

# TERMS OF SALE

## GENERAL

The following terms and conditions shall constitute the entire Agreement for the purchase and the sale of GS Global Resources, Inc. (GS) Products. Any acceptance contained herein is made expressly conditional upon the Purchaser's assent to the terms which are different from, in addition to, or vary the terms contained in the Purchaser's purchase order or request for quotations. Purchaser agrees to accept either overage or shortage, not in excess of 10 percent to be charged pro-rata. Such assent shall be deemed to occur upon the failure of the Purchaser to object in writing specifically to such term or terms within 14 days from the receipt hereof. Any terms and conditions contained in the Purchaser's purchase order or request for quotation which are different from, in addition to, or vary GS' terms and conditions shall not be binding upon GS, and GS hereby objects thereto.

The prices and terms of GS quotations are not subject to verbal changes or other agreements unless approved in writing by the Home Office of the Seller. All quotations and agreements are contingent upon strikes, accidents, fires, availability of material, and all other causes beyond our control. Purchaser agrees to accept either overage or shortage, not to exceed 10 percent to be charged for pro-rata. Purchaser assumes liability for patent and copyright infringement when goods are made to purchaser's specifications. When quotation specifies material to be furnished by the Purchaser, ample allowance must be made for reasonable spoilage and material must be suitable quality to facilitate efficient production.

## PURCHASE ORDERS

A faxed or written copy of all purchase orders is required prior to processing and order.

## PRICING

Prices are effective at time of shipment. Blanket orders and quantity discounts are subject to factory minimum release schedules and manufacturer's price increases.

## MINIMUM BILLING

Is a \$25.00 net per order charge on items from GS inventory. Emergency and drop ship orders will be subject to individual supplier minimums.

## SCHEDULE OF SHIPMENTS

Orders will not be accepted without firm required dates. Reschedule adjustments require firm factory lead time. Scheduled shipments are subject to factory conditions. Blanket orders not shipped within the specified time will be shipped at the end of one year or be subject to quantity re-pricing.

Special Product: As this product is specifically manufactured for the buyer, blanket order quantities must be released over a period not to exceed (12) months from date of purchase.

Quoted lead-time based on published factory lead-times or current factory availability. Quoted lead-times for custom products begin after design approval.

## EMERGENCY BREAKDOWNS

Orders required under standard lead-time may be subject to expedite fees.

## CHANGES

Prior to the date of delivery of any product or products hereunder, the Purchaser shall have the right to make changes in its order provided that GS receives written notice of the desired changes and accepts the same and provided further that the Purchaser accepts the additional change therefore as determined by GS. Changes which interfere with or after GS' production schedules will not be acceptable unless the time for performance is extended for such period as deemed necessary by GS. Failure of GS to accept a Purchaser's request to change its purchase order shall not be cause for Purchaser's cancellation of its order except upon payment of a cancellation charge to be determined by GS.

## CANCELLATION

(a) GS shall have the absolute right to cancel this Agreement upon breach thereof by the Purchaser, failure by the Purchaser to make any payment required by this Agreement or the insolvency or bankruptcy of the Purchaser.

(b) A purchase order or any part thereof which is hereby accepted by GS may not be cancelled unless and until GS receives written notice of the

cancellation has determined the additional charge to be made and the same has been accepted and paid by the Purchaser. Orders may not be canceled once the scheduled date falls within the quoted lead-time without authorization from GS. Full cancellation charge or higher percentage may apply on non-standard or special items. Upon receipt of a notice of cancellation, GS shall be entitled to take whatever action it deems necessary and advisable to minimize cancellation charges.

## RETURNS & REPAIRS

GS will support the product and services offered and will authorize return of such product when accompanied with an approved GS return goods authorization number (RGA). Product being returned for credit may be subject to a restocking charge up to 35%. Credit requests for custom products may be denied. Product being returned for repair will be quoted the cost of the parts and labor. Cases of "uneconomical repair" or the returning of product "as is" may be subject to inspection fee. Product being returned for warranty evaluation may be subject to the above charges if found not to be under warranty. Should the product be covered under warranty, all charges will be void. Products being returned for emergency repair requiring immediate service will be addressed and completed in a timely manner (subject to parts availability). Any RGA issued and not received at GS in 30 days will be canceled.

## WARRANTY

(a) GS WARRANTIES, EXCEPT AS HEREINAFTER PROVIDED, EACH PRODUCT SOLD HEREUNDER WHICH IS ASSEMBLED BY GS TO BE FREE FROM DEFECTS IN ASSEMBLY UNDER NORMAL USE AND SERVICE FOR A PERIOD OF ONE YEAR AFTER SHIPMENT THEREOF TO THE ORIGINAL PURCHASER.

