

## TERMS AND CONDITIONS OF SALE

1. Quotations are open for acceptance until expiration date. After expiration date prices are subject to change without notice.
2. Estimates of delivery appearing on order acknowledgements, or given to the Buyer in any other manner are approximate, and are subject to the contingency of strikes, fire, accidents, or other causes of delay beyond the Seller's control. Seller shall not be liable for any default or delay in performance due to labor difficulties, material shortages, war, government regulations, interruptions of transportation facilities, fire, flood or other causes beyond the Seller's control.
3. Quoted prices are based on the assumption that the entire release quantity will be produced at one time. Any restriction to this option may result in an increase in price to the correct price for the quantity firmly released for production.
4. Each shipment in partial fulfillment of an order shall be considered a separate and individual contract, but if the Buyer fails to fulfill the terms of payment of any invoice or if the financial responsibility of the Buyer shall become impaired or unsatisfactory to the Seller, the Seller reserves the right to change the terms of payment and/or defer or discontinue further shipments, without prejudice to any other lawful remedy until past due payments and adjustments are made and satisfactory assurances of Buyer's credit standings are received.
5. **Count Discrepancy-** All discrepancies must be received within **5** business days of the shipment date. Invoice number and any quantity in question must be provided.
6. **Inspection/Claim/Reworks-** Materials and parts are inspected before shipment. The Buyer is obligated to inspect with care all material and parts with reasonable promptness after receipt of shipment and to make claim for defective material or workmanship within **5** days of its receipt. Claim for defective material or workmanship must be verified by an authorized representative of the Seller. Written approval will be issued with shipping instructions by the Seller.
7. In special or experimental processing or finishing, or when the work performed is in the nature of "salvaging" parts or material, the order is accepted on a "BEST EFFORT" basis. No liability shall attach to Seller unless previously agreed upon in writing prior to processing the order and our charges are not contingent upon the success of the work or the benefit derived therefrom by the Buyer.
8. JAAB's liability for any cause is limited to the cost of direct labor and material of the product directly damaged by our processing or twice the value of our processing charges on such material, whichever is lessor. Charges for our services are based on this policy limiting our liability.
9. Liability greater than that outlined in paragraph eight (**8**) above will be assumed by JAAB only when previously agreed in writing. In such event a higher charge may be made for services.
10. Seller warrants that processing and finishing shall meet specifications and other quality requirements supplied in writing with the order and that such processing and finishing shall be free from defect in material or workmanship. Where such specifications or requirements are not clearly defined, or where there exists a conflict in interpretation, JAAB processing quality standards and inspection standards will apply.
11. The Buyer shall hold the Seller harmless against any expense, loss or damage resulting from actual or alleged infringement or violation of patents, trademarks, or proprietary rights as a result of the Seller's compliance with the Buyer's designs, specifications or instructions. The Buyer shall further hold the Seller harmless against liability or obligation with respect to any expense, loss or damage to the Buyer or any other person resulting from finished parts being improperly stored, subjected to accident, damage, misuse, or abnormal or unusual operating conditions or conditions not made known to or contemplated by the Seller at the time of the agreement of the sale, or applied or used for a purpose other than or at variance in any degree from that for which designed or operated in any manner beyond such finished parts rated capacity.
12. Special tools, racks and fixtures required for the performance of the work designed and built or purchased by the Seller shall be and remain Seller's property whether or not Buyer is charged for time or material in connection herewith, unless otherwise agreed in writing. Charges for such special tools, racks and fixtures may account for a part of the actual cost. Seller assumes the remainder of the original cost and the cost of the maintenance.
13. Unless otherwise stated, the Seller's prices do not include sales, use, excise, value added or similar taxes. Consequentially, the amount of any present or future sales, use, excise, added value or other similar tax applicable to the transaction shall be paid by the Buyer or in lieu thereof Buyer shall provide Seller with a tax exemption certificate acceptable to the taxing authorities.
14. The Buyer may cancel his order or any part thereof, upon written notice to the Seller and upon payment of reasonable cancellation charges, which shall take into account expenses already incurred and commitment made by the Seller. Otherwise, no modification or waiver of any term or condition of this agreement shall be valid and effective unless it is in writing signed by the Buyer and by the authorized representative of the Seller. In the event of cancellation, components on hand provided by the Buyer will be held for **90** days, unless specific instructions are received from the Buyer by the time, such components will be disposed of.
15. All discrepancies and corrections approved will have a written credit memo issued by the Seller, no debit memos issued by the Buyer will be honored unless proper procedures were followed to obtain credit memo from Seller.
16. Typos & clerical errors are subject to corrections.
17. The Buyer will not assign the agreement hereunder or any interest therein without the written consent of the Seller.
18. All matters involving the validity, interpretation and application of the agreement between the Seller and the Buyer hereunder, shall be controlled by the laws of the Seller's state.
19. The Buyer's purchase order shall be subject to the terms and conditions stated herein or referred to in the Seller's quotation, if previously forwarded to the Buyer in connection with the purchase order and set forth on this and the reverse side hereof and to no others whatsoever. It is agreed by the Buyer and the Seller that all provisions, terms, and conditions of this order acknowledgment shall be binding on the Buyer and the Seller as their agreement in respect to the purchase and sale of the material or service, and the Seller's acceptance of the Buyer's purchase order is expressly conditioned on such agreement by the Buyer.
20. All orders (including term contracts, and blanket orders) shall have a term limit of one year from the date of the order entry unless specific exception is granted by us in writing. Seller therefore reserves the right to ship and invoice for all unreleased quantities, not so excepted, and such shipments shall be subject to our standard terms of payment.
21. Buyer agrees to pay Seller a 1/3 collection fee (if a claim is assigned to an attorney) or reasonable attorney's fee through and including the appellate level for the past due sum, as well as, all other costs.
22. Terms and conditions are subject to change at the Seller's discretion. The most updated T n C's will be available on our website: [www.jaabinc.com](http://www.jaabinc.com).