

**VECTORALL MANUFACTURING Inc.**  
**(VMI)**  
**TERMS AND CONDITIONS OF SALE**

1. **ACCEPTANCE OF TERMS.** Any purchase order in response to this quotation is subject to acceptance by an officer of VECTORALL MANUFACTURING, Inc., the Seller. ANY PURCHASE ORDER CONTAINING ANY ADDITIONAL OR DIFFERENT TERMS FROM THOSE CONTAINED HEREIN SHALL BE DEEMED OBJECTED TO BY SELLER AND SHALL BE OF NO EFFECT NOR IN ANY CIRCUMSTANCES BINDING UPON SELLER UNLESS SPECIFICALLY ACCEPTED IN WRITING BY SELLER.
2. **QUANTITIES.** Standard commercially accepted variation in quantity, (not exceeding plus or minus 10%) will be used unless specifically changed by Buyer and agreed to in writing by Seller.
3. **DELIVERIES.** Every effort will be made to fill orders within the time stated by Seller. Seller does not assume responsibility for any damages growing out of or owing to any delays, which are beyond Seller's control. Unless otherwise specifically agreed in writing, delivery dates will be interpreted as "estimated". **In no event will dates be construed as falling within the meaning of "time is of the essence"**. Seller reserves the right to make delivery by installments. Parts are delivered F.O.B. shipping point, where title and risk of loss or damage to the Parts will pass to Buyer.
4. **DELAYS.** Seller shall not be liable for delays or failures in performing its obligations arising out of or resulting from (a) an act of God, (b) any cause beyond Seller's reasonable control, or (c) any act, failure to act, or delay on the part of any governmental authority; strikes or other labor difficulties; or accidents or disruptions. In such cases, the completion schedule will be adjusted as appropriate to reflect delay.
5. **PAYMENT. Terms of payment are net 30 days.** If Buyer fails to pay an invoice when due, Seller may defer deliveries under this or any other contracts with Buyer, except upon receipt of satisfactory security for or cash in payment of any such invoice. Failure on the part of Buyer to pay invoices when due will, at the option of Seller, constitute a default in addition to all other remedies Seller may have under these Terms and Conditions or applicable law. If, in the judgment of Seller, the financial condition of Buyer at any time prior to delivery does not justify the terms of payment in advance, demand further assurances or cancel any outstanding order, whereupon Seller will be entitled to receive reasonable cancellation charges. If Buyer delays delivery, payment will become due on the date Seller is prepared to make delivery. Should manufacture be delayed by Buyer, pro-rata payments will become due in and to the extent required of Seller by its contracts with its suppliers. All installment deliveries will be separately invoiced and paid for without regard to subsequent deliveries. Delays in delivery or non-conformities in any installment will not relieve Buyer of its obligations to accept and pay for remaining installments.
6. **CANCELLATION:** Orders may be canceled or deliveries deferred only upon the condition that Buyer assume immediate liability and make payment to Seller for: all work completed, on the basis of the unit price; work in process, on the basis of the percentage of completion thereof times the order unit price; raw material, unamortized tooling, engineering and other cancellation charges incurred, on the basis of cost to Seller, plus handling and overhead charges. Seller will determine all cancellation charges at the time of cancellation or deferment.
7. **PRICES AND TAXES.** Seller will confirm prices to Buyer in writing. Seller may, upon thirty (30) days prior written notice to Buyer, change prices or terms of sale affecting the Parts. Prices do not include federal, state, or local property, license, privilege, sales, use, excise, gross receipts or other like taxes which may now or hereafter be applicable to, measured by, or imposed upon this transaction, the Parts, their sale, their value or their use, or any services performed in connection therewith. Such taxes will be itemized separately to Buyer, who will make prompt payment to Seller. Prices do not include shipping charges.
8. **LIMITATION OF LIABILITY.** IN NO EVENT WILL SELLER BE LIABLE FOR SPECIAL, INDIRECT INCIDENTAL OR CONSEQUENTIAL DAMAGES, HOWEVER ARISING, WHETHER IN WARRANTY, STRICT LIABILITY, CONTRACT, TORT, NEGLIGENCE OR OTHERWISE, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR REVENUE, LOSS OF TOTAL OR PARTIAL USE OF THE PARTS OR FACILITIES OR SERVICES, DOWNTIME COSTS, OR CLAIMS OF BUYER FOR SUCH OR OTHER DAMAGES, WHETHER ON ACCOUNT OF PARTS FURNISHED HEREUNDER OR DELAYS IN DELIVERY THEREOF OR SERVICES PERFORMED UPON OR WITH RESPECT TO SUCH PARTS. The

