

MAPAL, Inc.
Standard Terms and Conditions of Sale

- 1. Integration of Terms – The terms (“Terms”) contained in these Standard Terms and Conditions are incorporated into and are an integral part of all proposals, quotations, acknowledgements, and invoices submitted by MAPAL, Inc. (“Seller”), all purchase orders and order releases received by Seller, and all goods and services sold by Seller, except as otherwise specifically provided in a document issued by Seller.** A quotation constitutes an offer by Seller to manufacture the goods or provide the services specified on the face of the quotation and in any attachment, schedules, exhibits, designs or drawings provided to Purchaser. Acceptance by Purchaser of any quotation is limited to acceptance of the express terms set forth in the quotation and in these Standard Terms and Conditions. Purchaser acknowledges and agrees that it has read and understands these Standard Terms and Conditions. Seller objects to and rejects any proposal from Purchaser for additional or different terms, or any attempt by Purchaser to vary any of the terms of the offer which includes these Standard Terms and Conditions. Unless proposed additions, differences or variances are in the terms of the description, quantity, price or delivery schedule of the goods or services, such proposed changes shall not operate as a rejection of the offer made by the Seller, but will instead be deemed a proposal made by the Purchaser for a material modification of the offer, and the quotation shall accordingly be deemed accepted by Purchaser without such additional different or varied terms. If any quotation and these Standard Terms and Conditions are deemed to be an acceptance of a prior offer made by Purchaser, Seller's acceptance is expressly conditioned on assent to the additional or different terms and such acceptance is limited to the express terms set forth in the quotation and these Standard Terms and Conditions.

Purchaser shall be deemed to have accepted a quotation by written or oral acknowledgement of the quotation, by Seller's commencement of work, upon shipment of any of the goods under, or providing services called for by the quotation, or by Purchaser's submission of a purchase order, release, or release signal.

The sale resulting herefrom consists only of these Terms and Conditions and constitutes the entire Agreement between the parties. All prior negotiations, understandings, and undertakings are hereby merged into this Agreement. Seller is willing to negotiate written changes to these Terms and Conditions, but reserves the right to make an adjustment in the price of the goods. Seller may unilaterally correct any mathematical and typographical error in the Agreement. A course of performance shall not constitute a modification or waiver by Seller of any right under the Agreement.

- 2. Pricing –** Price quotations from Seller shall remain open and valid for ninety (90) days unless otherwise stated. Each part price stated in the quotation is based upon the specified number of parts to be shipped within each quotation. If the quantities actually shipped are fifteen (15%) percent (or more) lower than the specified number of parts to be shipped within each quotation, Seller reserves the right to claim and collect from Purchaser a ten (10%) percent surcharge on the total amount payable by Purchaser to Seller under the Agreement.
- 3. Delivery Schedules -** The time limits stated in the quotation are provided as estimates only. Only the time limits that may be indicated in Seller's quotation are binding. Seller reserves the right to make split deliveries. If Seller is unable to produce, sell or deliver any of the goods or services covered by the Agreement, or if Purchaser is unable to accept delivery, buy or use any of the goods or services covered by the Agreement as a result of an event or occurrence beyond the reasonable control of the affected party and without such party's fault or negligence, then any delay or failure to perform under the Agreement that results from such event or occurrence will be excused for so long as such event or occurrence continues; provided, however, that the affected party gives written notice of such delay (including the anticipated duration of the delay) to the other party as soon as possible after the event or occurrence (but in no event more than three (3) working days thereafter). Such events and occurrences may include, by way of example and not limitation, natural disasters, fires, floods, windstorms, severe weather, explosions, riots, wars, acts

