

**PVI INDUSTRIAL WASHING, INC.**  
**STANDARD QUOTE TERMS FOR SALES OF GOODS AND SERVICES**

**1. Formation of Contract.** The terms set forth on the Quote and these Quote Terms are the sole terms for the sale of goods and services by PVI Industrial Washing, Inc. ("Seller"), unless otherwise specifically provided for by Seller in this document, and shall apply to the exclusion of any inconsistent or additional terms contained in the order or acknowledgment issued by a buyer of Seller's goods or services ("Buyer"), or otherwise proposed by Buyer. Buyer's acceptance of the Quote and these terms shall be conclusively presumed by (a) Buyer's signature on the Quote or, (b) Buyer's submission of a purchase order in response to the Quote, or (c) Buyer's delivery of goods to Seller for processing (services). Any contract made for the sale of goods or services by Seller is expressly conditioned on Buyer's assent to the terms stated on the Quote and these terms. Seller objects to any additional or inconsistent terms proposed by Buyer. Seller's acceptance of original and revised orders is contingent upon Buyer's submission of orders to Seller's sales department for order review.

**2. Price.**

**a. Exclusions.** The price quoted by Seller does not include (i) applicable taxes, including (but not limited to) local, state or federal sales, use, or excise taxes, (ii) any other products, services or work not specifically described on the Quote, and (iii) all shipping expenses. Excluded items shall be Buyer's responsibility. Buyer shall reimburse Seller on demand for any excluded items that the Seller may be required to pay.

**b. Price Increases.** The price quoted by Seller shall be subject to price increases by Seller after the date of the quotation to account for increases in Seller's costs. The price shall also be subject to increases to accommodate multiple shipments in the event Buyer does not desire shipment at one time of all the goods covered by the Quote. No price increase shall take effect until Seller has given Buyer 30 days' prior written notice.

**3. Payment Terms.** Unless the Seller and Buyer have mutually modified the Quote, payment in full on all invoices is due thirty (30) days after Seller's invoice date. Invoices not paid within thirty (30) days shall have a service charge added to the amount due of one and one half percent (1 ½ %) per month. Seller reserves the right to not process and/or deliver goods at any time should Buyer fail to pay for outstanding invoices. Buyer may not recover any damages from Seller resulting from Seller not processing and/or delivering goods in such instances.

**4. Shipping.** Unless otherwise indicated, all quoted prices are F.O.B., Seller's plant and Buyer is solely responsible for all shipping and insurance for the goods and shall bear all risk of loss or damage to the goods during transit. Freight may be prepaid by Seller at its option and added to the invoice. Buyer shall promptly inspect all goods received from Seller and immediately inform Seller of any defects before using the goods.

**5. Quality Management System.** Seller will maintain an ISO 9001 registered quality management system (QMS) and supply Buyer with evidence of certification upon request. Buyer-specific supplier requirements exceeding Seller's QMS and ISO 9001 requirements are non-binding. Scope and permissibility of Buyer-requested audits or inspections of Seller's QMS, records, facilities and processes shall be determined at Seller's sole discretion.

**6. Limited Warranty and Disclaimer.** Seller warrants to the Buyer that goods serviced by Seller shall be free from service related defects for a reasonable period of time not to exceed six (6) months, or as otherwise agreed by Seller in writing. The warranty does not extend to future performance or process-inherent appearance outcomes including; drying marks and spots, light scratches, discoloration, and corrosion protection in excess of Quote parameters. The warranty is limited to the lesser of Seller's direct labor cost plus the cost of damaged materials, or

two times Seller's processing charges. Liability in excess of above outlined will be assumed by Seller only upon written agreement. The warranty does not cover goods or materials that are misused, neglected, damaged or altered after leaving Seller's possession. The determination of whether a defect exists shall be made solely by Seller. Buyer shall not return any goods to Seller until Seller has been provided a reasonable opportunity to inspect and sample the goods to determine whether a defect exists and whether the goods should be repaired or replaced. Any shipping cost for returning defective goods shall be paid by Seller. Any goods returned to Seller may be subject to a reasonable charge to cover Seller's cost of handling, and reconditioning the goods to return them to saleable condition.

#### **DISCLAIMER**

NOTWITHSTANDING ANY OTHER PROVISION IN THIS DOCUMENT, SELLER EXPRESSLY DISCLAIMS AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALSO DISCLAIMS AND EXCLUDES ALL LIABILITY FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT OR ANY OTHER SPECIAL DAMAGES OF BUYER, INCLUDING LOST PROFITS, FOR BREACH OF WARRANTY OR OF CONTRACT OR OTHERWISE. THIS LIMITED WARRANTY IS THE SOLE AND EXCLUSIVE REMEDY OF BUYER AGAINST SELLER.

