e) Any purchase order hereunder shall become effective only upon acceptance of such purchase order by Seller.

(f) Unless otherwise specifically agreed to in writing, Purchaser acknowledges that it has not relied on Seller's representations, product descriptions or advertising materials in determining the suitability of the Products for any particular use or application.

2. Delivery.

(a) The terms of delivery are ex works Seller's loading dock. Seller will use commercially reasonable efforts to make the Products available for pick-up and delivery by Purchaser or ship the Product pursuant to Purchaser's instructions.

(b) Delivery times are estimates only, even if this is not expressly stated. Seller will use commercially reasonable efforts to deliver the Product at the estimated delivery time given in writing by Seller, but in no case, before an agreement on all performance details under the purchase order has been made.

(c) Seller reserves the right to make deliveries in installments, unless otherwise expressly stipulated to the contrary in a written document signed by Seller. Delay in delivery of any installment shall not relieve Purchaser of its obligation to accept remaining deliveries.

3. Force Majeure.

Notwithstanding anything to the contrary, Seller shall not be liable for any delay or failure to perform hereunder when such failure or delay is, directly or indirectly, caused by, or in any manner arises from fire, floods, accidents, pandemics, civil unrest, acts of God, war, terrorism, governmental interference or embargoes, strikes, labor difficulties, shortage of labor, fuel, power, materials, or supplies, breakage of machinery or apparatus,



transportation delays, or any other cause or causes (whether or not similar in nature to any of those hereinbefore specified) beyond its control.

4. Warranties and Claims.

Seller warrants that the Products will, when delivered, substantially conform to the respective R-Textiles Standard Limited Product Warranty (the "Product Warranty") description furnished to Purchaser and attached hereto, which is available for Purchaser's acceptance.

THE WARRANTIES SET FORTH IN THE R-TEXTILES STANDARD PRODUCT WARRANTY ARE IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED. IN NO EVENT SHALL SELLER BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, OR SPECIAL DAMAGES, AND DAMAGES ARISING OUT OF THE PURCHASE, UNLOADING, HANDLING, AND USE OF ANY PRODUCTS, OTHER THAN OR IN EXCESS OF THOSE SET FORTH UNDER THE R-TEXTILES STANDARD LIMITED WARRANTY.

Purchaser shall inspect the Product within five (5) days of receipt of the Product (the "**Inspection Period**"). Purchaser will be deemed to have accepted the Product unless it notifies Seller in writing of any Nonconforming Product (as defined below) during the Inspection Period and furnishes such written evidence or other documentation as required by Seller. "**Nonconforming Product**" means only the following: product shipped is different than that identified in the purchase order. If Purchaser fails to give such notice, the Product(s) shall be deemed to have been accepted and the Purchaser shall pay for the Product in accordance with the terms of the purchase order. Purchaser expressly waives any rights Purchaser may have to revoke acceptance after the Inspection Period.

**IN ORDER FOR ANY WARRANTY TO APPLY THE MATERIAL MUST BE STORED PROPERLY. Such proper storage, in general, requires that the material be protected from chemical or mechanical exposure, UV-light, moisture, and climate changes. In case of proper, dry, and cool storage with temperatures of no more than 77 degrees Fahrenheit (25 degrees Celsius) the storage time is 6 months. If the storage time exceeds 6 months Seller will not assume any liability for material performance or damage.**

5. Product Prices.

(a) All prices quoted by Seller shall be on a net basis ex works Seller's loading dock. If discounts are granted on list prices, such discounts shall apply to the respective delivery only and are not binding for all standard products or subsequent orders.

(b) All prices quoted by Seller are subject to adjustment due to Purchaser's change orders, if any.

(c) Unless otherwise expressly agreed upon in writing, the price quoted excludes the cost of packaging and the cost of special containers, packaging, crating, palletizing, applicable taxes and duties, shipping, insurance or other incidental expenditures of Seller.

(d) Any current or future tax or any charge of any nature imposed by any governmental or taxing authority that is or becomes payable by reason of the production, transportation, sale, storage, processing, use, consumption or delivery of any Product sold to Purchaser, other than taxes based on Seller's net income or profit, will be for Purchaser's account and will either be added to the price of Product (unless Purchaser provides Seller with an exemption certificate acceptable to the applicable taxing authorities) and paid for by Purchaser or billed to Purchaser (unless Purchaser provides Seller with an exemption certificate acceptable to the applicable taxing authorities), as Seller may elect in its sole discretion.



