

HEMCO
TERMS AND CONDITIONS OF SALE

Acceptance of Order

The terms and conditions of sales as set forth below will be the only terms and conditions that will apply to and govern any purchase order accepted by Seller despite any terms or conditions to the contrary incorporated on Buyer's purchase order forms or order blanks and/or otherwise specified by Buyer. Any term or condition in any Buyer's purchase order or other form in conflict with these terms or conditions is hereby expressly rejected and shall not be binding on Seller.

Prices and Taxes

Prices for goods and services provided by the Seller are set by the Seller and are subject to change without notice prior to acceptance of Buyer's order by Seller. The price does not include any federal, state or local property, license, privilege, sales, use, excise, gross receipts, value added or other like taxes which may be applicable to or imposed upon to, or imposed upon, the transaction, the goods, or the sale, transportation, delivery, value or use thereof, or any services performed in connection therewith. Such taxes are for the account of the Buyer and the Buyer agrees to pay or reimburse such taxes which Seller, its contractors or suppliers are required to pay. Such applicable taxes and other charges known to Seller, will be included in Seller's invoice as a separate item, which Buyer agrees to pay, or, in the case of taxes, to supply Seller with appropriate tax exemption certificates in a form satisfactory to Seller.

Terms of Payment

1. Unless otherwise specified by Seller in writing, payment terms are net 30 days from invoice date, subject to change because of financial or credit conditions existing at time of shipment. Until invoice is paid in full, purchaser grants Seller a security interest in the product sold hereunder in accordance with the Uniform Commercial Code.
2. Buyer agrees to pay a service charge of 1.5% monthly on all invoices unpaid after 30 days. In the event payment is not made by the Buyer as herein provided and in the event legal proceedings are necessary to obtain payment, Buyer agrees to pay legal fees, court costs, expenses of litigation and collection.
3. Seller reserves the right to modify these terms for export business and/or special projects.
4. If, in Seller's judgment, the financial condition of the Buyer at the time the product is ready for shipment does not justify the terms specified, the Seller reserves the right to change these terms or to require payment in cash, security, or other adequate assurance satisfactory to the Seller.

Approximate Shipping Dates

1. The shipping date shown on the acknowledgement is approximate and dependent upon prior sales and circumstances beyond the Seller's control.
2. Seller will not be liable for any damages resulting directly or indirectly from fire, embargo, strikes, or act of God, civil strife or insurrection, transportation delay, whether at place of manufacture or elsewhere, fuel, power, or other energy, raw material or supply shortages, or from delay caused by any rule, regulation or order of any governmental authority directly affecting delivery or from other causes beyond Seller's control.

Delivery and Risk of Loss

All goods shall be shipped to Buyer FOB point of shipping. Risk of loss and/or damage and title to the goods will pass to Buyer upon delivery to the carrier. Unless Buyer has designated a carrier, Seller will select the carrier with the express understanding that the carrier is not the agent of the Seller. The carrier shall be deemed to be the agent of the Buyer. The Seller may ship your order in one or more installments, which Buyer agrees to accept and pay for, unless Buyer has provided Seller with prior written notification that Buyer will not accept partial shipments.

Limited Warranty

Seller warrants to Buyer, as original owner, that goods to be supplied under this Agreement will conform to the description of any purchase order and will be free from defects in materials and workmanship. This warranty will be valid for a period of 1 year. Buyer's exclusive remedy against Seller for any defects in materials or workmanship shall be the replacement or repair of the defective goods, or the repayment of the purchase price upon return of the goods. Goods may be returned at the cost of Seller only after an inspection and approval by Seller and upon receipt by Buyer of definite shipping instructions from Seller. No back charging by Buyer is allowed for repair work done by Buyer, unless authorized in writing by Seller. Every claim on account of defective goods, short count, or for any other cause, shall be deemed waived by Buyer unless made in writing within thirty (30) days from the date of shipment of goods to which such claim relates. This warranty does not apply to goods that have been damaged by

abuse, accident, act of God, misuse, misapplication, improper installation, or shipment, or that have been modified by the Buyer. This warranty is in lieu of and Seller disclaims all other warranties, express, implied, or otherwise including without limitation, any warranty of merchantability, fitness for a particular purpose, or non infringement. No oral or written information or advice given by Seller or its agents will create a warranty or increase the scope of this warranty. In no event will Seller be liable to Buyer for exemplary, incidental, indirect, special or consequential damages of any kind, including without limitation loss of profit, good will, use, savings, revenue or property damage, whether or not Seller has been advised of the possibility of such loss, however caused and on any other theory of liability arising out of these terms and conditions, sale or use of goods, or Buyer's relationship with Seller. Seller's liability arising out of these terms and conditions, sale or use of goods, or Buyer's relationship with Seller, including without limitation, any and all claims combined, will not exceed the amount of the purchase price for the goods and services provided. In no event will Seller be liable for the costs of procurement of substitute goods by Buyer or any other person or entity. The limitations in this section will apply notwithstanding the failure of essential purpose of any limited remedy.

Indemnification

Except to the extent caused by Seller's breach of warranty, Buyer shall indemnify and hold harmless Seller, its employees, officers and directors, and their respective successors and assigns from and against any and all liability, damages, claims, causes of actions, losses, costs and expenses (including attorneys fees) of any kind (collective "Damages") arising out of injuries to any person (including death) or damage to any property caused by or related to the goods or any negligent act or omission of Buyer, its employees or agents. Buyer shall defend at its own expense and indemnify and hold harmless Seller and each of its agents from and against any and all Damages and claims of patent infringement or trade secret misappropriation arising from Seller's performance under this contract or by reason of any sale or use of goods or the manufacture of goods to Buyer specifications or sample. Upon the tendering of any of the foregoing suits or claims to Buyer, Buyer shall defend the same at Buyer's expense. The foregoing obligations of Buyer shall apply whether Seller or Buyer defends such suit or claim.

Cancellation

In the event Buyer requests Seller to stop work or cancel the order or any part thereof, there shall be a minimum cancellation charge of 15% of the invoice amount of this cancelled order. Work already scheduled, in progress or completed will be billed at cost incurred plus a 15% handling charge.

Customer Supplied Materials

In the event this contract requires the Seller to perform work on materials supplied by Buyer, Buyer shall supply adequate excess to allow for manufacturing losses. If Seller scraps any such material, it shall not be liable to Buyer for such scrapped materials.

Salvage

Seller reserves the right to determine whether or not products shipped to us are salvageable.

Complete Agreement

This document constitutes the entire agreement between the Buyer and Seller with respect to the subject matter hereof and supersedes all other representations or understandings. The terms and conditions contained herein may not be added to, modified, or superseded or otherwise altered except by a written modification signed by a duly authorized officer of the Seller. If any provisions of this agreement shall be deemed invalid by a court of law, the remaining provisions shall continue in full force and effect, and shall be construed to serve the intent and purposes of this agreement.

Jurisdiction

The terms and conditions applicable to the transaction provided for herein shall be determined and construed in accordance with, and shall be governed by, the laws of the State of Michigan. Buyer and Seller agree to submit to the jurisdiction of the appropriate State or Federal Court within Michigan for purposes of resolving any dispute or claim arising in connection with said transaction.