

Production CNC Machining & 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. Orders calling for future deliveries from date of order may be subject to price increases based on fluctuations in raw material prices. These prices do not include the usual local, state, federal or excise taxes. Any such taxes will be invoiced separately.

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 part(s).

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.

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.

ENGINEERING DESIGN DOCUMENTATION

It is the customers' responsibility to provide accurate and current design drawings with appropriate dimensional call outs required for quality concerns. It is also the customers' responsibility to provide current and accurate 3D design files when ever available for production programming. In some cases Garner Industries may have to charge to recreate complex geometry not provided.

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

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

SURFACE FINISHES: Surface finishes must be called out in the customer supplied prints, if not, common manufacturing practices will be followed.

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 Material Authorization) which can only be issued by our manager of quality control or customer service. 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 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.

TOOLING REPAIRS: Any repairs to customer owned tooling 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.

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

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November 21, 2007