

JACKSON INDUSTRIAL CONSTRUCTION, INC TERMS AND CONDITIONS

The following terms and conditions of Jackson Industrial Construction, Inc., a Michigan corporation ("JIC"), shall apply to all parts and materials, both production and non-production, and all services (collectively "Goods") provided by JIC. Any purchase order covering the sale of JIC Goods shall be governed by these Terms and Conditions and such other provisions mutually agreed upon, in writing, by the parties. Any verbal understandings are expressly excluded. JIC shall not be deemed to have waived these Terms and Conditions if it fails to object to provisions appearing on, incorporated by reference in, or attached to Customer's purchase order form which provisions are hereby expressly rejected. Customer silence or acceptance or use of Goods constitutes its acceptance of these Terms and Conditions. No Modification or addition to these Terms and Conditions shall be effective unless agreed to in writing by an authorized representative of JIC. JIC shall not be obligated to sell any Goods to Customer. In the event Customer orders Goods from JIC and JIC delivers Goods to Customer, these Terms and Conditions shall apply to all such sales and transactions.

STANDARD TERMS AND CONDITIONS OF SALE

- 1. Prices:** All quoted prices in effect on the purchase order date (unless quoted otherwise) or date of completion if shipment is deferred on Customer's instructions, are Free On Board (F.O.B.) point of shipment unless specified, and are subject to change by JIC, without notice. Prices do not include sales, use, excise, or other taxes. Any such tax that JIC is required by law to collect, will be added to the invoice price. All prices are based on the quantities quoted and any change in the quantities may affect the price. No discount will be allowed unless specifically agreed to in writing by JIC. Until the purchase price and all other sums due pursuant hereto are paid in full, Customer grants JIC and JIC retains a security interest in the Goods described in the purchase order, and in all proceeds of the Goods.
- 2. Delivery Date:** All scheduled delivery dates are estimates based on a normal workload and all deliveries are subject to change without liability to JIC. Unless expressly specified to the contrary, all shipping dates are based upon current availability of materials, present production schedules and prompt receipt of all necessary information. JIC will not be liable for any damages, loss, fault, expense or freight charges arising out of delays in shipment or other non-performance caused by or the result of (a) strikes, fires, disasters, riots, acts of God, (b) acts or omissions of Customer, (c) shortages of labor, fuel, power, materials, supplies, transportation, or manufacturing facilities (d) government action, (e) subcontractor delay, or (f) agreement to extend any date upon which any performance is due.
- 3. Warranty:**
 - a. JIC warrants its Goods to be free from material defects in material and workmanship except:
 - i. when Goods have been modified following delivery and/or subject to improper handling, storage, installation, operation, or maintenance.
 - ii. when an item is purchased by JIC as a component part of the Goods, except to the extent to which such item or items are covered by the warranty, if any, of the original manufacturer.
 - iii. when an item which is a component part of the Goods has been furnished by Customer.
 - iv. no warranty of a component part shall extend beyond the warranty period of the device in which such component part is incorporated.
 - b. There is no implied warranty of merchantability or of fitness for particular purpose and there are no warranties of any nature except as set forth in Provision 3 herein. Any claim by Customer made pursuant to JIC's warranty must be made in writing. JIC shall have the right to inspect the Goods claimed to be defective and shall have the right to determine the cause of such alleged defect. All Goods replaced or repaired by JIC under its warranty shall be replaced or repaired F.O.B. JIC's plant. Customer must notify JIC, in writing, within fifteen (15) days from receipt of Goods of any defect in the product, or shortages, or JIC shall have no obligation to correct such defect. JIC shall have the option of re-inspection at Customer's plant or its own before allowing or disallowing Customer's claim. Defects that do not impair service shall not be a cause for rejection or recovery under any warranty. Customer assumes full responsibility for the use and application of the Goods. Customer accepts JIC's design and material selection and specifications in placing this order unless other specifications are agreed to in writing by both parties prior to the manufacture of Goods by JIC.

4. Limitation of Liability. JIC's liability under its warranty is expressly limited to the repair, replacement, or refund of the JIC Invoice price of Goods, which prove to be defective in materials or workmanship within a period of fifteen (15) days of delivery to Customer. The repair, replacement or refund of the Goods shall be at JIC's sole discretion. JIC's obligation to repair or replace defective Goods or refund the invoice price constitutes agreed and liquidated damages for any breach of warranty by JIC. JIC shall not be liable for incidental or consequential damages of any kind including consequential damages for injury to any person or property.

In no event shall JIC be liable for incidental or consequential damages arising out of, or in connection with, the Goods, including without limitation, breach of any obligation or warranty imposed on JIC hereunder or in connection herewith. Consequential damages for purposes hereof shall include without limitation, loss of use, income or profit, or losses sustained as the result of injury to any person or property, or loss sustained as the result of work stoppage. Customer shall indemnify, defend, and hold JIC harmless against all liability, cost or expense, including reasonable attorney fees, which may be sustained by JIC on account of any such loss, damage or injury.

5. Indemnity: Customer shall indemnify, defend, and hold JIC harmless from and against all claims and causes of action, whether in contract, tort, equity, or otherwise, including reasonable attorney's fees, asserted against JIC, its officers, directors, agents, representative, and employees, arising out of, or in any way related to, the Goods or their use. This includes, but is not limited to, all claims and causes of action resulting from patent or trademark infringement, which are based, in whole or in part, from Goods manufactured to Customer's specifications.

