

## T-LON PRODUCTS, INC.

### TERMS & CONDITIONS OF SALE

#### 1. ACCEPTANCE

This writing constitutes an offer by T-Lon Products, Inc. ("Seller") to sell the products or services described herein to the addressee ("Buyer") of this Quotation or Order Acknowledgement. Acceptance of this offer is limited to the terms and conditions hereof; and Seller hereby objects to any additional or different terms which may be contained in any of Buyer's forms. All orders and contracts accepted by a salesman or selling agent are subject to approval by the Seller. When accepted by Buyer, this writing shall constitute the entire agreement between Seller and Buyer and shall be governed by and construed in accordance with the internal laws of the State of Wisconsin.

#### 2. TERMS

Payment terms are subject to Seller's review and approval of Buyer's application for credit. Seller reserves the right, at its discretion, to establish credit limits and/or require cash in advance if there arises any doubt as to Buyer's financial responsibility. Terms of payment are net 30 days, calculated from date of invoice.

#### 3. PRICES AND TAXES

Prices are subject to change by Seller as follows: (a) should Buyer at any time make changes in the drawings, specifications or approved samples of the Products, or if Buyer fails to meet agreed upon minimum annual Product purchase requirements or agreed upon minimum purchase Product quantity per production run; and/or (b) at any time upon written notice to Buyer to reflect changes in price of raw materials; and/or (c) in case of blanket orders extending over three (3) months or more, unless Seller has otherwise agreed in writing to "firm" pricing, Seller may also change prices on the first day of any month for any reason (provided Seller shall give (30) days prior notice of any such price change). In the event of a price change by Seller for any reason other than as described in clauses "(a)" or "(b)" of the preceding sentence, Buyer may terminate the contract by notice to Seller prior to the effective date of the price change. Buyer's failure to make written objection to any change prior to the effective date shall constitute acceptance thereof. All prices are exclusive of sales taxes, value added taxes, withholding taxes, custom duties, excises, or similar charges of any kind (which shall be additions to the purchase price), except to the extent shipping terms defined by the Wisconsin Uniform Commercial Code ("UCC") indicate otherwise. The Seller shall have the right at any time to separately bill the Buyer for any such tax which the Seller may be called upon to pay. Buyer hereby grants Seller a security interest in all molds/tooling to secure payment of amounts owed by Buyer to Seller.

#### 4. PATENTS

Buyer shall indemnify Seller against any and all suits and claims for infringement of patents, owned by others arising out of or in connection with Seller's manufacture of or sale of goods to Buyer's specifications.

#### 5. CANCELLATION AND RETURNS

No order may be cancelled and no products sold hereunder may be returned without the prior written consent of Seller.

#### 6. DELIVERY

Unless otherwise specified, risk of loss or damage in transit passes to Buyer upon delivery to carrier F.O.B. Seller's plant; and Buyer shall bear all costs of freight and insurance in connection with delivery. At its option, however, Seller may prepay freight and insurance charges and bill such charges separately or as part of the invoice for goods or services sold hereunder. Seller shall not be liable for delays in delivery resulting from any cause beyond its control, including fire, flood, acts of God, government controls, strikes or other labor disputes, delays by suppliers or carriers or other similar causes.

#### 7. INSPECTION

Buyer will inspect all Products promptly upon receipt, and failure to notify Seller in writing within sixty (60) days of receipt shall constitute a waiver of any discoverable non-conformities or defects in the Products and acceptance of the Products. Seller warrants that, for a period of sixty (60) days from the date of delivery, the Products will be free of defects in workmanship and material (unless material is specified by Buyer), the Products conform to the specifications contained in this Quotation or Order Acknowledgement, as applicable, and Seller conveys good title on the Products free of any security interests, liens or encumbrances. SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY EXCLUDES ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. UNDER NO CIRCUMSTANCES WILL SELLER BE LIABLE FOR SPECIAL OR CONSEQUENTIAL DAMAGES, OR LOSS OF PROFITS. Buyer's exclusive remedy and Seller's total liability for claims will be a refund of the purchase price and associated shipping costs for defective Products, or replacement of the non-conforming or defective Products at no cost to Buyer, at the option of Seller. No refund or replacement will be made unless written request is received within sixty (60) days of Buyer's receipt of the Products. No arbitration or court action arising out of or related to this Quotation or Order Acknowledgement, as applicable, or to the condition of the Products shall be commenced by Buyer later than one year after the cause of action is known or should have been known to Buyer.

#### 8. CONSEQUENTIAL DAMAGES; INDEMNITY

**\*SELLER SHALL IN NO EVENT BE LIABLE TO ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES, FROM ANY CAUSE WHATSOEVER.**

Buyer shall indemnify Seller against any and all losses, damages and expenses (including attorney's fees and other costs of defending any action) which Seller may incur as a result of any claim, by Buyer or others, based on product defects not proven to have been caused by Seller's negligence, or based upon infringement of patents owned by others, arising out of or in connection with Seller's manufacture or sale of goods hereunder.