remedies of the Buyer set forth herein are exclusive, and the total liability of Seller with respect to this contract or the Parts and services furnished hereunder, in connection with performance or breach thereof, or from the manufacture, sale, delivery, installation, repair or technical direction covered by or furnished under this contract, whether based in warranty, strict liability, contract, tort, negligence or otherwise, will not exceed the purchase price of the Parts upon which such liability is based. All causes of action against Seller, arising out of or relating to this contract or the performance hereof, will expire unless brought within one year of time of accrual thereof.

9. **INFORMATION.** Buyer and Seller will maintain the confidentiality of all information and intellectual property considered proprietary by the other party and will not itself or through others disclose or use such information for any purpose other than as mutually agreed. Information furnished by Buyer to Seller shall be considered non-proprietary unless otherwise agreed in writing.
10. **PATENTS.** It is not the intention of Seller to manufacture any Part, which is an infringement of a patented article. Seller makes parts strictly to specifications furnished by Buyer. It is agreed that Buyer will defend and save harmless Seller from any and all expense involved in any claims for damages from infringements of letters patent by the use or sale of Parts made by Seller, either as such or as Parts or units of complete entities.
11. **DIES, TOOLS, FIXTURES.** The machine parts industry considers tools, dies, jigs, fixtures, gages, and their reengineering and design, an integral part of the manufacturing process. Therefore, separate quotation to or payment by Buyer for these items, supplied by Seller, conveys neither ownership nor the right of removal from Seller's facility.
12. **BUYER'S MATERIAL.** All Buyer furnished material, components, or equipment is accepted only on the terms that Buyer retains liability. Seller does not insure any goods sent to the Seller for processing or inspection.
13. **CLAIMS.** If Buyer claims that a Part delivered is not as ordered, Buyer must notify Seller within ten (10) days of receipt of shipment. If such claim is sustained to the satisfaction of both parties that the Part delivered is not as ordered, Seller shall repair, replace, credit or complete the order within the limitations of Paragraph 2. Quantities. Under no circumstances will Seller be liable for damages or any claims for expense involved in using the part. Seller will not be liable for claims for defective goods where allegedly defective Parts are further processed by Buyer and result in change of either dimensions or characteristics from Parts as ordered. Claims for shortage must be made within ten (10) days from receipt of the Parts. The basis of the claim must be given to Seller in writing and Seller advised of the method used in arriving at a count of the Parts. Returned Parts must be approved for shipment by Seller and shipped prepaid by the least expensive method. In all cases where Buyer's claim involves incorrect or defective equipment or services, or damage resulting there from, Buyer's exclusive remedies and Seller's sole liability shall be those specifically provided in Seller's warranty, a separate document.
14. **ASSIGNMENT.** Any assignment by Buyer of this contract or any rights hereunder, without the prior written consent of Seller, is void.
15. **INVALIDITY AND NON-WAIVER.** If any provision or portion of this document is held invalid or unenforceable for any reason, that invalidity or unenforceability will not affect any other provision or portion of this document. The waiver of any breach of the provisions of this document will not be deemed to be a waiver of any subsequent breach.
16. **REMEDY.** The remedies expressly provided for in these terms and conditions of sales will be in addition to any of the remedies, which Seller may have under the Uniform Commercial Code or other applicable law.
17. **APPLICABLE LAW.** The laws of the State of Michigan will govern the rights and obligations for the parties. Buyer consents to the exclusive jurisdiction and venue of the courts located there, with respect to any action brought in connection with the Parts that Seller has sold to Buyer.