of terrorism, sabotage, labor problems (including lockouts, strikes and slowdowns), equipment breakdowns, power failures and failure of Seller's suppliers or sub-suppliers to timely deliver conforming parts and/or material. Despite any delay or failure to perform by Seller as a result of any such events or occurrences, Purchaser may not revoke, cancel, terminate or rescind any of its obligations and commitments under the Agreement. In no event shall any resulting failure in or disruption of shipments by Seller give rise to any claim by Purchaser for damages of any kind or character, all of which claims are hereby expressly waived by Purchaser. Seller hereby expressly reserves to itself the right to cancel, totally or partially, its commitments to Purchaser under the Agreement in case of any such events or circumstances. If Seller elects to exercise such right, it shall give prompt notice thereof to Purchaser. Any goods sold pursuant to the Agreement will be picked up at Seller's location within forty eight (48) hours after Seller's delivery of notice that such goods are completed. Any goods not picked up within forty eight (48) hours after such notice by Seller may, at Seller's sole option, be delivered to another location selected by Seller, which delivery shall be done at Purchaser's sole cost and expense.

- 4. Premium Shipments -** Premium shipping expenses and/or other related expenses necessary to meet delivery schedules shall be at Purchaser's sole cost and expense.
- 5. Delay; Risk of Loss -** Except for those matters solely within Seller's control, Purchaser assumes all risk of delivery of goods on a timely basis. Notwithstanding anything contained herein to the contrary, all risk of loss shall shift to the Purchaser upon the earlier of (a) such goods being delivered to Purchaser's shipper or (b) the pick-up of such items from the Seller's location.
- 6. Insolvency -** Seller may immediately terminate the Agreement without liability to Purchaser in the event of the happening of any of the following or any other similar or comparable event: (i) insolvency of Purchaser; (ii) filing of a voluntary petition in bankruptcy by Purchaser; (iii) filing of an involuntary petition in bankruptcy against Purchaser if such petition is not dismissed within fifteen (15) days of its filing; (iv) appointment of a receiver or trustee against property of Purchaser and such appointment is not dismissed within fifteen (15) days of its filing; or (v) execution of an assignment for the benefit of creditors of Purchaser.
- 7. Termination For Breach -** Seller reserves the right to terminate all or any part of the Agreement, without liability to Seller if Purchaser: (i) repudiates, breaches or threatens to breach any of the terms of the Agreement; (ii) fails to pay for any goods delivered by Seller within ten (10) days of when due; or (iii) breaches any other term or condition of the Agreement and such breach is not cured within thirty (30) days of when notified by Seller.
- 8. Termination Upon Notice -** In addition to any other rights of Seller to terminate the Agreement, Seller may, at its option, upon sixty (60) days prior written notice to Purchaser, immediately terminate all or any part of the Agreement at any time and for any reason by giving written notice of exercise of such option to Purchaser. In the event of such termination, Seller shall reasonably cooperate with Purchaser in effectuating the resourcing of all goods covered by the Agreement to a different supplier designated by Purchaser, all at Purchaser's sole cost and expense.
- 9. Assignment -** Seller may assign or delegate any of its substantive duties or performance under the Agreement without the prior written consent of Purchaser. Any sale or other transfer of stock or other securities of Seller that would result in a change in control of Seller, shall be deemed an assignment under the Agreement. Seller may also assign its claims for money under the Agreement but Purchaser shall not be required to pay the assignee until Purchaser receives written notice of the assignment, a true copy of the assignment and a release from Seller. Any such assignment shall release the Seller from any claims hereunder and shall prohibit Purchaser from enforcing its rights against Seller. Purchaser may not assign to any third party its rights and obligations under the Agreement without the consent of Seller. In the event of such assignment by Purchaser, the Purchaser shall not be released from any liability hereunder.

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10. Changes - Purchaser reserves the right, upon ninety (90) days prior written notice to Seller, at any time to direct changes, or cause Seller to make changes, to the design (including drawings and specifications) processing, methods of packing and shipping and the date or place of delivery of the goods covered by the Agreement or to otherwise change the scope of the work covered by the Agreement including work with respect to such matters as inspection, testing or quality control, and Seller agrees to utilize its good faith efforts promptly to make such changes provided, however, Purchaser agrees to reimburse Seller for any and all costs and expenses in effectuating such changes. Any such changes shall be deemed to affect the time for performance of Seller hereunder for a reasonable amount of time to permit Seller to effectuate such changes.

