



## TERMS AND CONDITIONS OF SALE

1. **PARTIES** - "LCS" means Lakeshore Cutting Solutions, Inc., a Michigan corporation. "Buyer" means the entity or person submitting the order to LCS.
2. **ACCEPTANCE** - Buyer acknowledges and agrees that these LCS Terms and Conditions of Sale (the "Terms") are incorporated in, and are a part of, each purchase order or other agreement relating to the provision of goods and/or related services by LCS, whether expressed in written form, by electronic data interchange or otherwise (each referred to as a "Contract"). These Terms supersede all conflicting or additional terms pre-printed on any purchase order or otherwise set forth on any release, acknowledgement, confirmation, requisition, work order, shipping instruction, specification and similar document or communication. All Contracts are subject to acceptance by LCS.
3. **CANCELLATIONS** - Contracts may be canceled by Buyer provided Buyer makes payment in full for all work completed and in process. Such work shall include, but not be limited to, charges for raw materials, unamortized tooling, engineering, handling, overhead, and production costs, all as reasonably determined by LCS. Such charges shall be determined at time of cancellation. LCS may cancel a Contract at any time upon notice to Buyer without penalty if it deems it is unable to meet the requirements of the Contract.
4. **DELIVERY/SHIPMENTS** - "Best commercial practice" packaging is standard. Buyer shall bear the expense of all other packaging. All shipments will be FOB LCS loading dock (Ex Works for international shipments per INCOTERMS 2011). Title and risk of loss shall transfer to Buyer upon shipment of goods. All shipments will be made in accordance with Buyer's instructions and at Buyer's cost. If Buyer fails to specify a mode of shipment, LCS shall select the mode which provides the lowest reasonable transportation cost. In no event shall Buyer be entitled to liquidated damages as a remedy for any delay in delivery by LCS nor shall LCS be liable for any loss, damage or delay incurred by the Buyer or its customers arising from late or non-delivery of goods. If shipment or delivery of goods is delayed by or at the request of Buyer, LCS may impose, and Buyer shall pay, storage charges and other incidental expenses incurred by LCS as a result of the delay.
5. **TAXES** - All use tax, sales tax, excise tax, duty, custom, inspection or testing fee, or any other tax, fee or charge of any nature whatsoever imposed by any governmental authority, on or measured by the transaction between LCS and Buyer shall be paid by Buyer in addition to the price quoted or invoiced.
6. **CHARGES AND FEES** - Orders accepted by LCS are subject to the following:
  - Minimum charge: \$55.00 per order.
  - Any order over \$10,000 requires a down payment. The down payment is invoiced upon receiving Buyer's purchase order. The amount of the down payment shall be determined by LCS in its sole discretion, and is dependent on the size of the order. Down payments are due upon receipt.
  - Unless otherwise specified, LCS may add a premium for expedited service; this cost will be included in the unit price.
7. **PAYMENT TERMS** - All sales, if on credit, are net 30 days from date of shipment, unless otherwise specified on invoice. **In the event Buyer fails to make full payment within such 30 day period, the unpaid balance of the invoice shall bear interest at the rate of 1.5% for each full or partial month until LCS receives payment in full, or if such amount exceeds the amount permitted by applicable usury laws, the maximum lesser amount permitted by applicable usury laws.** LCS may apportion any part payments made by the Buyer against any outstanding principal or interest as it may decide. In the event LCS incurs any expense collecting a past due invoice, Buyer shall pay for all collection costs, including attorney's fees and court costs, if any, incurred in collection. If payment is overdue under any Contract between LCS and Buyer, LCS may in its sole discretion: (i) suspend or cancel the delivery of goods or performance of services in respect of any other Contract between the parties, and/or (ii) refuse to accept any subsequent order from, or enter into any new Contract with, Buyer.
8. **SPECIFICATIONS** - Buyer agrees to provide LCS with an original copy of all required specifications. LCS's obligations hereunder shall not commence until Buyer has provided LCS with a clear original copy of all specifications. If the Buyer fails to provide a clear original copy of all specifications, LCS shall not be liable for any goods manufactured that do not meet the specifications.
