

## Jaco Manufacturing Terms and Conditions (Seller)

Upon issuance of a purchase order by our Customer, the parties hereby agree as follows:

**1. CLERICAL ERRORS.** Stenographic and clerical errors in this quotation are subject to correction by Seller.

**2. TAXES AND OTHER COSTS.** This quotation is subject to applicable governmental statutes, regulations, rulings and requisitions. The price herein does not include any taxes, and shall be subject to increased taxes or other costs directly related to present or future Federal, State or local legislation, ordinances and rulings, whether administrative or judicial. (Prices are for immediate acceptance and subject to change without notice.)

**3. SAMPLES.** Samples submitted by Seller shall be deemed approved by Customer if written notice of rejection is not received by Seller within two weeks after date of submission. All products delivered hereunder shall be in substantial conformity with samples previously submitted to Customer.

**4. DELIVERY.** The promised delivery dates is the best estimate possible based upon current and anticipated manufacturing capabilities of when the product will be shipped. Seller assumes no liability for loss, damage or consequential damages due to delays.

**5. RISK OF LOSS.** Unless otherwise agreed upon in writing by the parties, delivery of the products ordered shall be made F.O.B. point of shipment. In all such cases title and risk of loss shall pass to the Customer immediately upon delivery to carrier, and risk of loss or damage to goods in transit shall fall upon the Customer. Customer shall be solely responsible to file claims with the carrier.

**6. WARRANTY.** All products sold herein are warranted to be free from any defects in material and workmanship at the time of shipment. This Warranty is applicable only to the Customer listed on the front side hereof. This Warranty is the sole Warranty extended to the Customer, and is in lieu of all other warranties, express or implied, by statute or common law; there is no warranty of Merchantability and no warranty of fitness for a particular purpose. To make a claim under this Warranty, the Customer must return all defective products to Seller within 60 days of shipment; otherwise this Warranty shall be void. Upon receiving defective products from the Customer as required herein, Seller, in its sole judgement, may replace or repair same, or may credit Customer's account for the cost thereof. This Warranty is VOID if such products are damaged by accident, alteration, misuse or abuse by any person(s) other than Seller, its agents or employees. This Warranty is also VOID if our proprietary products are used in a manner contrary to Seller's instructions or recommended procedures. This Warranty does not apply to any products produced from molds, dies or tools provided by Customer.

**7. LIMITATION OF DAMAGES.** In the event of Seller's breach of any term or condition hereof, or if any products sold hereunder are defective, the damages to which Customer may be entitled shall be LIMITED to the replacement of the products to be sold hereunder. Seller shall not be liable for any additional damages, nor for any incidental or consequential damages.

**8. MOLDS, TOOLS AND DIES.** Tools shall become property of Customer only upon written agreement of the parties and payment of the tools. Seller agrees to maintain all molds, tools and dies built by Seller in operating condition for their ordinary useful life, but not more than one year after the completion of the most recent production order. In no event shall Seller be deemed an insurer of Customer's dies in Seller's possession. Seller reserves the right to charge a reasonable handling charge in the event that tooling is removed from the seller. We also reserve the right to scrap molds that have had no requirements for three consecutive years.

**9. SECURITY INTEREST OR LIEN.** Seller shall have a security interest or lien on any molds, tools, dies or equipment in Seller's possession for the unpaid balance due with respect to such items which are furnished hereunder. In the event Customer shall be in default in the payment of its account, Seller shall have the remedies of a holder of a security interest or lien pursuant to the Ohio Revised Code.

**10. INDEMNITY AND HOLD HARMLESS.** Customer shall indemnify and hold harmless Seller and its agents and employees against any damage, claims, demands, costs and expenses, including reasonable attorney's fees of every kind and nature, arising out of or connected with the sale of products as provided hereunder and resulting in an infringement of patents or trademarks.

**11. CANCELLATION AND CHANGES.** Orders accepted by the Seller are not subject to change or cancellation by the Customer, except with Seller's prior written consent. If a change or cancellation is so made it is agreed by the parties that all finished goods be taken at full contract price, that goods in process be paid for at cost plus pro rata profits, that Seller be reimbursed for loss on materials purchased or under contract pursuant to Customer's order and Customer shall pay for all design charges, molds, special tools, dies or fixtures at cost plus pro rata profits. The Customer hereby agrees to pay for changes in molds, tools and dies made necessary by changes in specifications accepted by Seller and to assume all risk of resulting damage. Changes of design, deliveries, or instructions of any kind must be submitted to Seller in writing.

**12. INJURY.** Customer agrees to indemnify Seller and hold it harmless from any claims, loss or liability on account of injuries sustained by employees of Customer or third parties using the products sold hereunder or as a result of design flaws in Customer designs, or Customer's failure to comply with appropriate laws or safety regulations, or Customer's failure to follow other instructions or procedures recommended by Seller.

**13. BINDING CONTRACT.** This quotation, when accepted by the Customer, shall become a binding contract to be construed, interpreted and the rights of the parties determined in accordance with the law of the State of Ohio. All of the terms and provisions of this quotation by or for the benefit of Customer and/or Seller shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, and assigns.

**14. INVALIDITY OF PROVISIONS.** Should any part of these terms and conditions for any reason be declared by any court of competent jurisdiction to be invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall continue in full force and effect.

**15. CREDIT.** All invoices paid after due date will be assessed the late payment service charge of 18% per annum or the maximum allowed by applicable law, whichever is lower. If, in the seller's judgement, the financial condition of the purchaser at the time merchandise is ready for shipment does not justify the terms specified, the seller reserves the right to change these terms or to require full or partial payment in advance. Seller may, at any time, suspend performance of any order or require payment in cash, security or other adequate assurance satisfactory to the seller when, in seller's opinion, the financial condition of buyer or other grounds for insecurity warrant such action. All sales are subject to the approval of seller's credit department.

**16. PRICES.** If there is a delay in the completion of shipment of this order due to any change requested by the purchaser or as a result of any delay on purchaser's part in furnishing information required for completion of the order, the price agreed upon at the time of acceptance of the order is subject to change. Prices quoted with quantity breaks are based on seller completely shipping the parts in these quantities. Prices are subject to change as resin and component suppliers' change their prices, and will be passed on to the buyer after they are effective to the seller. If applicable; International Freight, Duties and Tariffs will be estimated in our quote but could change and are the responsibility of the buyer.

**17. FORCE MAJEURE CLAUSE.** Fulfillment of this order is contingent upon the availability of materials. Seller shall not be liable for any delay in delivery or for non-delivery in whole or in part caused by the occurrence of any contingency beyond the control of either the seller or suppliers to the seller including but not limited to war, sabotage, acts of civil disobedience, failure or delay in transportation, act of any government or agency or subdivision thereof, judicial action, labor dispute, fire, accident, explosion, epidemic, quarantine, restrictions, storm, flood, earthquake, or acts of God, shortage or labor, fuel, raw material or machinery or technical failure where seller has exercised ordinary care in the prevention thereof. If any contingency occurs, seller may allocate production and deliveries among seller's customers.

**18. ENTIRE AGREEMENT.** This is the entire agreement between our organizations and cannot be alter in any way without a signature from officers from both our organizations. Terms and conditions included with future purchase orders and in the customer's supplier manuals cannot override the terms and conditions agreed to above.