



TERMS & CONDITIONS OF SALE

The Terms and Conditions set forth below shall govern the offer made by Vanamatic Corporation (“Vanamatic”) to customer (the “Purchaser”) for the sale of the indicated products (the “Goods”) on Vanamatic’s Quotation on the face hereof or otherwise delivered to Purchaser subject to these terms and conditions (the “Quotation”). Purchaser accepts these terms and conditions by the placement of an order or by accepting delivery of the Goods. Purchaser’s acceptance of these terms and conditions will form the contract between the Parties (the “Contract”). **NO ADDITION TO, OR OTHER MODIFICATION OF, THESE TERMS AND CONDITIONS (INCLUDING ANY ATTEMPTED MODIFICATION BY PURCHASER THROUGH PURCHASER’S ORDER OR OTHER DOCUMENT) SHALL BE BINDING ON VANAMATIC UNLESS IT IS IN WRITING AND EXECUTED BY A DULY AUTHORIZED REPRESENTATIVE OF VANAMATIC. VANAMATIC HEREBY EXPRESSLY REJECTS AND WILL NOT BE BOUND BY ANY TERMS AND CONDITIONS IN PURCHASER’S ORDER OR ANY OTHER DOCUMENT, WHICH ARE IN CONFLICT WITH OR IN ADDITION TO THE TERMS AND CONDITIONS HEREIN.** Shipment by Vanamatic of the Goods whether after the receipt of Purchaser’s order or otherwise, shall not constitute an acceptance of the terms and conditions of Purchaser.

1. Purchase Price/Taxes. All prices indicated on the Quotation are subject to change without advance notice prior to Vanamatic’s receipt of a firm order from Purchaser. If Purchaser is buying the Goods pursuant to an open order with Vanamatic, Purchaser understands and agrees that the price of the Goods is subject to change from time to time upon a reasonable notice to Purchaser. Unless otherwise stated in the Quotation or on Vanamatic’s invoice, all purchase prices are exclusive of any applicable excise, sales, use or other taxes or import, export or customs fees or duties, which may be imposed on the sale or delivery of the Goods. All such taxes, and charges, when applicable will be charged to, and are payable by, Purchaser. Vanamatic may charge interest on late payments.

2. Purchase Order. Purchaser’s order or Purchaser order releases, must specify the quantities requested, otherwise, quantities specified by Vanamatic in its Quotation, shall govern. All sales on an open Purchaser’s order or Purchaser’s order release, must be completed within one (1) year from the date of the Purchase Order unless otherwise agreed to by the Parties. All open Purchaser orders or Purchaser order releases, must provide Vanamatic with forecasts of estimated quantities of the Goods and an estimated date of delivery. Once received by Vanamatic, a Purchaser’s order and/or release may not be modified, cancelled or otherwise altered without Vanamatic’s written consent. Any such modification, cancellation or alteration may be subject to cancellation charges or otherwise to condition as negotiated at such time, which shall protect Vanamatic against any damages or losses resulting therefrom. All work on special orders or custom products may not be stopped without significant expense to Vanamatic. Purchaser acknowledges and agrees that Purchaser is responsible for all labor and materials costs associated with cancelled special orders or custom products. A custom product or special order product is defined as any product which is manufactured by Vanamatic in accordance with Purchaser’s specifications.

3. Title and Risk of Loss. Unless otherwise indicated on the Quotation, all deliveries are F.O.B. Vanamatic’s shipping facility. If shipped freight prepaid, the charge for freight will be

added to the invoice. Neither freight charges nor tax is subject to any discount. Risk of loss shall pass upon delivery and any loss or damage in transit shall be borne by Purchaser, and claims shall be made directly with carrier. Notwithstanding the foregoing however, title to the Goods will not pass to Purchaser until all required payments have been made to Vanamatic. Until the purchase price and all other applicable costs and expenses are paid in full, Vanamatic reserves a purchase money security interest in the Goods and the proceeds therefrom, and Vanamatic thereby possesses the rights of a secured party under the Uniform Commercial Code as adopted in the State of Ohio. Upon Vanamatic's request, Purchaser agrees to execute all necessary financing statements and other documents evidencing this security interest with the appropriate state and local authorities. Vanamatic is entitled to reasonable access to Purchaser's place of business as necessary to exercise its remedies as a secured party.

