

Production Molding & Tooling
TERMS AND CONDITIONS
Garner Industries
7201 N. 98th Street, Lincoln, NE 68507

PRICES: This quotation remains in effect for thirty days only. These prices (per the price breaks) are based upon continuous production of products stated. Interruption of production may require the addition of set up charges to the prices quoted. We reserve the right to increase prices if schedule requirements force more than a 120 hour per week utilization of the tooling that has been constructed. Orders calling for future deliveries from date of order may be subject to price increases based on fluctuations in plastic resin prices. These prices do not include the usual local, state, federal or excise taxes. Any such taxes will be invoiced separately.

PRICING ADJUSTMENTS: Piece part pricing will be adjusted in accordance with the actual number of cavities producing acceptable parts or, in the even of multiple configurations, pricing of the parts ordered will be adjusted to reflect the cost of the idle cavities.

PAST DUE ACCOUNTS: Exceeding 90 days for invoiced parts or mold work will automatically constitute a lien against any molds, tooling, or materials, to satisfy the account.

TERMS: Prices are F.O.B. our plant with payment due net 30 days from invoice date unless different terms are agreed to in writing by both parties. Tooling orders over \$10,000 require a fifty-percent (50%) down payment with the purchase order and the balance due of fifty-percent (50%) net 30 days from the date of delivery of the initial First Article part(s) sample submission.

CREDIT: We may at any time alter or suspend credit, withhold shipments or cancel unfilled orders, if, the customer's account becomes delinquent, the financial status of their company changes, or when the customer causes undue delays of delivery.

DELIVERY: Unless agreed to in writing, all freight charges are the responsibility of the customer. Due to the nature of our manufacturing process, we assume no liability for any loss or damage arising from delay in delivery or any other default due to acts or regulations of any government, to manufacturing, or unforeseen contingencies, or unavoidable occurrences at our plant or elsewhere which are not entirely within our control.

QUANTITY: Delivery of ten percent (10%) more or less than the quantity specified in any order shall constitute fulfillment of the order and payment must be made at the prices specified for the quantity ordered.

CANCELLATION: Orders are not subject to cancellation, reduction in amount, interruptive delay, or suspension by purchaser except with our written consent. We reserve the right to require payment for charges in the event of cancellation or engineering changes. This may include but is not limited to charges for raw materials and manufactured parts.

WARRANTIES: In the event merchandise supplied fails to conform to the sample specification, our liability shall be limited to either supplying other merchandise which conforms to the sample specifications or refunding the purchase price. No warranty is implied concerning the design or construction of the molds, tools, inserts, or parts. Any warranty is limited to the value of the defective parts.

SOLID MODEL DESIGN: All tooling being constructed will require customer-supplied 3D CAD solid models of the molded part. Models are to be in STEP (.stp) format. Tooling will be built directly from the solid model. If dimensional discrepancies are found between dimensioned drawings and the part model, the model will be the governing document. If the customer lacks the ability to generate solid models, models can be created from the customer's supplied drawings for an additional charge. Models will be created with best efforts, however, if dimensional issues arise, they will be the responsibility of the customer. The customer may choose to have the model verified by a third party prior to tool construction, if desired. Tool build lead time begins upon receipt of customer supplied or approved solid model.

ENGINEERING AND DESIGN CHANGES: Changes suggested by us are made in the best interests of all concerned, but the responsibility for their success lies entirely with the customer approving them.

PATENTS AND TRADEMARKS: The customer agrees to indemnify and hold us harmless against any loss resulting from infringement of patents, copyrights, or trademarks.

INSERTS: When the customer furnishes inserts they shall be F.O.B. our plant, all charges prepaid, in sufficient quantity as specified by us to warrant continuous operation of their molds. We are not responsible for losses of inserts during set up, nor for inserts consumed in rejected parts.

GAGES: Special gages, fixtures, or other unique small tools needed to manufacture the products must be furnished by, or paid for by the customer.

FINISHINGS: The finish of molded parts shall include only such finish as is obtained directly from the molding process, and shall be "as molded" with clipped, or sawed gates unless otherwise specified in writing either on the prints or purchase orders supplied by the customer.

CLAIMS AND RETURNS: Claims for shortages or rejections for defects must be made within 30 days after receipt of parts. Returns can only be made with prior consent by our issuing an RMA number (Return Authorization Number) which can only be issued by our manager of quality control. The precise RMA number must appear on the shipper and debit paperwork when the parts arrive at our facility. Any attempt to use incorrect RMA numbers will result in the shipment being refused and returned to the customer with the customer being responsible for the freight charges both ways. Credit will not be given on any parts returned which have been altered, defaced in any way, or upon which any additional operation has been performed.

SHIPMENT LIABILITY: The acceptance of a shipment by a common carrier shall constitute delivery to the customer. We will not be responsible for molds, tooling, or parts damaged or lost in transit. Claims for loss and/or damage should be made by the customer to the carrier.

ARBITRATION: All disputes arising under this contract shall be settled by arbitration under the laws of the State of Nebraska.

CUSTOMER SUPPLIED MOLDS: When practical all customer supplied molds will be set up to produce a first article acceptable to the customer. A firm part price and set up charge will be submitted based on run times for this article sample. We will invoice separately for the mold set up. Molds, tooling, and inserts supplied by the customer for an order shall be subject to our inspection and approval. Changes required in such tooling to permit their use in our equipment will be at the customer's expense. The customer will have the option to accept the charges or have the tooling repaired at the facility of their choice. Changes in specifications that will require tooling rework or modification shall be paid by the customer. All charges must be confirmed in writing by both parties.

MOLD AND TOOLING REPAIRS: Any repairs to molds, dies, or tools made necessary by ordinary wear and production are to be paid for by the customer. The manufacturer is responsible for any tooling repairs, including labor and materials, resulting from misuse or machine malfunctions.

MATERIAL USED: The material specified in the proposal will be considered to be approved by you. All changes to material must be mutually agreed to and expressed in writing.

MOLD INSURANCE: We do not insure molds and we assume no responsibility for any casualty loss to customer molds while in our possession.

CONFLICTING PROVISIONS: Purchase orders containing conflicting provisions will not be accepted by us unless exceptions are made by mutual written agreement.

SAM/dfjkmmsm/November 2007