



## General Terms of Sale

of

### PVS Plastics Technology Corp.

6258 Executive Height, Huber Heights, Ohio 45424

1. **Acknowledgment.** PVS Plastics Technology Corp. ("Seller") hereby confirms receipt of Buyer's order ("Purchase Order") and agrees to sell to Buyer the goods described in the Purchase Order subject to any variations contained in Seller's acceptance and the following conditions ("Terms of Sale"). Additional or different terms in Buyer's Order are rejected and are not binding upon Seller unless such terms are accepted in writing by Seller.

2. **Purchase Price and Payments.** Seller's price is payable in U.S. dollars, FOB Seller's place of business unless otherwise specifically indicated. Terms of payment are 30 days, unless otherwise specifically indicated. All invoices paid after due date will be assessed a late payment charge of 1.5% per month. Buyer may only set off own claims against Seller's claims if those claims have been recognized by Seller or if they are evidenced by a final enforceable court or similar decision.

3. **Taxes and Assessments.** Unless otherwise specified, prices quoted by Seller exclude taxes and assessments including but not limited to, sales, use, value added or excise taxes, duties, imposts, and other charges or assessments which are the sole liability of Buyer. If Buyer asserts no sales tax is due, it shall furnish Seller a valid, executed tax exemption certificate for the jurisdiction where the sale is deemed to be made.

4. **Delivery, Title and Risk or Loss.** Title and risk of loss of any goods delivered hereunder shall pass to Buyer upon Buyer's receipt thereof. In the event that the goods are shipped to the Buyer, risk of loss passes to the Buyer upon Seller's delivery of the goods to the shipper/transport company. Unless otherwise stated in writing by Buyer (i) Seller may select packing, shipment, routing and carrier (ii) goods will be packaged according to industry standards and special packaging will be subject to additional charges (iii) lots or installment deliveries shall be deemed covered by a separate contract and any rejection or revocation of acceptance of one lot or installment shall affect only such lot or installment and shall not impair the value of the balance of the Purchase Order (iv) 5 days of grace shall be allowed on each delivery and (v) quantities which do not vary more than 5% shall be deemed to comply with the Purchase Order.

5. **Packaging.** Packaging materials used by Seller that are specifically designated as "leased" either in the invoice or the freight papers, shall be returned by Buyer, at Buyer's costs, to Seller no later than two (2) months after the agreed upon delivery. Failure to return such materials in a condition that they can be reused by Seller or in a timely manner shall entitle Seller to claim from Buyer the costs for replacing such packaging materials. Other packaging materials provided by Seller may only be reused by Buyer once any trademarks, logos, etc. of Seller have been removed.

6. **Force Majeure.** Seller shall not be responsible for any delays or non-performance caused in whole or in part, directly or indirectly, by strikes, accidents, embargoes, fire, floods, inability to obtain materials, labor or services, conditions arising from government orders or regulations, war or national emergency,



Acts of God, and any other cause, similar events to the foregoing which are deemed beyond Seller's reasonable control. Buyer may not refuse delivery on grounds of an event of Force Majeure.

7. **Security Interest.** Seller reserves a purchase money security interest in goods sold hereunder equal to the price. Said interest shall be released on receipt of payment in full. Upon request, Buyer agrees to sign and give UCC forms to Seller for filing. Buyer's refusal to deliver a duly signed UCC authorizes Seller to sign and record this document and a UCC form as attorney-in-fact for Buyer to perfect said security interest of Seller.

