

QUOTATION/ACKNOWLEDGEMENT TERMS AND CONDITIONS

QUOTATION/ACKNOWLEDGEMENT TERMS AND CONDITIONS FOR STONE CITY PRODUCTS, INC. BUYERS/CUSTOMERS

1. Buyer agrees to buy certain goods or services from Stone City Products, Inc. (which shall hereinafter be referred to as "Seller"). SELLER'S QUOTATION OR ACCEPTANCE EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS CONTAINED HEREIN. ANY ADDITIONAL OR DIFFERENT TERMS, WHEREVER CONTAINED OR OTHERWISE PRESENTED BY BUYER HEREBY ARE OBJECTED TO AND REJECTED. Any credit terms are subject to the approval of Seller. If not approved, sale will be C.O.D.
2. Title and risk of loss will pass to Buyer upon delivery at the F. O. B. Point. For F. O. B. plant sales, Seller will, as an accommodation to Buyer unless otherwise directed in writing, ship goods to Buyer at its address shown on the face of the Agreement, freight prepaid and insured at Buyer's risk and expense.
3. Seller retains a purchase money security interest under the Uniform Commercial Code as enacted in the State of Indiana in the goods sold until payment in full has been made. In the event of default by Buyer under this Agreement, Seller shall have all the rights and remedies of a secured creditor under the aforementioned Indiana U. C. C. provisions. Buyer agrees to execute such financing statements and other documents as Seller may request in order to perfect Seller's security interest.
4. Seller warrants that goods will be free from material defects. Seller further warrants that goods will conform to the dimensional specifications of the Agreement. NO DESCRIPTIONS OTHER THAN THOSE REFERENCED HEREIN SHALL BE DEEMED A WARRANTY BY DESCRIPTION OR OTHERWISE HAVE ANY LEGAL EFFECT. IF SAMPLES WERE EXHIBITED TO BUYER, SAME WERE FOR GENERAL INFORMATION PURPOSES ONLY AND SHALL NOT BE DEEMED A WARRANTY BY SAMPLE OR MODEL OR OTHERWISE HAVE ANY LEGAL EFFECT. THE WARRANTIES SET OUT HEREIN ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND BUYER IS SOLELY RESPONSIBLE FOR DETERMINING THE PROPER APPLICATION AND USE OF THE GOODS. SELLER SHALL HAVE NO TORT LIABILITY TO BUYER WITH RESPECT TO ANY OF THE GOODS AND SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY, INDIRECT OR PUNITIVE DAMAGES ARISING FROM ANY PRODUCT DEFECT, DELAY, NONDELIVERY, RECALL OR OTHER BREACH. Seller will, at its option, repair or replace any goods which fail to meet the warranties in this Agreement, provided Seller is promptly notified of any defect and such goods are returned freight prepaid and insured by Buyer to Seller's plant within six (6) months after delivery. Repaired or replaced goods will be returned to Buyer, freight prepaid and insured by Seller. Goods not qualifying for warranty work will be returned at Buyer's risk and expense. Seller may charge at its standard rates for handling of such goods. THIS PARAGRAPH STATES BUYER'S SOLE AND EXCLUSIVE REMEDY FOR BREACH OF WARRANTY.
5. Seller shall not be liable to Buyer for any delay of failure in performance caused by acts beyond Seller's reasonable control, including without limitation, acts of God, war vandalism, sabotage,

accidents, fires, floods, strikes, labor disputes, mechanical breakdown, shortages or delays in obtaining suitable parts or equipment, material, labor, or transportation, acts of any unit of government, or governmental agency, or any similar or dissimilar cause.

