

## ***GPAX INTERNATIONAL, INC. - STANDARD TERMS AND CONDITIONS OF SALE***

1. **CONTROLLING DOCUMENT** - The acceptance of Purchaser's order is expressly made conditional on Purchaser's assent to the terms and conditions set forth herein, and GPAX International, Inc. ("Seller") agrees to furnish the goods covered thereby only upon these terms and conditions. This document constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior understandings and agreements. No term or condition of Purchaser's order inconsistent with the terms and conditions hereof, and no term, condition, statement or representation not contained herein, shall be binding on Seller as a warranty or otherwise. Unless Purchaser shall notify Seller in writing to the contrary as soon as practicable after receipt hereof, acceptance of the terms and conditions hereof shall be indicated and, in the absence of such notification, the sale and shipment by Seller of the goods shall be conclusively deemed to be subject to the terms and conditions hereof. No waiver, alteration, or modification of any of the provisions hereof shall be binding on Seller unless made in writing signed by an officer of Seller.

2. **PRICES AND TAXES** - Prices shown are subject to change without notice and are for delivery of goods F.O.B. Seller's plant (Columbus, Ohio). Any manufacturer's tax, sales tax, use tax, excise tax, custom, inspection or testing fee, or any other tax, fee or charge of any nature whatsoever imposed by governmental authority, on or measured by the transaction between Seller and Purchase shall be paid by Purchaser in addition to the prices quoted or invoiced. In the event Seller is required to pay any such tax, fee, or charge, Purchaser shall within ten (10) business days reimburse Seller therefore. Delinquent payment shall be subject to a carrying charge.

3. **TERMS AND METHOD OF PAYMENT** - Where Seller has extended credit to Purchaser, the terms of payment shall be net thirty (30) days, from date of invoice. The amount of credit may be changed or credit withdrawn by Seller at any time. On any order on which credit is not extended by Seller, shipment or delivery shall be made at Seller's election. Cash with Order (in whole or part), C.O.D. or Sight Draft attached to Bill of Lading or other shipping documents, with all costs of collection under such document for the account of Purchaser. Delinquent payments shall be subject to a carrying charge.

Each shipment shall be considered a separate and independent transaction and payment therefore shall be made accordingly. If shipment is delayed by Purchaser, payment shall become due on the date when Seller is prepared to make shipment. Goods held by Seller for Purchaser by reason of Purchaser's delay shall be held at the risk and expense of Purchaser.

If in the judgment of Seller, the financial condition of Purchaser at any time does not justify continuance of production or shipment upon the terms of payment specified, Seller may require full or partial payment in advance, and, in the event of bankruptcy or insolvency of Purchaser, or in the event any proceeding is brought by or against Purchaser under the Bankruptcy or Insolvency Laws, Seller shall be entitled to cancel any order of the Purchaser then outstanding and shall receive reimbursement from the Purchaser for its costs to date of cancellation.

4. **SECURITY INTEREST** - Seller shall retain a security interest in the goods (and replacements) delivered hereunder and in the proceeds from the sale or disposition thereof, until Purchaser has made payment in full for such goods. Purchaser shall, upon request by Seller, execute all documents (such as a UCC-1 Financing Statement for the jurisdiction in which Purchaser is located) necessary to perfect such security interest. Seller has the right, upon demand, to repossess goods delivered hereunder if Purchaser fails to make timely payments.

5. **SHIPMENT** - Shipping dates are approximate only. In the absence of specific shipping instructions, Seller will ship by the method it deems most advantageous. Transportation charges will be collected, or if prepaid, will be subsequently invoiced to Purchaser. Unless otherwise indicated, Purchaser is obligated to obtain insurance against damage to the material being shipped. Unless otherwise specified, products shall be shipped in standard commercial packaging. When special or export packaging is required or, in the opinion of Seller, required under the

circumstances, the cost of the same, if not set forth on the invoice, will be separately invoiced.

6. **DELIVERY AND DELAY** - Delivery of goods to a carrier at Seller's plant or other loading point shall constitute delivery to Purchaser. All risk of loss or damage of parts in transit are borne by Purchaser. Notwithstanding the foregoing, title to the products shall pass to the Purchaser upon delivery to the Purchaser's place of business or other "ship to" destination specified by Purchaser. Purchaser shall pay all transportation, freight and similar charges, as well as the cost of insuring the shipment against loss to the point of delivery. If Seller is required to pay any such charges at the time of shipment or thereafter, Purchaser shall reimburse Seller therefore, Seller reserves the right to make partial deliveries, and unless otherwise specifically agreed to, all such partial deliveries to be separately invoiced and paid for when due per invoice without regard to following deliveries. Delay in delivery of any installment shall not relieve Purchaser of his obligations to accept and pay for remaining deliveries. Claims for shortages or errors in delivery must be made in writing to Seller within fourteen (14) days after receipt of shipment. Failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by Purchaser. Seller shall not be liable for any loss or damage as a result of any delay due to any cause beyond Seller's control, including, without limitation: an Act of God, act of Purchaser, fire, theft, accident, slowdown, strike, riot, embargo, governmental act, regulation or request, delays of common carriers, inability to obtain necessary labor, materials or manufacturing facilities, or other similar causes. In case of any such delay, the date of delivery shall be extended for a period equal to the time lost by cause of the delay. In no event shall Seller's liability for any other delay exceed the sales price to Purchaser. Seller shall not be liable for any special contingent, indirect or consequential damages (including anticipated profits) resulting from delay.