6. Payment.

- (a) Seller shall issue invoices to Purchaser upon shipment. Seller may send invoices electronically to an email address specified by Purchaser, and such emailed invoice shall be deemed as dated on the transmission date. Purchaser shall prepay 50% of the order value for any purchase order, and a stand-by letter of credit from Purchaser is to be provided for any purchase order in excess of \$10,000. Unless otherwise set forth in the purchase order, Purchaser shall pay all remaining invoiced amounts due to Seller within 14 calendar days of such invoice date, without set-off or discount. Purchaser shall make all payments by wire transfer in accordance with the following wire instructions:

***Choice Financial Group***

Beneficiary Name: ***R-Textiles LLC***

ABA Number: ***091311229***

Account Number: ***202434002932***

Bank Address: ***4501 23<sup>rd</sup> Avenue South  
Fargo, ND 58104***

- (b) Purchaser shall pay interest on all late payments, calculated daily and compounded monthly, at the lesser of the rate of 8.00% per month or the highest rate permissible under applicable law. Purchaser shall perform its obligations under this Agreement without setoff, deduction, recoupment or withholding of any kind for amounts owed or payable by Seller, whether under this Agreement, applicable law, or otherwise and whether relating to Seller's or Seller's Affiliates' breach, bankruptcy, or otherwise.
- (c) A Payment shall be deemed made when the payment of an invoice amount has been received by Seller and credited to Seller's bank account.
- (d) Seller may delay, condition, or cancel any orders or deliveries if it deems itself insecure, as determined by Seller in its sole discretion.

7. Default.

(a) Purchaser shall be in default (hereinafter "Default") under this Agreement and Seller may terminate this Agreement and exercise all other remedies in law or in equity if Purchaser: (i) fails to make payment hereunder to Seller when due; or (ii) breaches any other term, provision or condition contained in this Agreement; or (iii) is declared to be in default under any other agreement between Purchaser and Seller, and if in any of the foregoing cases set out in (i), (ii) or (iii), Purchaser fails to cure any such breach or default within ten (10) days following written notice thereof from Seller.

(b) Upon the occurrence of a Default, Seller may elect to exercise any one or more of the following options:

i. Seller may hold the Products until such time as Purchaser has paid the respective purchase price and any expenses (including finance charges, returned check fees and interest determined at a rate equal to the lower of eighteen percent (18%) per annum or the maximum rate permitted by applicable law, which has been incurred by Seller as a consequence of such default.

ii. Seller may sell the Products to a third party and require Purchaser to reimburse Seller for any losses,



or expenses associated therewith.

iii. Seller may require payment in cash prior to future delivery of any Products hereunder.

iv. Seller may withhold any Products not delivered to Purchaser at the time of the Default.

v. Seller may terminate or suspend any pending order for Products.

vi. Seller may exercise all other rights hereunder and may seek all other remedies available to it in law or in equity.

(c) Purchaser agrees that, in the event any legal action should be deemed necessary by Seller to recover any sums due hereunder or under any promissory note, trade acceptance, or invoice, or, if applicable, to recover possession of the Products, as defined hereinabove, or any proceeds from the sales thereof, there shall be added to the sums due from Purchaser to Seller the costs of collection, including reasonable attorney's fees.

(d) When reasonable grounds for insecurity arise with respect to Purchaser's performance, Seller may in writing demand assurance of due performance and until it receives such assurance may suspend any performance for which it has not already received payment.

#### 8. Protection of Trade Secrets and Confidential Information.

The parties hereto agree that:

(a) Except as provided for in subsection (b) of this Section, Purchaser shall not disclose any Trade Secrets or Confidential Information of the other Party to any individual or entity not a party to this Agreement.

(b) Purchaser may make available Trade Secrets or Confidential Information to its qualified employees, as defined hereinafter, to the extent that such information must be disclosed to such qualified employees to apply the Trade Secrets or Confidential Information to its intended use. A "**Qualified Employee**" shall mean any individual employed by or affiliated with Purchaser who is bound by a valid and fully enforceable confidentiality agreement which contains confidentiality obligations substantially similar to the confidentiality obligations stated herein, prior to disclosure of the Trade Secrets and Confidential Information to such employee.