**7. Buyer's Design Responsibility.** This Section shall apply to the extent that Seller's goods or services are produced or delivered according to specifications included on Seller's quotation. Buyer acknowledges that Buyer is not relying on Seller, nor does Seller have any responsibility, in any way for design or engineering with respect to the goods or the adequacy of the specifications provided by Buyer. Buyer is solely responsible for determining whether to use any design, safety or other advice Seller may offer in the course of Seller's performance. Buyer shall defend, indemnify and hold Seller harmless against all product liability, product recall, and other claims, liabilities and expenses, including but not limited to actual attorney fees, incurred by Seller arising out of any claimed design or engineering defect of the goods.

**8. License Regarding Buyer's Specifications.** Buyer grants to Seller an irrevocable nonexclusive royalty-free license to deliver services pursuant to any specifications provided by Buyer. Buyer warrants that it has the authority to grant this license to Seller, and that neither the granting of this license nor Seller's delivery of services according to Buyer's specifications will violate any agreement to which Buyer is subject, any patent or other intellectual property right to any party, or any applicable law.

**9. Indemnification of Seller (General).** Buyer shall indemnify, defend, and hold Seller and its shareholders, directors, officers, employees and agents harmless from all claims, liabilities, and expenses, including but not limited to actual attorney fees, sustained by Seller or its shareholders, directors, officers, employees and agents that are caused by any action of Buyer relating to the goods or services sold by Seller to Buyer.

**10. Indemnification of Seller (Patents).** Buyer shall indemnify, defend, and hold Seller and its shareholders, directors, officers, employees and agents harmless from all claims, liabilities, and expenses, including but not limited to actual attorney fees, arising out of any claim of infringement of a patent, copyright, trademark, trade name, or other proprietary right, or claim of unfair trade or of unfair competition in connection with the services sold to Buyer, except to the extent that any claim, liability, or expense arises solely from specifications developed by Seller.

**11. Cure.** If a shipment of goods is rejected by Buyer, Seller shall have the right to cure in any reasonable manner the error, defect, shortage or other nonconformity giving rise to the rejection.

**12. Seller's rights for tools, equipment, and other items.** Seller shall keep tools, equipment, and other items provided to Seller by Buyer in reasonable condition, ordinary wear and tear excepted. All shipping charges relating to tools, equipment, and other items provided to Seller by Buyer shall be Buyer's responsibility, and risk of loss during shipment of such tools, equipment, and other items shall be borne by Buyer. Seller may charge a storage fee for tools, equipment, and other items provided to Seller by Buyer which are left at Seller's place of business for more than ninety (90) days after Seller has completed the manufacturing and delivery of goods and/or services. Tools, equipment, and other items provided to Seller by Buyer (including but not limited to plating racks, cores, jigs, dies, gauges, fixtures, patterns, molds, prints, disks, and supplies) which are left at Seller's place of business for more than one hundred eighty days (180) after Seller has completed the manufacturing and delivery of goods and/or services shall be deemed to be Seller's property to use, sell, and/or otherwise dispose of at Seller's discretion.

**13. Requirements for goods supplied by Buyer.** It will be Buyer's responsibility to supply Seller at no charge additional quantities of goods in excess of order requirements to account for Seller's scrap (fall out) that may occur during Seller's processing of orders, including parts required for testing and analysis. Seller will not be responsible for additional goods supplied by Buyer when quantities are within a typical fall out percentage.

**14. Buyer's responsibility for defective goods.** It is the Buyer's responsibility to supply Seller with defect free goods for processing. Therefore, Buyer will pay Seller full price for goods that are processed by Seller that are deemed nonconforming due to defects in Buyer supplied goods. Seller and Buyer agree that Seller shall have a security interest in Buyer's tools and equipment as security for payment of any sums owing from Buyer to Seller at any time for any reason. Seller shall have the right to retain possession of all those items until full payment has been made, without affecting any other rights or remedies available to Seller.

**15. Force Majeure.** Any delay or failure of Seller to perform its obligations will be excused if and to the extent that it is caused by an event or occurrence beyond Seller's reasonable control, such as: acts of God; governmental actions; embargoes; fires; explosions; natural disasters; riots; wars; sabotage; terrorist acts; failures or delays by Seller's vendors; shortage or interruption of material, labor, transportation or utility services; or court injunction or order.

**16. Cancellation or Change.** Except as otherwise agreed by Seller in writing, a sale of goods or services under the Quote are not subject to cancellation or change. The following terms shall apply to any cancellation approved by Seller in writing except as otherwise agreed in writing:

**a.** Any items completed at the time Seller receives a written cancellation notice from Buyer will be shipped and invoiced at the contract price.