7. **INSPECTION** - Purchaser shall examine all goods promptly upon receipt thereof. Within fourteen (14) days of such receipt, Purchaser shall notify Seller in writing of all claimed shortages and defects and, if a rejection is intended, a specification of the grounds therefore. Otherwise, the goods will be deemed accepted as of the date of shipment.

8. **WARRANTY** - Seller warrants articles of its manufacture against defective materials or workmanship eighteen (18) months from the date of shipment or one year from date of initial installation, whichever comes first, on parts. The liability of Seller under this warranty is limited, at Seller's option, solely to repair or replacement with equivalent articles, or an appropriate credit adjustment not to exceed the sales price to Purchaser, provided that (a) Seller is promptly notified in writing by purchaser upon discovery of defects, (b) the defective articles are returned to Seller, transportation charges prepaid by Purchaser, and (c) Seller's examination of such article discloses to its satisfaction that such defects were not caused by negligence, misuse, improper installation, accident or unauthorized repair or alteration. The original warranty period of any article which has been repaired or replaced by Seller shall not thereby be extended.

9. **LIMITATION OF LIABILITY** - The warranty set forth in Section 8 constitutes the sole and exclusive remedy against Seller for the furnishing of

nonconforming or defective goods, and Seller shall in no event be liable for any special contingent, indirect, or consequential damages by reason of the fact that such goods shall have been nonconforming or defective or delayed, including but not limited to personal injury, property damage, anticipated profits, labor expended, delays and loss of use of equipment. THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE, AND OF ALL OTHER OBLIGATIONS OR LIABILITIES ON SELLER'S PART, AND SELLER NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR SELLER ANY OTHER LIABILITIES.

10. **TOOLING AND DESIGNS** - All tooling, molds, fixtures, specifications, drawings, designs, data, information, methods, patterns, descriptions, programs, software, ideas and/or inventions made, used, conceived, developed or acquired by Seller incident to its performance hereunder and all patent, trade-secret, know how, copyright or other proprietary rights therein, shall be the exclusive property of Seller and no part of the purchase price hereunder shall be deemed applicable to the foregoing its unless otherwise agreed in writing by Seller.

11. **INFRINGEMENT CLAIMS** - Seller shall defend at Seller's cost any suit or proceeding brought against Purchase for the infringement of patents or other proprietary rights by goods purchased hereunder, except if the claimed infringement has resulted from Seller's compliance with Purchaser's designs, specification, and instructions or by reason of the alteration, application or use of the goods by Purchaser or any other party provided that Purchaser promptly notifies Seller in writing of the charge of infringement or threat of suit and gives Seller full and complete authority, information, an assistance for the defense of such action. Otherwise Purchaser shall defend against all such suits, proceedings, and claims at Purchaser's cost, and Seller shall have no liability for any expenses, attorney's fees, judgment or settlements with respect thereto.

Purchaser shall indemnify Seller for the costs of defending any suit or proceeding (including attorney's fees, witness fees, judgment or settlement) brought against Seller for infringement if the claimed infringement has resulted from Seller's compliance with Purchaser's designs, specifications, and instruction or by reason of the alterations, application or use of the goods by Purchaser or any other party.

Seller shall have the option at any time to modify any products sold hereunder to avoid an infringement, whether alleged or actual, provided such modification does not materially affect performance hereunder, or, in the event such modification is not practicable, to cancel this order without charge.

12. **GOVERNMENT CONTRACTS** - If any purchase order indicates that the purchase is being made for use under a United States Government Contract, only those terms and conditions which are made mandatory by federal statute or regulation for inclusion in fixed price supply subcontracts covering standard commercial proprietary items sold to the public shall be deemed incorporated herein by reference. Any other terms and condition (non mandatory) of the prime Government contract which are intended to be included herein must be set forth in a separate written document signed by an officer of Seller in order to be binding.

13. **CANCELLATION** - If an order is canceled by Purchaser prior to shipment, purchaser agrees to pay to Seller reasonable costs incurred by Seller up to the cancellation date.

14. **OHIO LAW** - This agreement hereunder shall be governed by, and its terms construed in accordance with, the laws of the State of Ohio.