11. Subcontracted Product - Seller may subcontract any of its duties under the Agreement without Purchaser's prior written approval. In the event of such subcontracting of any of the work under the Agreement, Seller will ensure that the subcontractor agrees to be bound by the terms and conditions of the Agreement.

12. Non-conforming Goods - Purchaser, at its option, may reject and return at Purchaser's risk and expense, goods received pursuant to the Agreement that fail to conform to the requirements of the Agreement. Such return must occur, if at all, within forty five (45) days of Purchaser's receipt of such goods. Any goods not returned within forty five (45) days of Purchaser's receipt shall be conclusively established to be conforming and Purchaser hereby waives any right to claim that such items are non-conforming. Within forty five (45) days of Seller's receipt from Purchaser of the notice of such non-conforming goods, Seller shall, at its option, either: (a) inspect the goods to determine if they are non-conforming; or (b) agree with the Purchaser that such goods are non-conforming. In the event Seller determines after such inspection that such items are, in fact, conforming, Seller shall notify Purchaser of the results of such inspection and the parties shall then mutually inspect the goods. If, after such mutual inspection, the parties are unable to agree on whether such items are conforming, the parties shall agree on a third party inspector to make a final, binding and non-appealable decision as to whether or not such items are conforming. The parties agree to each pay one-half of the cost of such third party inspection. To the extent Purchaser rejects goods as non-conforming, the quantities made available under the current release will be reduced by the quantity of non-conforming goods unless Purchaser otherwise notifies Seller in writing. Non-conforming goods will be held by Purchaser for disposition in accordance with Seller's written instructions at Seller's risk. Seller's failure to provide written instructions within thirty (30) days (or such longer period as may be commercially reasonable under the circumstances) after notice of nonconformity shall entitle Purchaser, at Purchaser's option, to charge Seller for storage and handling. Seller shall credit Purchaser for any amounts paid by Purchaser on account of the purchase price of any returned non-conforming goods against any amounts due Seller hereunder. Such crediting shall be made within sixty (60) days after Seller receives notice from Purchaser of such non-conforming goods.

Any damage to the goods sustained after the risk of loss has shifted to Purchaser pursuant to section 5. above, shall be Purchaser's sole responsibility and shall not render the goods non-conforming.

13. Warranty; Limitation of Liabilities -

A. Seller expressly warrants that all goods and services covered by the Agreement will conform in all material respects to the specifications, drawings, samples or descriptions furnished in writing to or by Purchaser. Seller warrants to Purchaser only, that all goods and services covered by the Agreement shall be free from manufacturing defects in materials and workmanship which are discovered within the period of twelve (12) months from the date the goods and services leave Seller's control, subject to the disclaimers and limitations of the Agreement. This is not a warranty of performance, but a limited warranty as to the condition of the goods and services at the beginning of

the warranty period.

B. EXCEPT AS CONTAINED IN (A) ABOVE, SELLER MAKES NO EXPRESS WARRANTIES RELATED TO THE GOODS OR SERVICES. NO OTHER STATEMENT OR REPRESENTATION SHALL BE CONSIDERED AS A PART OF THE BASIS OF THE BARGAIN BETWEEN SELLER AND PURCHASER. SELLER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR USE OR PURPOSE, OR ARISING BY STATUTE OR OTHERWISE IN LAW OR FROM A COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE.

C. THE TOTAL LIABILITY, IF ANY, OF SELLER AND THAT OF ITS OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, AGENTS AND EMPLOYEES TO PURCHASER FOR DAMAGES WITH RESPECT TO THIS AGREEMENT AND THE GOODS SHALL NOT EXCEED THE COST OF THE RETURNED OR DEFECTIVE PRODUCT. IN NO EVENT SHALL SELLER, ITS OFFICERS, DIRECTORS, PARTNERS, SHAREHOLDERS, AGENTS AND EMPLOYEES HAVE ANY LIABILITY FOR PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST PROFITS OR REVENUES. THE LIMITATIONS AND EXCLUSIONS IN THIS PARAGRAPH SHALL APPLY TO ALL CLAIMS OF EVERY NATURE, KIND AND DESCRIPTION, WHETHER ARISING FROM BREACH OF CONTRACT, BREACH OF WARRANTY, STRICT LIABILITY, NEGLIGENCE OR OTHER TORT, OR OTHERWISE. DAMAGES AS LIMITED BY THIS PARAGRAPH IS PURCHASER'S SOLE AND EXCLUSIVE REMEDY. THIS LIMITATION SHALL BE ENFORCED REGARDLESS OF WHETHER SELLER HAS DEFAULTED IN ITS WARRANTY OR OTHER OBLIGATIONS UNDER THE AGREEMENT.