4. Delivery. Unless otherwise indicated on the Quotation or agreed to by the Parties, all delivery times are calculated from the date of the Vanamatic's receipt of a firm order or release from Purchaser. Purchaser may pick up the goods at Vanamatic's shipping facility within 10 days after the date Purchaser is notified of the availability of Goods. Failure to take delivery on time might subject Purchaser to (a) reasonable storage fees or (b) authorize Vanamatic to sell the Goods to other customers. Notwithstanding the foregoing, unless agreed to by the Parties, Vanamatic reserves the right to ship without further notification at any time after the 10-day period. Unless otherwise noted on the Quotation, Purchaser must take delivery of all Goods within thirty (30) days from the date of its issuance of a firm order or release. If the purchase is made pursuant to an open Purchaser's order, Purchaser must specify the quantity requested, provided however, that the quantity is not binding on Vanamatic unless it is expressly accepted by Vanamatic.

5. Delivery Schedules. Vanamatic shall endeavor to meet the delivery schedule requested by Purchaser provided however, that Purchaser shall give Vanamatic reasonable notice of the Goods' quantities and shipping instructions. Vanamatic will not be obligated to ship the Goods if reasonable notice of quantities and instructions are not given; if the quantity of the Goods is unreasonably disproportionate to the scheduled quantities; if the quantity exceeds estimates provided by Purchaser to which Vanamatic has agreed in writing. The reasonableness of notice shall be determined by Vanamatic based on availability of the Goods and delivery capability and Vanamatic's other commitments. All shipping dates (including firm shipping dates) may change as a result of circumstances over which Vanamatic has no control. Vanamatic shall not be liable to Purchaser for delays in delivery for any reason.

6. Inspection>Returns. Purchaser shall notify Vanamatic of any defects within a reasonable time after delivery. Purchaser must state in writing with particularity the defect and reason for rejection to justify rejection or to establish a breach. Return of non-defective Goods may only be made at Vanamatic's discretion and may be subject to a restocking fee. No returns will be accepted more than six (6) months after delivery.

7. Default and Purchaser's Impairment. Vanamatic may delay shipment, reduce quantities shipped, or terminate the Contract if (i) Purchaser fails to make any payment promptly when due or otherwise fails to comply with the Contract, (ii) Purchaser ceases to conduct its operations in a normal course of business, (iii) Purchaser is or becomes unable to pay its obligation as they mature, (iv) any proceeding under the Bankruptcy Code or any other insolvency laws is brought by or against Purchaser, (v) a receiver for Purchaser is appointed or an application for a receiver is filed, (vi) Purchaser makes an assignment for the benefit of creditors, or (vii) Purchaser fails to provide adequate assurance of future performance within thirty (30) days after demand by

Vanamatic (which will be a repudiation by Purchaser of the unperformed portion of the Contract). In the event of such termination or reduction in the quantities shipped, Purchaser shall be liable to Vanamatic for any and all damages sustained by Vanamatic as a result of the defaults which gave rise to the termination or reduction in the quantities of shipment.

8. Setoff. Purchaser shall not have the right to credit toward the payment of any monies that may become due Vanamatic hereunder any sums which may now or hereafter be owed to Purchaser by Vanamatic.

9. Warranty/Claims. Subject to standard manufacturing variations, Vanamatic warrants that the Goods will conform in all material respects to the description and specification of the Goods set forth on the face of the Quotation (the "Warranty"). **THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THESE WARRANTIES AND VANAMATIC EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.**

10. Warranty Remedies. No claim for damages on account of the breach of the Warranty shall be allowed unless Vanamatic is first given notice after delivery of the Goods and allowed an opportunity to inspect the Goods. In the event any Goods fail to comply with the Warranty, Purchaser may return the defective Goods to Vanamatic, freight prepaid at Vanamatic's discretion. Provided however, Goods for which damages are claimed, for non-conformance or otherwise, shall not be returned, repaired or replaced without Vanamatic's written consent. Purchaser's sole and exclusive remedy for the non-conformance of any Good with the Warranty shall be, at Vanamatic's election, (i) Vanamatic repairs or corrects the non-conformance or defect, (ii) Vanamatic furnishes Purchaser, without charge and FOB the Purchaser's facility, with a replacement for the non-conforming or defective Good, or (iii) Vanamatic reimburses Purchaser for the prorated purchase price of the non-conforming Good. Vanamatic shall not be liable for defects caused by abuse or misuse of its Goods. Failure to submit a claim for a breach of Warranty within the six (6) months of the delivery of the Goods shall be conclusive proof that the Goods are as warranted and shall release Vanamatic from any further liability with respect thereto. All claims for nonconformance or defect will be handled in accordance with Section 8.3 Control of Non-Conforming Product of the Vanamatic Company Quality Management System Manual.