8. **LIMITED WARRANTY.** EXCEPT AS OTHERWISE PROVIDED IN A SEPARATE WRITTEN AGREEMENT BETWEEN SELLER AND BUYER, SELLER WARRANTS ITS GOODS WILL CONFORM TO THE AGREED UPON PURCHASE SPECIFICATIONS AND BE FREE FROM DEFECTS AND DEFICIENCIES IN WORKMANSHIP AND MATERIALS FOR A TERM OF SIX (6) MONTHS FROM THE DATE OF SALE OF SUCH GOODS TO THE PURCHASER AS SPECIFIED IN SHIPMENT DOCUMENTS FOR EACH PRODUCT. IN THE EVENT OF A VALID WARRANTY CLAIM, SELLER MAY REPAIR OR REPLACE THE RETURNED GOODS AT ITS SOLE DISCRETION. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARE EXPRESSLY DISCLAIMED INCLUDING BUT NOT LIMITED TO WARRANTIES OF FITNESS OR MERCHANTABILITY. EXCEPT AS MAY BE OTHERWISE PROVIDED IN A SEPARATE WRITTEN AGREEMENT WITH BUYER, SELLER LIMITS ALL CLAIMS OF ALL PERSONS FOR LOSSES OR DAMAGES, TO THE FULLEST EXTENT PERMITTED BY LAW, SUFFERED BY ANY OF THE FOREGOING, TO THE VALUE OF THE COST OF REPAIR OR REPLACEMENT OF ANY DEFECTIVE GOODS AND NO ACTUAL DAMAGES SUCH AS FOR LOST PROFIT, LOSS OF PRODUCTION, PROPERTY DAMAGE, SPECIAL DAMAGES, CLAIMS OF CONSEQUENTIAL OR INCIDENTAL DAMAGES, EXEMPLARY OR PUNITIVE DAMAGES CLAIMED BY OR THROUGH SUCH INJURED PARTY ASSERTING SUCH CLAIMS ARE COMPENSABLE FOR BREACH OF THIS WARRANTY. WARRANTY CLAIMS MUST BE IN WRITING ACCORDING TO SELLER'S PROCEDURES EXISTING AT THE TIME OF THE CLAIM AND MADE WITHIN FOURTEEN (14) DAYS OF DISCOVERY OF THE DEFECT. THE LIMITED WARRANTY SET FORTH ABOVE SHALL NOT APPLY TO WEAR PARTS, PRODUCTS IMPROPERLY ALTERED, MODIFIED, APPLIED OR INSTALLED, ABUSED, INADEQUATELY MAINTAINED, USED IN VIOLATION OF SELLER'S INSTRUCTIONS OR DAMAGED BY MALFUNCTION OF COMPONENTS SUPPLIED BY OTHERS.

9. **Patents and Other Intellectual Property Rights.** In the event Buyer supplies designs, specifications or instructions which are incorporated into the goods sold hereunder, or modifies any goods or combines them with other products, Buyer warrants that such goods will not infringe any patent, trademark, copyright or other intellectual property of another, and Buyer agrees to indemnify, hold harmless and defend Seller, its affiliates, successors, assigns, customers and users from and against any and all such losses, damages, liabilities, claims and demands (including attorney's fees) and lawsuits at law or equity for infringement of any patents, trademarks, copyrights or other intellectual property rights pertaining to the goods arising from Buyer's designs, specifications or instructions.

10. **Postponement and Cancellation.** Notice of Buyer regarding postponement in shipment schedule must be received by Seller in writing at least 10 days prior to the original scheduled shipment date. Postponements of more than 30 days may result in additional charges to Buyer. An Order may be cancelled by Buyer only upon receipt of (i) payments due Seller on that Order (ii) costs incurred by Seller to the date of cancellation including but not limited to incremental costs of processing the cancellation and a portion of the profit it would have obtained but for the cancellation. The profit portion payable shall be calculated as a percent of the total profit represented by the price of the goods delivered to the price of goods of the total Order so canceled.



11. **Arbitration.** Except as provided below, the parties agree to submit disputes to an arbitrator in \_\_\_\_\_, Ohio applying the American Arbitration Association Rules. The proceeding shall be in English and enforceable in any court of competent jurisdiction according to the laws of the state of Ohio and the United Nations Convention for the Enforcement and Recognition of Arbitral Awards unless the nature of the dispute is suitable to injunctive relief thereby affording a party the right to pursue redress in court without proceeding to arbitration.

12. **Law.** The parties incorporate the Ohio Uniform Commercial Code trade terms and definitions and expressly exclude the United Nations Convention on the International Sale of Goods. The parties submit to personal and subject matter jurisdiction of the courts of Ohio and accept its law as the controlling law. In the event of a dispute, neither party shall be entitled to claim consequential or incidental damages such as lost profits, special damages, exemplary or punitive damages.

13. **Default and Remedies.** If Buyer commits or suffers an act of bankruptcy, reorganization, merger, change in control, dissolution or bulk transfer, or violates the terms of an agreement with Seller, in addition to other remedies Seller may declare itself insecure and suspend performance of Buyers' Purchase Orders until receiving adequate assurance of performance or treat such event as a default. The parties are entitled to exercise all remedies available at law or in equity which are cumulative and may be exercised at any time and in any combination allowed by law. If Seller reasonably believes the financial condition of Buyer does not justify shipment on the within terms, Seller may make a written demand for full or partial payment in advance, suspend its performance until such payment is received or cancel any order.

14. **General.** This document represents the complete agreement between the parties with respect to the goods sold hereunder. No modification hereof shall be effected by any receipt or acknowledgment of Seller of any Order containing additional or different terms. If any provision herein shall be held to be invalid, illegal or unenforceable, these Terms of Sale shall be construed as if such provision is not contained herein, and such invalidity, illegality or unenforceability shall not affect any other provision herein. Buyer shall not disclose to anyone outside its employ the Terms of Sale. On request of Seller, Buyer shall return any proprietary or Confidential Information or property of Seller.

July 2006