(b) THE WARRANTY CONTAINED IN THIS PARAGRAPH IS IN LIEU OF, AND CUSTOMER HEREBY WAIVES ALL IMPLIED GUARANTEES AND WARRANTIES, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE, TOGETHER WITH ANY LIABILITY TO CUSTOMER FOR LOSS OF USE, REVENUE, OR PROFITS.

(c) PRODUCTS OR COMPONENTS THEREOF, SUPPLIED BY ANY OTHER PARTY TO GS WHICH ARE NOT ASSEMBLED BY GS ARE COVERED ONLY BY THE INDIVIDUAL WARRANTY OF SUCH OTHER PARTY AND COPIES OF SUCH WARRANTIES WILL BE FURNISHED UPON REQUEST.

(d) GS reserves the right to inspect products claimed defective under warranty either at the Purchaser's location or in Mukwonago, Wisconsin. A defective product is not to be returned to GS plant unless authorized by GS. Products so returned shall be returned to GS plant freight prepaid. Any product proving defective to faulty assembly within one year from date of shipment will be replaced or repaired free of charge F.O.B. GS plant, Mukwonago, Wisconsin. GS assumes no liability for labor charges incidental to the adjustment service, repairing, removal or replacement of the product, or other costs, or for the expense of repairs made outside of its factory except when made pursuant to GS' prior written consent. GS, at its option, may ship a replacement or replacements immediately under standard billing and make warranty adjustment after inspection of the defective product by means of credit memorandum.

## DELAYS

GS shall not be liable for damages for delays in performance due to circumstances beyond its reasonable control, including without limiting the generality of the foregoing any priority system established by any agency of the United States Government, fires, floods, storms and other acts of God, accidents, strikes, insurrections, war, shortage of materials, lack of transportation and failure of performance of subcontractors and/or suppliers for similar reasons. Failure of GS to perform for these reasons aforesaid shall not be grounds for Purchaser's cancellation of its order but the delivery date shall be extended accordingly.

## LIMITATION OF LIABILITY

No claims made hereunder by the Purchaser, whether as to goods delivered or for non-delivery shall be greater than the purchase price of the goods in respect of

which such claim is made, and GS shall under no circumstances be liable for consequential damages.

## MISCELLANEOUS

(a) This Agreement may not be assigned or otherwise transferred by Purchaser without the prior written consent of GS and any such assignment of transfer without such prior written consent shall be null and void and no force or effect whatsoever.

(b) GS' failure to insist in one or more instances, upon the performance of any terms by this Agreement shall not be construed as a waiver, or relinquishment of its right to such performance or the future performance of such term or terms and Purchaser's obligation with respect thereto shall continue in full force and effect.

(c) Any notice or other communication required or permitted hereunder shall be sufficiency given if sent in writing by registered or certified mail postage prepaid to the other party thereto at its respective address first above written. Any such notice if so mailed shall be deemed to have been received on the third business day following such mailing. Either party hereto may change its address for notice purposes by written notice to the other party.

(d) The paragraph headings in this Agreement are used for convenience only. They form no part of the Agreement and are in no way intended to alter or affect the meaning of this Agreement.

(e) This Agreement may be amended at any time by mutual agreement of the parties hereto by an endorsement to this Agreement signed by each of them.

(f) The invalidity, in whole or in part, of any provision of this Agreement shall not affect the validity of enforceability of any other of its provisions.

(g) This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.

(h) We hereby certify that these goods were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act as amended and of regulations and orders of the United States Department of Labor issued under Section 14 thereof.

## TAXES

All applicable federal, state or local sales, use or excise taxes are the responsibility of the Purchaser and shall be in addition to the price or prices stated on the front of this document unless otherwise specifically stated. GS shall have the right to invoice separately any such tax as may be imposed at a later time. Applicable tax exemption certificates must accompany any order to which the same applies.

## TERMS OF PAYMENT

Net 30 Days upon approved credit; cash in advance may apply where insufficient credit is available. Shipments may be placed on hold in cases of poor A/R balance.

## PAYMENT

Payment shall be made to GS by the Purchaser net 30 days from the date of delivery. GS reserves the right to charge interest of 1.5% on all past due amounts. Any claims by the Purchaser for omissions or shortages in a shipment shall be waived unless GS receives notice, thereof within 30 days after the Purchaser's receipt of the shipment. Credit for authorized returns will be issued against customer account and may be applied against replacement product, open balances, or future purchases.

## FOB & FREIGHT

FOB point of origin. Freight charges are collect via customer specified carrier unless unavailable then prepay and charge via GS determined carrier.

## DELIVERY

Regardless of the method of delivery, however, risk of loss shall pass to the Purchaser upon GS' delivery to a carrier. Any delivery dates shown are approximate only and GS shall have no liability for any delays in delivery.