6. Terms of Payment: Payment shall be made to JIC at its registered office, or as otherwise directed by JIC, and shall be due and payable as set forth in the JIC Invoice. Service charges are payable on overdue invoices at the rate of 1.5% per month, or the maximum legal rate, whichever is less. All orders and shipments shall at all times be subject to the approval of the JIC's Credit Department. JIC reserves the right of declining to accept any order or make any shipment whenever, for any reason, there is doubt as to Customer's financial responsibility, and JIC shall not in such event be liable for breach or non-performance, in whole or part.

7. Shipment: Unless otherwise specified herein, all shipments are F.O.B. point of shipment indicated on the purchase order. JIC's responsibility terminates upon completion of Goods in good order and made available for delivery to a common carrier from JIC's facility. The Goods, title thereto and any risk of loss, shall be considered transferred to the Customer upon availability for delivery to a common carrier. No claims for shortages, damages, or failure in delivery, whether by common carrier, parcel post or otherwise, may be made by the Customer against JIC. In the absence of written shipping instructions from Customer, JIC may ship the Goods freight collect to the Customer by any common carrier which it considers satisfactory or, if appropriate, in the opinion of JIC, by parcel post.

8. Cancellations and Return of Goods: No purchase order with respect to which JIC has issued or indicated a sales confirmation may be cancelled or the manufacture of Goods thereunder suspended after the date of the sales confirmation without the express written consent of JIC. Upon cancellation or suspension at the request of the Customer, and acceptance by JIC, Customer shall reimburse JIC promptly for all expenditures incurred by JIC, including, but not limited to, material used, labor and engineering services, a proportionate share of direct manufacturing, engineering, selling, general and administrative expenses, and profits which would have been earned under the purchase order. In addition, the Customer shall also reimburse JIC for any extraordinary costs and other expenses attributable to such suspension or cancellation. No Goods shall be returned to JIC (whether due to cancellation of a purchase order or for any other reason not the fault of JIC) without prior written authorization from JIC. An inspection and restocking charge on all returned items will, at JIC's option, be required. Any request to return Goods shall include, in addition to other information reasonably requested by JIC, a full description of the Goods, the date of the purchase order and JIC's Invoice number.

9. Packing and Crating: Except as provided in the purchase order, or as hereinafter provided, prices include packing for Goods destined within continental limits of the United States excluding Hawaii and Alaska. An additional charge may be made for crating and for export packing.

10. Miscellaneous:

- a. None of the Terms and Conditions herein may be modified, superseded or otherwise altered, except by a written instrument, signed by a representative of JIC. Each shipment received by Customer from JIC shall be deemed to be upon the terms and conditions herein set forth, except as otherwise modified as provided above, notwithstanding Customer's act of accepting or paying for the Goods or similar act of Customer.
- b. Any typographical or clerical error herein is subject to correction.
- c. These Terms and Conditions, the associated documentation, and the sale of the Goods, shall be construed in accordance with the laws of the State of Michigan.
- d. The submission of a quotation by JIC in response to Customer's request does not constitute an expression of acceptance of any term or condition which may have been set forth in Customer's request. The Terms and Conditions set forth herein are the only terms and conditions applicable to the sale of the Goods, notwithstanding prior or, post-sale, references.
- e. JIC will not be liable for any losses or delays resulting from fire, flood, storm, strikes or other circumstances beyond its control, which affect its operations or the operations of its suppliers.
- f. JIC shall have the right to charge a service fee for reissuing invoices due to unauthorized discounts taken by Customer.

11. Invoice: Where JIC does not issue either a quotation or a sales confirmation and ships Goods pursuant to Customer's purchase order, such sales shall be subject to JIC's Terms and Conditions as referenced in JIC's Invoice. Any additional or different terms or conditions set forth in the purchase order or other communication from Customer are objected to by JIC and shall not be effective nor binding unless consented to in writing by a representative of JIC.

12. Assignment: JIC reserves the right to assign the proceeds of any order to a third party for any reason whatsoever.

13. Severability: Each provision of these Terms and Conditions is severable. If any term or provision hereof or any portion thereof, or the application thereof to any entity or circumstance shall be determined by a court of competent jurisdiction to be illegal or unenforceable for any reason, such term, provision or application thereof shall be modified to the minimum extent required to be legal and enforceable, and further, the same shall not affect the validity of the remainder of these terms and conditions, or the application of such term or provision to any other entity or circumstance.

14. Default, Attorney's Fees: Should Customer default on any obligation hereunder or become insolvent or make an assignment for the benefit of creditors or be subject to any reorganization or bankruptcy proceeding, or if JIC shall deem it to be in its best interest to do so to protect it or the Goods against loss or damage or upon termination of this order for whatever cause or reason, then JIC and its agents or representatives may, in addition to any other rights or remedies it may have under these Terms and Conditions, or at law or in equity, without notice, demand, or legal process, retain or otherwise repossess all or any part of the Goods thereof and/or items furnished by Customer; and Customer expressly waives all further rights to possession of said Goods and all claims for injury suffered through or loss caused by retention or repossession. If JIC shall retain/reposess the Goods or shall institute any proceeding to recover any sums due or to recover possession of the Goods or any part thereof or to enforce any term or condition hereof, Customer agrees to pay all costs, charges and expenses, including reasonable attorney fees, incurred by JIC. JIC's rights hereunder are cumulative and not alternative.

15. Blanket Orders: Blanket orders placed with JIC are for the term of one (1) year unless alternative terms are agreed upon in writing by JIC. Any Goods not delivered to the Customer within the one (1) year term will be shipped to the Customer and billed in accordance with original order payment terms, at JIC's sole discretion.