D. PURCHASER MUST PROVIDE SELLER NOTICE OF ANY WARRANTY CLAIM RELATED TO THE ABOVE WARRANTY WITHIN NINETY (90) DAYS AFTER THE FIRST OCCURRENCE OF THE EVENT GIVING RISE TO THE CLAIM. SUCH NOTICE IS A CONDITION PRECEDENT TO THE VALIDITY AND ENFORCEABILITY OF THE CLAIM AND FAILURE TO GIVE THE NOTICE SHALL RENDER THE CLAIM VOID.

14. Indemnification - Purchaser hereby covenants and agrees to indemnify, defend and hold Seller, its directors, officers, partners and employees harmless from any claims, liabilities, damages (including special, consequential, punitive and exemplary damages), costs and expenses (including actual attorney fees) incurred in connection with any claims (including lawsuits, administrative claims, regulatory actions and other proceedings to recover for personal injury or death, property damage or economic losses) that are related in any way to or arise in any way from Purchaser's performance of obligations to Seller under the Agreement. Purchaser's obligation to indemnify under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise.

15. Purchaser's Representations and Warranties - By entering into the business relationship with the Seller, Purchaser hereby represents and warrants to Seller as follows:

A. Purchaser is the lawful owner of any supplies, material, mold, machinery, equipment, patterns, tools, dies, fixtures, blueprints, designs, specifications, drawings, photographic negatives and positives, art work, copy layout, consigned material for production or repair and other items furnished by Purchaser ("Purchaser's Property") to Seller to permit Seller to provide the goods as referenced herein.

B. At the expiration of the business relationship between Purchaser and Seller, Seller's sole obligation will be to return the Purchaser's Property in its then current "as is, where is" condition, reasonable

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wear and tear and damage by fire or other casualty excepted.

- C. Purchaser will pay for all goods provided by Seller net thirty (30) days F.O.B.: Port Huron, Michigan.

16. Proprietary Information

- A. Purchaser acknowledges that any information disclosed to Seller has not and will not be confidential or a trade secret unless clearly and conspicuously noted on the disclosure, or in some other writing delivered to Seller at or prior to the time of the disclosure.
- B. All proposals, plans, specifications, designs and other information furnished by the Seller or Seller's parent, subsidiary or affiliate companies in bidding, negotiating and performing the Agreement, are confidential and the property of Seller and shall not be shown or disclosed to any other bidder, and shall not be shown or disclosed to any third party or used by Purchaser except as may be necessary for the selection or use of the goods and services.
- C. Any invention or other information developed by Seller in the performance of the Agreement shall remain the property of Seller. Any patentable features developed by Seller shall be the property of Seller and Seller shall be under no obligation to refrain from using in its business any information, manufacturing processes or unpatented disclosures which may pass to it from the Purchaser in the performance of the Agreement, except as provided in subsection A.
- D. Seller is not obligated to furnish detailed or shop working drawings, engineering calculations, computer programs, or other information for any goods or services or part thereof unless specifically required by the Agreement.

- 17. Setoff** – Notwithstanding anything contained herein or by law to the contrary, except as contained in Section 12, the Purchaser shall not have any right of set-off against amounts due Seller. Accordingly, except as permitted pursuant to Section 12, all amounts due Seller hereunder shall be paid when due without deduction or offset.