**b.** Work on the balance of the order will be stopped as promptly as reasonably possible and Seller shall be reimbursed for all actual expenditures, commitments, liabilities and costs, determined in accordance with generally accepted accounting principles, made or incurred with respect to those items not completed, plus a profit of twenty-five percent (25%) on those expenses, less any net recovery to Seller on disposition of returned goods to others within a period of forty-five (45) days after the cancellation. In addition, Seller has the right to recover from Buyer all damages for cancellation, including but not limited to incidental, consequential and indirect damages and lost profits.

**17. Insurance.** Seller shall have no obligation to maintain insurance in excess of Seller's usual business needs as determined by Seller in its sole discretion. Buyer shall insure (a) the goods during shipment and at all times not under the control of Seller, and (b) Buyer's tools and equipment, against loss or damage.

**18. Waiver.** No right or remedy of Seller shall be deemed to have been waived or renounced, in whole or in part, unless that waiver or renunciation is supported by consideration and is in writing signed by Seller.

**19. Confidentiality of Seller's Information.** Any information disclosed by Seller to Buyer is confidential, and Buyer agrees not to use or disclose any of that information without Seller's prior written consent. Seller retains all patent, trademark and copyright rights to any intellectual property provided to Buyer. Buyer has no right to audit or otherwise review any of Seller's internal information, processes, or methods except as required by law.

**20. Buyer's Default.** Buyer shall be in default if any of the following occurs:

- a. Buyer breaches, repudiates, or threatens to breach any term in the contract between Buyer and Seller, or any of the terms set forth on the Quote or in any other agreement between Buyer and Seller, including but not limited to a failure to pay all sums when due;
- b. Insolvency of Buyer or filing of a voluntary or involuntary petition in bankruptcy with respect to Buyer;
- c. Appointment of a receiver or trustee for Buyer;
- d. Buyer's credit becomes impaired; or
- e. Execution of an assignment for the benefit of creditors of Buyer.

**21. Seller's Remedies.** In the event of Buyer's default, Seller may exercise any remedies available under applicable law, including but not limited to the following remedies:

- a. Seller may require payment in advance of all remaining services to be performed;
- b. Seller may suspend performance or cancel all or any part of the balance of the Quote to Buyer.
- c. Seller may recover possession of all goods provided to buyer by seller for which seller has not has been paid in full, it being expressly agreed that seller has a purchase money security interest in such goods until seller is paid in full for such goods; and
- d. Buyer shall reimburse Seller for all damages suffered due to Buyer's breach, including but not limited to incidental, consequential, and other damages, as well as lost profits, actual attorney fees, and court costs. The remedies in this document shall be cumulative and in addition to any other remedies allowed to Seller under applicable law. No waiver by Seller of any breach or remedy shall be a waiver of any other breach or remedy.

**22. Authority of Agents.** No agent, employee or representative of Seller has any authority to bind Seller to any representation or warranty concerning the goods or services sold, other than specified on the Quote. Any other representation or warranty is expressly excluded and unenforceable.

**23. General.**

**a. Compliance with Laws.** Buyer warrants that it is and will remain in compliance with all federal, state and local laws, regulations and ordinances relating to the performance of its obligations under the Quote.

**b. Assignment.** Buyer shall not assign its rights or delegate its duties on the quote and these terms without Seller's prior written consent. Seller may assign to any third party its rights and obligations with respect to Buyer.

**c. Entire Agreement and Amendment.** The Quote and these terms contain all of the terms between Seller and Buyer and supersede all prior oral or written representations, agreements, and other communications between Seller and Buyer. The Quote may only be amended in writing and signed by Buyer and Seller.

**d. Severability.** All terms shall be enforced only to the maximum extent permitted by law. If any term is invalid or unenforceable, all other terms shall remain in effect.

**e. State Law.** The sale of goods and services in accordance with this document shall be governed in all respects by the laws of the State of Michigan without regard to its conflicts of law principles.

**f. Jurisdiction and Venue.** Seller and Buyer agree that any action arising out of the sale of goods or services in accordance with the Quote and these terms will be brought, heard and decided in Kent County, Michigan. Buyer submits to the personal jurisdiction of any court within the jurisdiction of the United States District Court for the Western District of Michigan and any state court sitting in Kent County, Michigan, and waives all jurisdictional defenses to the laying of venue in such courts.

**g. Notices.** All notices and other communications provided for in the Quote and these terms shall be in writing and shall be deemed to have been given when delivered in person to the recipient or 48 hours after depositing the same in the United States Mail, by certified mail, postage prepaid, addressed to the party at its last known address or at such address as such party shall direct by providing notice pursuant to this Section.