

## TERMS OF SALE

Every offer to sell, acceptance of offer to purchase, confirmation of sales agreement and sale by LACO Technologies, Inc. ("LACO") is conditioned on assent by the Customer to these standard terms of sale which may not be varied or waived except by written agreement signed by an officer of LACO.

### Price and Delivery

Price and delivery terms are FOB the location indicated on the quotation, and do not include sales, use or other taxes. Errors in prices, delivery dates, brochures, catalogues, quotations, or other of LACO's publications are subject to change without notice and are not binding on LACO. Prices for goods sold by LACO shall be those in effect at time of order and are subject to change without notice, except when the offer has a specified term (typically 60 days). Offers or orders may be withdrawn or rejected by LACO at LACO's discretion. A sale of products (or services) shall only be effective and enforceable against LACO when Customer's purchase order is accepted in writing by a duly authorized agent or officer of LACO or if the order is not accepted in writing, when the product is delivered (or the services performed). LACO may, at its option, make partial shipment and invoice for same.

### Payment/Security

Unless credit is expressly granted in writing, payment is due and payable upon delivery (COD). If credit terms are requested, orders will not be processed until credit has been approved. If credit has been granted, payment terms are net 30 days from date of invoice. For compliance to organizations with standard terms of net 45 days or net 60 days, a 1% or 2% surcharge, respectively, may be applied to the pricing of all products purchased. Special payment terms that appear on the quotation may also apply, including pre-payments or down payments. LACO shall be entitled to charge interest on any amounts not timely paid by or on behalf of Customer at the maximum rate permitted by law, not to exceed 1.5% per month. If the Seller is required to engage the services of a collection agency or an attorney, the Purchaser agrees to reimburse the seller for any reasonable amounts expended in order to collect the unpaid balance. Whenever LACO reasonably deems itself insecure, LACO reserves the right to cancel any outstanding orders and may withhold or revoke any extension of credit, enforce its security interest created hereby in any goods (and proceeds therefrom) sold by LACO to Customer, and take any other reasonable steps to secure itself. Customer shall take all precautions, including obtaining adequate insurance, reasonably necessary to protect goods in which LACO has a security interest, until full payment therefore by Customer. If LACO is waiting on the customer more than 30 days from the notice of completion to respond or to make a payment, the greater of \$100.00 or 5% of the invoice value may be charged per month as a storage fee for each product left at LACO. All fees must be paid prior to the shipment of product.

### Order Cancellation

Orders may only be cancelled upon written notice to LACO. Any cancelled order and any wrongful non-acceptance of goods is subject to a cancellation fee as follows:

- Minimum 15% cancellation fee will be applied
- Additional cancellation fees may apply depending on the amount of work completed at time of cancellation.
- Cancellation fees may include the costs to cover re-stocking of non-standard items, cost of non-returnable materials, repackaging costs, or cost of design labor.

### Technical Information

All technical documents and information (other than general catalogues and brochures) furnished to Customer by LACO shall remain property of LACO, and may not be duplicated or disclosed by Customer. Technical documents furnished to Customer by LACO in connection with a possible order placement shall be promptly returned to LACO if no order is placed.

### Warranty - Service

LACO warrants to the original Customer that all new and unused goods furnished by Seller shall be free from defect in workmanship and material at the time and place of delivery by LACO. Except as stated below, LACO will honor claims in the event of failure of goods (other than expendable and consumable parts) as a result of such a defect provided that claim is made to LACO in writing within twelve months from the date of delivery. **LACO DISCLAIMS all other express warranties and all implied warranties, including implied warranties of MERCHANTABILITY and FITNESS FOR PARTICULAR PURPOSES.** In case of LACO's breach of warranty or any other duty with respect to the quality of any goods, the exclusive remedies therefore are, at LACO's option, (1) repair, (2) replacement or (3) in appropriate cases, payment of or credit for the purchase price (less reasonable depreciation) on authorized return of the goods. Any such claim against LACO must be made in writing and promptly pursued within the warranty period. **LACO DISCLAIMS** damages due to normal wear, failure to follow LACO's recommended maintenance intervals, incorrect maintenance, disregard of operating instructions, inappropriate working conditions, improper materials, chemical or electrical influences, faulty installation or other causes beyond the control of LACO. Modifications or repairs made by the Customer without LACO's written consent render this warranty inoperable. Customer is required to inspect delivered goods promptly upon receipt and provide LACO with written notice of defects within 10 days of Customer's discovery in connection with such inspection. LACO products must be returned to LACO for warranty and other servicing, and the customer will be responsible for all shipping, insurance and other costs in connection with sending the goods to and from LACO.

### Force Majeure

LACO and Customer assume the non-occurrence of the following contingencies which, without limitation, might render LACO's performance impracticable: strike, riots, fires, war, late or non-delivery by LACO's suppliers, assertion by third parties of infringement claims, and all other contingencies beyond LACO's reasonable control.

### No Consequential Damages

Under no circumstances whatsoever shall Seller be liable for any consequential damages, whether based on lost goodwill, lost resale profits, work stoppage, impairment of other goods or otherwise and whether arising out of breach of any express or implied warranty, breach of contract, negligence or otherwise, except only in the case of personal injury where applicable law requires such liability.

### Governing Law

Utah state law shall govern all transactions to which these terms of sale apply.

**LACO Technologies, Inc.**

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