11. Limitation of Liability. Purchaser acknowledges that the price of the Goods is predicated on the enforceability of the following limitation of liability, that the price would be substantially higher if Vanamatic could not limit its liability as herein provided and that Purchaser accepts this limitation of liability in exchange for a lower price: **EXCEPT FOR VANAMATIC'S DIRECT COSTS IN REPAIRING, CORRECTING OR REPLACING ANY NON-CONFORMING GOODS, VANAMATIC SHALL NOT BE LIABLE FOR ANY OTHER EXPENSE CONNECTED WITH THE REPAIR, CORRECTION OR REPLACEMENT OF ANY GOODS. WITH RESPECT TO ANY CLAIM UNDER THE CONTRACT, IN NO EVENT SHALL VANAMATIC BE LIABLE TO PURCHASER FOR ANY DAMAGES WHATSOEVER IN EXCESS OF THE ACTUAL PRICE PAID TO VANAMATIC. VANAMATIC SHALL HAVE NO LIABILITY TO PURCHASER FOR LOST PROFITS, LOSS OF PRODUCT, LOSS OF USE OF EQUIPMENT, INTERRUPTION OF BUSINESS, COST OF CAPITAL, COST OF DOWNTIME, LOST OPPORTUNITIES, FAILURE TO DETECT ANY FLAW IN THE SUBJECT MATTER OF A TEST, CLAIMS OF**

PURCHASER'S CUSTOMERS OR ANY SPECIAL, CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES OF ANY KIND WHETHER ARISING IN CONTRACT, TORT, PRODUCT LIABILITY OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH LOST PROFITS, LOSS OF PRODUCT, INTERRUPTION OF BUSINESS, LOSS OF OPPORTUNITIES, OR ANY OTHER DAMAGES. This limitation of liability may not be altered except by an agreement in writing signed by a duly authorized officer of Vanamatic. If Purchaser is supplying Vanamatic's Goods to a third party, Purchaser shall require the third party to agree to be bound by this Section. If Purchaser does not obtain this agreement for Vanamatic's benefit, Purchaser shall indemnify, defend and hold Vanamatic harmless from and against any and all claims made by the third party in excess of the limitations and exclusions of this article and shall pay all costs and expenses associated therewith, including, without limitation, attorney fees.

12. Applicable Law. The Contract shall be deemed to have been entered into and shall be construed according to the Uniform Commercial Code as adopted in the State of Ohio. Purchaser agrees and submits to the exclusive jurisdiction of the federal and state courts of Ohio for resolution of any disputes arising hereunder. Purchaser waives any objection based upon forum non conveniens or any objections to venue of any such action.

13. Force Majeure. The supply, shipment and delivery of the Goods are subject to, and Vanamatic shall not be liable for any delay in or impairment of performance resulting in whole or in part from, any war, act of terrorism (whether or not declared), strike, difference with workmen, accident, fire, flood, acts of God, delay in transportation, shortage of materials, equipment breakdowns, laws regulations, orders or acts of any governmental agency or body or any cause beyond the reasonable control of Vanamatic, or if performance by Vanamatic becomes impracticable due to the occurrence of a contingency, the non-occurrence of which was a basic assumption on which the sale was made. In any such event, Vanamatic shall have such additional time to perform as may be reasonably necessary and shall have the right to apportion its production among its Purchasers in such manner as it deems equitable.

14. Statutes of Limitation. Any action against Vanamatic based on Vanamatic's alleged breach of its obligations hereunder must be commenced within one (1) year after the cause of action has accrued.

15. Assignment. Purchaser shall not assign any of its rights, or delegate any of its duties, under these terms and conditions without the prior written consent of Vanamatic, and any attempt to do so shall be void.

16. Entire Agreement. Once accepted by Purchaser, and unless otherwise agreed to by the Parties, the terms and conditions set forth in the Quotation and as stated on the **Vanamatic Website at www.vanamatic.com**, constitute the entire agreement between Vanamatic and Purchaser for sale of the Goods or services specified on the Quotation, superseding all other agreements between Vanamatic and Purchaser respecting the transaction contemplated herein, whether written or oral, including, but not limited to, any documents, correspondence, brochures, advertisements or other memoranda respecting the Goods.