

## Sales Terms and Conditions

1. **QUOTATION NOT A BINDING OFFER.** This quotation does not constitute a binding offer inviting acceptance but is an invitation to place an order in accordance with the terms and conditions stated herein. All orders received by Seller are subject to written acceptance by an officer of Seller.
2. **FORMATION OF CONTRACT.** The terms and conditions set forth below comprise the sole terms and conditions for the sale of goods and services by Seller, unless otherwise specifically provided for on the face hereof, and shall apply to the exclusion of any inconsistent or additional terms and conditions contained in Buyer's order or acknowledgment. Any contract made for the sale of goods or services by Seller is expressly conditional on Buyer's assent to the terms and conditions stated herein. Buyer's acceptance of these terms and conditions shall be conclusively presumed by Buyer's submission of a purchase order in response to this quotation.
3. **PRICE.**
  - A. **EXCLUSIONS.** The quoted price does not include applicable taxes such as city, state and federal, sales, use, excise taxes, shipping charges, or any other services of work not specifically described in this quotation. All such taxes and charges shall be Buyer's responsibility and may be added to the invoice as a separate and additional charge to Buyer unless an appropriate exemption certificate is presented which is acceptable to Seller. Seller also shall have the right at any time to separately bill Buyer for any such taxes and charges that the Seller may be called upon to pay, and Buyer shall be obligated to reimburse Seller for all such amounts.
  - B. **PRICE INCREASES.** The price stated on this quotation shall be subject to change in in event of raw materials and components, labor cost increase or changes in ordered quantity subsequent to the date of this quotation.
  - C. **PACKAGING.** Price is based on bulk pack in our standard containers and will be subject to review for any special packaging requirements.
4. **PAYMENT TERMS.** Payment in full on all invoices is due 30 days after date of shipment. No cash discounts shall be allowed; unless otherwise stated.
5. **SHIPPING.** All shipments shall be made F.O.B. at Seller's plant in standard packaging; unless otherwise stated.
6. **WARRANTY.** Seller warrants to the original Buyer that equipment and parts manufactured by Seller shall be free under normal use from defects in material or workmanship, except for normal wear and tear. Seller's obligation as to its warranty is limited to repair or replacement by Seller, at Seller's sole discretion, of those goods sold by Seller to Buyer, which have become defective as a result of ordinary and normal use in accordance with the designed purpose and intended application of the goods, provided that written notice of such defect is given to Seller by Buyer within forty-eight (48) hours after such defect is discovered. The determination of whether a defect exists shall be made solely by Seller. Buyer shall not return any goods to Seller until Seller has been provided a reasonable opportunity to inspect and sample the goods at the Buyer's premises to determine whether a defect exists, and whether the goods should be repaired or replaced. Any shipping cost for returning defective goods shall be paid by Seller.

NOTWITHSTANDING ANY OTHER PROVISION HEREIN, SELLER EXPRESSLY DISCLAIMS AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALSO DISCLAIMS AND EXCLUDES ALL LIABILITY FOR INCIDENTAL AND CONSEQUENTIAL DAMAGES FOR BREACH OF WARRANTY OR OF CONTRACT OR OTHERWISE.

The warranty provided in paragraph 6 is the sole and exclusive remedy of Buyer against Seller.

7. INDEMNIFICATION. BUYER AGREES TO INDEMNIFY AND HOLD SELLER, ITS AGENTS AND EMPLOYEES HARMLESS from and against any and all claims or causes of action brought against Seller and from any and all damages, losses, expenses, attorney's fees, costs and liabilities sustained by Seller arising out of any claimed defect in the goods and services supplied by Seller and any claimed improper manufacture, design, design drawings, specifications, materials or repairs provided by Seller pursuant to this quotation. BUYER'S OBLIGATION UNDER THIS PARAGRAPH SHALL INCLUDE THE OBLIGATION TO INDEMNIFY AND HOLD SELLER HARMLESS FOR SELLER'S NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR CONCURRENT, IN THE PERFORMANCE OF ITS DUTIES AND OBLIGATIONS PURSUANT TO THIS QUOTATION.
8. PATENTS. Buyer shall indemnify and hold Seller, its agents and employees, harmless from any claim of infringement of a patent, copyright, trademark, trade name, or other proprietary right, or claim of unfair trade or of unfair competition, arising out of the manufacture, sale or use of the goods sold pursuant to this quotation.
9. TOOLS AND EQUIPMENT. Unless otherwise expressly provided on the face hereof, all facilities, tools, jigs, dies, fixtures, patterns and equipment furnished to Seller by Buyer to perform the contract, or for which Seller has been reimbursed by Buyer, shall remain the property of Buyer. Seller shall maintain property damage insurance on all such property covering the period when such property is at Seller's plant and shall keep such property in reasonable repair. All shipping charges for the tools and equipment described in this paragraph shall be Buyer's responsibility. Risk of loss during shipment shall be on Buyer. Seller and Buyer agree that Seller shall have a security interest in the above-described tools, jigs, dies, fixtures, patterns and equipment, that are in Seller's possession, as security for payment of any sums owing from Buyer to Seller arising out of the contract made pursuant to this quotation. Seller shall have the right to retain possession of all such items until full payment for the goods has been made, without affecting any other rights or remedies available to Seller.
10. DELAY AND FAILURE TO DELIVER. Seller shall not be liable in any respect for failure to ship or for delay in shipment where such failure or delay shall have been due in whole or in part to shortage or curtailment of material, labor, transportation or utility services, or to any labor or production difficulty in Seller's plant or those of its suppliers, or to any cause beyond Seller's control.
11. CANCELLATION. In the event of cancellation by Buyer:
  - A. Any items completed at time of receipt of written cancellation notice will be shipped and invoiced at the contract price.
  - B. Work on the balance of the order will be stopped as promptly as reasonably possible and Seller shall be reimbursed for all actual expenditures, commitments, liabilities and costs, determined in accordance with good accounting practice, made or incurred with respect to such uncompleted items, plus a profit of 10% on such costs, less any net recovery to Seller on disposition of such items to others within a period of 45 days after the cancellation. Any items that Seller can use economically to **fill** other active orders will be restocked at 2% handling charge.
12. STATE LAW. The sale of goods and services in accordance with this quotation shall be governed in all respects by the laws of the state where shipment originated.
13. JURISDICTION. Seller and Buyer agree that any action arising out of the sale of goods or services in accordance with this quotation will be brought in the State of Michigan.
14. SUCCESSORS. The terms of this quotation shall inure to the benefit of and be binding on the successors and assigns of the parties.
15. ENTIRE AGREEMENT. There are no other agreements, warranties, terms or conditions relating to the goods or services to be provided in accordance with this quotation except as contained herein.

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