

## CUSTOMER TERMS AND CONDITIONS

- PRICES:** All products ordered to customer specifications which require deviation in standard production process and all products requiring certification by Seller or government source institution are subject to an additional charge.
- TAXES:** Prices listed do not include taxes. The gross amount of any sales, property, excise, use, value-added, or other similar tax applicable to the price, sale or delivery of any goods or services furnished hereunder or to their use by Buyer will, at Seller's option, either be invoiced to Buyer as a separate item or be paid directly by Buyer unless prior to shipment by Seller, Seller is provided with a tax exempt certificate acceptable to the taxing authority.
- SHIPMENT:** All shipments will be F.O.B. shipping point. Seller will not ship in any special manner or insure shipments against loss or damage unless so requested in writing by Buyer, and then at Buyer's expense. At Seller's option, all shipping cost will be advanced by Seller and billed to Buyer or will be collected by the carrier at the time of delivery. Claims for loss of goods or damage to goods in transit shall be made to the carrier and not to the Seller.
- DELIVERY:** Delivery dates are approximate and are not a guarantee of a particular day of delivery. Seller may, but need not, make delivery in installments. All installments will be separately invoiced. Delay in delivery or any installment shall not relieve Buyer of its obligation to accept remaining deliveries.
- PAYMENT AND CREDIT CONDITION:** Payments are due in full 30 days from date of invoice. Seller reserves the right to require cash on delivery or cash in advance if it in its sole discretion feels that Buyer's credit condition warrants it.
- DELAY:** Seller will not be liable for any loss or damage as a result of any delay or failure to delivery due to any causes beyond Seller's control. Seller agrees to resume performance as soon as practicable. In the event of such delay, this agreement will not be terminated and the date of performance will be extended for a reasonable period of time equal to the period of delay.
- CANCELLATION OR ALTERATION:** No order may be cancelled or altered by Buyer except with Seller's written consent. In the event of such cancellation or reduction in quantity, unless otherwise agreed to, Buyer shall pay Seller the full price of the goods, less the amount of any expenses saved by Seller by reason of the cancellation or reduction in quantity. Buyer shall also pay Seller for any loss caused by Buyer's change in specification of time of performance, including storage cost if delivery is not accepted by Buyer within 30 days of the original delivery date acknowledge by Seller.
- BUYER'S REPRESENTATIONS:** Buyer warrants to Seller that the goods and services to be provided under this document are not acquired by Buyer for personal, family or household purposes.
- WARRANTIES AND DISCLAIMERS:** SELLER WARRANTS TO BUYER THAT GOODS SOLD FOR USE HEREUNDER WILL BE FREE FROM DEFECTS IN MATERIAL AND WORKMANSHIP WHICH APPEAR WITHIN 90 DAYS OF THE DATE OF SHIPMENT, PROVIDED THAT BUYER NOTIFIES SELLER IN WRITING OF THE DEFECTS COVERED BY THIS WARRANTY WITHIN 30 DAYS OF THEIR FIRST APPEARANCE. SELLER'S OBLIGATION IS LIMITED, AT ITS OPTION, TO REPAIR OR REPLACE GOODS WHICH ARE PROVED TO BE DEFECTIVE.
- LIMITATIONS OF LIABILITY:** (a) SELLER WILL NOT UNDER ANY CIRCUMSTANCES, WHETHER AS A RESULT OF BREACH OF CONTRACT, BREACH OF WARRANTY, TORT OR OTHERWISE BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR EXEMPLARY DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUES, LOSS OF USE OF OR DAMAGE TO ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE PRODUCTS, FACILITIES OR SERVICES, DOWNTIME COSTS, OR CLAIMS OF BUYER'S CUSTOMERS. (b) SELLER'S LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF, RESULTING FROM, OR CONCERNING ANY ASPECT OF THIS AGREEMENT OR FROM THE GOODS OR SERVICES FURNISHED HEREUNDER SHALL NOT EXCEED THE PRICE OF THIS SPECIFIC PRODUCT WHICH GIVES RISE TO THE CLAIM. (c) Seller will not be subjected to any liability, whether in contract, warranty, tort, or otherwise, on any claim for loss or damage concerning products, parts, advice, assistance or service which Seller furnished to Buyer as a business courtesy, but are not required hereunder. (d) The warranties and remedies set forth herein do not apply to goods which have been misused, inadequately maintained or stored, or incorrectly or negligently installed or serviced.
- INSPECTION AND RETURNS:** It will be the responsibility of the Buyer to completely evaluate the goods for compliance to specification within 30 business days after receipt of goods at Buyer's shipping address. Goods will not be accepted on return unless prior written authorization has been received from Seller. Unless otherwise specified in writing, all returns must be made to the factory of origin.
- INTELLECTUAL PROPERTY LIABILITY:** Seller agrees to hold Buyer harmless only against infringement of patents trademarks or copyright covering the goods in the form sold by Seller provided Buyer promptly notifies Seller of any claim or litigation and tenders the defense thereof to Seller. Buyer agrees to hold Seller harmless from any liability for infringement of patents trademarks, copyright of any third party rights by reason of manufacture according to Buyer's design or instruction, or by reason of incorporation of Seller's materials in a more comprehensive assembly that sold by Seller, provided Seller promptly notifies Buyer of any claim of litigation and tenders the defense thereof to Buyer.
- MODIFICATION OF CONTRACT:** No assignment, modification, amendment, revision, waiver or other alteration or change will bind Seller unless agreed to in writing by Seller. This constitutes the entire agreement of the parties concerning the purchase and sale of the goods under this agreement. Any proposal, representation, promise, course of dealing, or trade usage not contained or referenced herein will not bind Seller.
- CHOICE OF LAW:** This Agreement and any amendments hereto or modifications hereof will be construed in accordance with the laws of the State of Minnesota applicable to contracts to be fully performed therein.
- TOOLS:** Any dies, molds, jigs, patterns or tools which Seller manufactures or acquires for performance or manufacturing or inspecting special parts for the Buyer shall remain the property of Seller, notwithstanding any charges therefore. Tool charges convey to Buyer the right to have tools used by Seller for production of Buyer's parts but do not convey title or right of possession. Seller shall be responsible for routine maintenance and repair of such dies, molds, patterns or tools. Major overhauls, replacements or changes shall be charged to the Buyer.
- LICENSE:** Buyer grants to Seller a license to use the specifications provided by Buyer and Buyer's trademarks and trade names for the production of the goods. Seller grants no license, expressed or implied, other than the right of Buyer to use the goods in the form delivered by Seller.
- COMPLIANCE WITH LAW:** Buyer warrants and represents to Seller that it will comply with all applicable, federal, state and local laws, executive orders, rules and regulations, including but not limited to The Export Administration Regulations of the U.S. Department of Commerce.
- COLLECTION EXPENSE:** All costs reasonably related to the enforcement of this contract or any part thereof (including reasonable attorney(s) fees) shall be borne by Buyer. Interest, on all amounts due and owing Seller, calculated from the first day of delinquency at the highest rate allowed by law, shall also be borne by Buyer. If any term or provision of this contract is determined to be invalid or unenforceable for any reason, it shall be adjusted rather than voided, if possible, to achieve the intent of the parties to the extent possible. In any event, the remaining terms and provision shall be deemed valid and be enforceable to the extent possible.