(c) For purposes of this Agreement the following terms shall have the meanings set forth below:

i. The term "**Trade Secrets**" shall mean and include any and all designs, plans, processes, tools, mechanisms, programs or compounds known to only Seller, or to those of its clients and employees to whom they must be confided in order to be applied to the uses intended, some or all of which may arise to the level of being patentable or subject to copyrights, all as further defined under the laws of the State of Georgia.

ii. The term "**Confidential Information**" shall mean and include information not rising to the level of Trade Secret and not generally known to or by a business in competition with the Seller or otherwise publicly disseminated by the protected party hereto, the disclosure of which may be beneficial to a competing business or detrimental to Seller.

9. Security Interest. To secure the payment of any amount due and owing by Purchaser to Seller under any of the provisions of this Agreement, Purchaser hereby grants to Seller a purchase money security interest in all



current and future inventory of Products, including in any returned or repossessed Products, as well as in Purchaser's rights as a seller of goods under the Uniform Commercial Code, and in all proceeds (including insurance proceeds) and accounts receivable arising from the sale of such products (all of the foregoing is hereinafter collectively referred to as the "Collateral"). Purchaser agrees to keep the insurable aspects of the Collateral fully insured against all risks and casualties customarily insured against and to protect the Collateral from adverse environmental conditions, fire, theft and vandalism. Purchaser shall not remove the inventory comprising part of the Collateral from its ordinary storage facilities other than in conjunction with the sale of the Products or in the ordinary course of business. Purchaser hereby irrevocably grants to Seller a power of attorney to sign on behalf of Purchaser, as its attorney in fact, all UCC 1 financing statements and all other documentation and instruments in order to perfect, continue and appropriately amend the security interest granted by this section.

#### 10. Arbitration.

Any controversy or claim arising out of or relating to this Agreement, or the breach hereof, shall be submitted to and be finally resolved by arbitration, to be conducted by the American Arbitration Association ("AAA"), with such arbitration to be held in Tampa, FL in accordance with the AAA's Commercial Arbitration Rules then in effect. Each Party hereby irrevocably agrees that service of process, summons, notices, as other communications related to the arbitration procedures shall be deemed served and accepted by the other Party five (5) working days after having been mailed by first class registered mail, return receipt requested, postage prepaid, to the other Party, or if actually received by the other Party. The arbitration shall be conducted by one arbitrator, as selected by the AAA. Any award or decision rendered in such arbitration shall be final and binding on both Parties, and judgment may be entered thereon in any court of competent jurisdiction if necessary. Except as may be provided to the contrary herein, each Party hereto shall pay any and all expenses incurred by such Party in connection with such arbitration proceeding, unless otherwise determined by the arbitrator.

#### 11. Miscellaneous.

(a) Purchaser may not assign any order or contract for Products without the express prior written consent of Seller.

(b) Except as otherwise expressly provided herein or in a written document, signed by Seller and Purchaser, this Agreement, the offer and attachments and exhibits thereto constitute the entire agreement between Seller and Purchaser with respect to the subject matter herein contained and all prior agreements and communications between Seller and Purchaser, whether oral or written, are superseded by this Agreement.

(c) No modification, limitation, waiver or discharge of this Agreement or of any of its terms shall bind Seller unless in writing and signed by a duly authorized employee of Seller. The failure of Seller to insist, in one or more instances, on performance by Purchaser in strict compliance with the terms and conditions hereof shall not be deemed a waiver or relinquishment of any right granted hereunder with respect to any succeeding breach of the same or other provision hereof.

(d) All notices required hereunder shall be in writing and sent by first class mail or email with written confirmation to such addresses as stated on the reverse side hereof.

(e) This Agreement shall be governed by, and construed, interpreted and enforced under the laws of the State of Florida without giving effect to the conflict of laws principles.

(f) In connection with any litigation, including appellate proceedings, arising out of or pertaining to any



of the contractual relationships between Seller and Purchaser or the breach thereof, as contemplated herein, all costs and expenses, including reasonable attorneys' fees, shall be borne by the losing Party or, as the case may be, shall be prorated to properly reflect any partial losing or prevailing of the Parties to such litigation.

(g) In case any conditions of this Agreement should be or become unenforceable under applicable law, the remaining provisions, stipulations and conditions of this Agreement shall not be affected thereby.