9. **CLAIMS** - Buyer shall be responsible for filing and pursuing claims with carriers for loss or damage in transit. Buyer waives any claim for shortage of any goods delivered if a claim in respect of short delivery has not been lodged with LCS within three (3) days from the date of receipt of goods by the Buyer. LCS is not responsible to the Buyer or any person claiming through the Buyer for any loss or damage to goods in transit caused by any event of any kind by any person (whether or not LCS is legally responsible for the person who caused or contributed to that loss or damage). In the event Buyer believes goods delivered pursuant to a Contract are defective, Buyer shall immediately notify LCS of the defect. If LCS determines in its sole discretion that the goods are defective, LCS will repair or replace the goods at its own expense. Claims for repair or inspection of goods by Buyer without prior written authorization by LCS will not be honored. Claims will not be honored on those goods further processed by Buyer if such processing results in a change of dimensions or characteristics in the goods.
10. **TOOLING** - Tools, dies, gages, fixtures are an integral part of the manufacturing process and included in engineering charges. As a proprietary item, payment by the Buyer of engineering charges, whether separately quoted or not, does not convey ownership such items. Such items are not considered "works made for hire."
11. **INTELLECTUAL PROPERTY** - The goods hereunder are manufactured in accordance with the Buyer's specification and design. Buyer agrees: (a) to defend, hold harmless and indemnify LCS, its successors and assigns against all claims, demands, losses, suits, damages, liability and expenses (including reasonable attorney fees) arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, copyright or mask work right by reason manufacture, use or sale of the goods or services ordered, including infringement arising out of compliance with specifications furnished by the Buyer, or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Buyer's actions; and (b) to waive any claim against LCS under the Uniform Commercial Code or otherwise, including any hold harmless or similar claim, in any way related to a claim asserted against LCS or Buyer for patent, trademark, copyright or mask work right infringement or the like, including claims arising out of compliance with specifications furnished by Buyer.
12. **LIMITED WARRANTY** - LCS warrants that goods manufactured by it will conform to the drawings and specification furnished by Buyer. **THIS IS LCS'S ONLY WARRANTY. LCS MAKES NO OTHER WARRANTY, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**
13. **INDEMNITY** - Where goods supplied under a Contract are used and combined with other equipment or components not furnished by LCS or are further processed by the Buyer, Buyer agrees to indemnify and hold harmless LCS, its agents, employees, officers, directors, successors and assigns, from and against any and all damages, liabilities, losses, expenses, costs or claims (including without limitation reasonable attorneys' fees), to the extent that such claims and losses are directly resulting from the use or inclusion of the goods in Buyer's products.
14. **LIMITATION OF LIABILITY** - Except as provided for herein, in no event will LCS be liable for any indirect, incidental, special, consequential, punitive or similar damages including, but not limited to, lost profits, loss of data or business interruption losses. In no event will the total, aggregate liability of LCS under the Contract exceed the value of the Contract under which liability is claimed. The liability limitations shall apply even if LCS has been notified of the possibility or likelihood of such damages occurring and regardless of the form of action, whether in contract, negligence, strict liability, tort, products liability or otherwise. The parties agree that these limits of liability shall survive and continue in full force and effect despite any termination or expiration of any Contract. Any action by Buyer against LCS must be commenced within one year after the cause of action has accrued. No employee or agent of LCS is authorized to make any warranty other than that which is specifically set forth herein.
15. **FORCE MAJEURE** - Any delay or failure of LCS to perform its obligations hereunder shall be excused if, and to the extent that it is caused by an event or occurrence beyond the reasonable control of LCS and without its fault or negligence, such as, by way of example and not by way of limitations, acts of God, actions by government authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes and slowdowns), inability to obtain power, material, labor, equipment or transportation, or court injunction or order.
16. **GOVERNING LAW** - Unless otherwise provided in the Contract, these terms shall be deemed to have been executed and entered into in the State of Michigan, U.S.A., and the Contract, and its formation, operation, and performance shall be governed, construed, performed, and enforced in accordance with the substantive laws of that state without regard to its conflicts of law principles.
17. **COMPLETE CONTRACT** - The Contract contains the entire agreement between Buyer and LCS and supersedes any prior understandings or written or oral agreements.
18. **AMENDMENT** - No amendment or modification hereof shall be of any force and effect unless in writing and signed by the party claimed to be bound thereby, and no amendment or modification shall be effected by an acknowledgment or acceptance by LCS of a purchase order or contract from Buyer containing any different terms and conditions. In the event such new terms and conditions are inconsistent with these terms and conditions, these terms and conditions shall govern any such inconsistencies.
19. **WAIVER** - A waiver of any of these terms or conditions shall not operate as or be construed to be a continuing waiver and shall only apply to the quotation containing such waiver.