18. Applicable Law - Arbitration – Forum

- A. The Agreement shall be governed by the internal laws of the State of Michigan without regard to an applicable conflict of laws provisions. The United Nations Convention on the International Sale of Goods is expressly excluded. Any declaration of unenforceability of a provision shall be as narrow as possible and shall not affect the enforceability of the other provisions.
- B. All disputes arising under or in connection with the Agreement shall be finally settled by arbitration in Port Huron, Michigan, before a single arbitrator appointed by the parties. The arbitration shall be conducted under the rules set forth by the selected arbitrator. The decision of the arbitrator shall be final and binding upon Purchaser and Seller, shall not be appealable, and judgment on the arbitration award may be entered and enforced in any court of competent jurisdiction. Each party will bear equally the costs and expenses of the arbitrator. Notwithstanding the foregoing, Seller shall have the right to seek equitable relief from any court of competent jurisdiction.
- C. Purchaser agrees that it is subject to the personal jurisdiction of the state of Michigan, and that, subject to paragraph B. above, it will initiate any legal action against Seller only in St. Clair County, Michigan, USA.
- D. Any proceeding by the Purchaser for breach of the Agreement or any other right against Seller arising from or in connection

with the Agreement cannot be filed nor maintained unless: (i) it is commenced within one (1) year after the cause of action has accrued; and (ii) Purchaser has given timely written notice to Seller of its claim as provided herein. An action shall accrue no later than shipment of the goods and services covered by the Agreement.

- 19. Sales Tax Exemption** – Purchaser hereby certifies that materials and services purchased under the Agreement and identified as industrial processing are eligible for state and federal sales tax exemption under the federal tax payer identification number indicated in the Agreement.

- 20. Advertising** – Purchaser shall not refer to Seller in advertising or public releases without Seller's prior written approval.

- 21. Unavoidable Delays/Unforeseen Events** - Both Seller and Purchaser shall each be excused from performing any obligations provided for in the Agreement, and neither party shall thereby be in default, if such non-performance or default is due to acts of God, non-availability of labor or materials, strikes, lock-outs or labor disturbances, governmental restrictions, war, civil commotion, fire or other casualty or other causes beyond Seller's or Purchaser's control, except for Purchaser's obligations with respect to payments due Seller hereunder.

- 22. Price Adjustments** – Purchaser hereby acknowledges that in the event of an increase in the cost of production, including but not limited to an increase in the cost of labor, materials or energy, Seller may, upon thirty (30) days prior written notice to Purchaser, charge a corresponding increase in price for the goods to be sold hereunder. In the event Purchaser disputes such price increase within such thirty (30) day period, Purchaser's sole remedy shall be to terminate the agreement between the parties upon thirty (30) days written notice to Seller.

- 23. Over Shipment and Under Shipment** – Any over shipment or under shipment by Seller not exceeding ten (10%) percent of the quantity ordered shall constitute compliance with the Agreement.

- 24. Interest on Past Due Amount; Late Charges** - Purchaser hereby agrees that any amounts due hereunder not paid within thirty (30) days of when they are due shall accrue interest at the rate of one and one half (1 ½%) percent per month or eighteen (18%) percent per annum. In addition, a late charge of 5% of all amounts due shall be added to any amounts not paid within thirty (30) days of their due date. If Seller is forced to file a claim against Purchaser for any unpaid amount under the Agreement, Seller shall also be entitled to recover its actual attorneys' fees and costs.

- 25. Approval of Seller** – Notwithstanding anything contained herein or by law to the contrary, any time the approval or consent of Seller is required pursuant to the Agreement, such approval or consent may be withheld in the Seller's sole and absolute discretion.

- 26. Entire Agreement** – These Terms and Conditions, together with the attachments, exhibits or supplements specifically referenced herein, and, subject to paragraph 1 above, constitute the entire Agreement between Seller and Purchaser with respect to the matters contained herein and supersedes all prior oral or written representations and agreements. The Agreement may only be modified by an amendment/alteration signed by an authorized officer of Seller. None of the provisions of the entire Agreement can be waived except in writing signed by an authorized officer of Seller.