6. THE MAXIMUM LIABILITY, IF ANY, OF SELLER FOR ALL DIRECT DAMAGES, INCLUDING WITHOUT LIMITATION CONTRACT DAMAGES AND DAMAGES FOR INJURIES TO PERSONS OR PROPERTY, WHETHER ARISING FROM SELLER'S BREACH OF THIS AGREEMENT, BREACH OF WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY, OR OTHER TORT, OR OTHERWISE WITH RESPECT TO THE GOODS, OR ANY SERVICES IN CONNECTION WITH THE GOODS, IS LIMITED TO AN AMOUNT NOT TO EXCEED THE PRICE OF THE PARTICULAR GOODS. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST REVENUES AND PROFITS, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE RIGHT TO RECOVER DAMAGES WITHIN THE LIMITATIONS SPECIFIED IS BUYER'S EXCLUSIVE ALTERNATIVE REMEDY IN THE EVENT THAT ANY OTHER CONTRACTUAL REMEDY FAILS OF ITS ESSENTIAL PURPOSE.
7. Seller shall defend, at its own expense, any claim or suit arising out of any act or omission of Seller and brought against Buyer based upon a claim of infringement of a United States patent or copyright resulting from the sale or use of the goods and shall pay all costs, settlements or damages finally awarded as a result of such claim or suit provided: (a) Seller shall have the right to control the defense and settlement of all such actions or claims; (b) Buyer takes such actions, at Seller's expense, as Seller may reasonably request in connection with such settlement or defense; and (c) Buyer promptly notifies Seller in writing of the claim. In the event a final judgment is obtained against Buyer's use of the goods, Seller may, at its option and expense, obtain the right to continued use, substitute substantially equivalent non-infringing goods, or take back any infringing goods in Buyer's possession and refund the purchase price less a reasonable charge for use. THE FOREGOING STATES SELLER'S ENTIRE LIABILITY FOR PATENT AND COPYRIGHT INFRINGEMENT BY THE GOODS. Further, Seller expressly reserves all of its rights in patent or other intellectual property whether now existing or subsequently developed by Seller at its own cost during the term of this agreement and DOES NOT ASSIGN TO OR LICENSE same to Buyer, unless expressly agreed to otherwise in a separate written agreement signed by both parties.
8. The terms and existence of this agreement and everything supplied in connection with it by Seller shall be held in confidence by Buyer. Buyer shall not publicly announce or disclose this agreement or its contents without Seller's prior written consent. Buyer shall not use Seller's name in any way, including without limitation, a general or sample listing of Buyer's customers, without Seller's prior written consent. Any violation of this paragraph shall be deemed a material breach.
9. This agreement and the entirety of the relationship between Seller and Buyer shall be subject to the laws, Courts, and jurisdiction of the State of Indiana.
10. THIS AGREEMENT CONTAINS THE FULL UNDERSTANDING OF THE PARTIES AND SUPERSEDES ALL OTHER AGREEMENTS, WRITTEN OR ORAL, REGARDING ITS SUBJECT MATTER. NO ADDITIONAL TERMS, CONDITIONS, CONSENT, WAIVER, ALTERATION, OR MODIFICATION SHALL BE BINDING UNLESS IN WRITING AND SIGNED BY BOTH PARTIES.

11. IF BUYER HAS NOT OTHERWISE AGREED TO THESE TERMS OF SALE, THEN BUYER'S ACCEPTANCE OR DELIVERY OF, OR PAYMENT FOR, THE GOODS SHALL CONSTITUTE BUYER'S AGREEMENT TO THESE TERMS. SELLER OBJECTS TO AND WILL NOT AGREE TO ANY TERMS THAT ARE ADDITIONAL TO OR DIFFERENT FROM THESE TERMS. TERMS THAT ARE PRINTED ON OR CONTAINED IN A PURCHASE ORDER OR OTHER FORM PREPARED BY BUYER WHICH ARE ADDITIONAL TO, IN CONFLICT WITH OR INCONSISTENT WITH THOSE HEREIN SHALL BE CONSIDERED INAPPLICABLE AND SHALL HAVE NO FORCE OR EFFECT.
12. If Seller elects to continue performance after a breach or default by Buyer, its actions shall not constitute a waiver of such default or breach. This agreement and any rights or duties hereunder cannot be assigned or delegated by either party without the other party's consent. Any attempted assignment or delegation without consent shall be void.
13. Without the prior written consent of Seller, Buyer shall not have any right of "set off" against monies owed to Seller for any sums Buyer may claim are owed by Seller.
14. All quotations are based on quarterly contract material pricing. This pricing will be evaluated on the renewal of the raw material contract and appropriate changes made based on the fluctuation of material prices.
15. Buyer shall be responsible for all goods and materials following delivery and Buyer shall be liable for all claims, losses, costs, expenses, and other damages resulting from or arising out of the acts or omissions of Buyer and relating to the goods or materials. Buyer expressly agrees to indemnify and hold Seller harmless from any and all loss, costs, liability, expense, and attorneys' fees arising from the acts or omissions of Buyer. Further, Buyer shall indemnify and hold Seller harmless from and against any and all such claims, losses, costs, expenses, and other damages resulting from or arising out of any failure of Buyer or Buyer's employees, agents, and subcontractors (other the Seller) to comply with any applicable governmental regulations and/or statutes.
16. If Buyer: (a) fails to make timely payment pursuant to the terms agreed upon by the parties or fails to perform any other provisions thereof including those herein and does not cure such failure within a period of ten (10) days after receipt of written notice from Seller specifying such failure; or (b) becomes insolvent, makes an assignment in favor of creditors, or enters bankruptcy or dissolution procedures; or (c) is merged into another company and/or is expropriated or nationalized; then Seller may cancel the whole or any part of this order without any liability. Upon such termination and upon notice to Buyer, Seller will have the right to take title and possession of all or any part of the goods or materials which have not been purchased and paid for in full by Buyer.
17. The rights and remedies herein reserved to Seller are cumulative and in addition to any other or further rights and remedies available at law or in equity. No waiver of any breach of any provision of these terms will constitute a waiver of any other breach of such provision.