

All proposals, quotations and purchase orders for the sale of States Manufacturing Corporation (“Seller”) products, or for the rendering of services by Seller, are subject to the following terms and conditions unless explicitly stated otherwise in writing during quotation or sales processes.

1. **ACCEPTANCE.** Seller makes all quotations and accepts purchase orders only on the terms and conditions stated herein. No condition stated by buyer shall be binding upon Seller if in conflict with, inconsistent with or in addition to the terms and conditions stated herein, unless expressly accepted in a writing signed by Seller. In the event of conflict or differences in the terms of buyer’s order form and the terms stated herein, the terms stated herein shall govern. All orders are subject to acceptance only at Seller’s facility in Minneapolis, Minnesota.
2. **PRICES.** Price quotations are valid for a period of thirty (30) days from the date of the quote and are then subject to possible change.
3. **COMPLETE RUNS.** Price quotations are based on running orders complete at one time on the terms and in the quantities specified. Unless expressly stated, price quotations do not cover, nor provide for preproduction samples or partial runs. If preproduction samples or partial quantities are requested, Seller reserves the right to charge buyer any additional costs incurred thereby, including but not limited to additional set-up and material charges.
4. **CANCELLATION.** Once accepted, buyer agrees that order is noncancellable. If buyer attempts to cancel order, buyer shall be liable to Seller for all costs incurred by Seller prior to receipt of written notice of cancellation, including cost of engineering, project management, components and materials, labor and other manufacturing expenses. All progress payments, advance payments and/or deposits shall be nonrefundable.
5. **TAXES.** Prices stated do not include local, state, or federal taxes. The amount of any sales, use or similar tax applicable to the sale of the goods or services sold hereunder or to the use of such goods by the buyer shall be paid by the buyer or in lieu thereof the buyer will provide Seller with a tax exemption certificate acceptable to the taxing authorities.
6. **SHIPMENTS.** Unless otherwise mutually agreed upon in writing, all products shall be shipped F.O.B. Seller’s factory in Minneapolis, Minnesota and freight charges will be prepaid by Seller and charged back to buyer.
7. **PAYMENT.** Unless otherwise mutually agreed upon in writing, payment terms are net 30 days from date of shipment. Seller reserves the right to assess a service charge of 1.5% per month on all past due balances.
8. **SECURITY INTEREST.** Seller hereby reserves a security interest in the goods (and proceeds thereof) as security for the payment of the unpaid balance of the purchase price and buyer’s performance of its other obligations hereunder. Buyer will execute and deliver to Seller such Uniform Commercial Code financing statements as Seller shall request in order to perfect such security interest.
9. **CREDIT.** Payment terms are subject to approval of Seller’s credit department. Seller reserves the right at any time to revoke any credit extended to buyer because of buyer’s failure to pay for any goods or services when due or for any other reason deemed good and sufficient by Seller, and in such event all subsequent shipments shall be paid for on delivery. In the event Seller places buyer’s account for collection, buyer shall pay all costs and expenses of Seller, including reasonable attorney’s fees and expenses, in the collection of any amount not paid when due.
10. **DELIVERY.** Seller shall not be liable for failure to deliver or delays in delivery occasioned by causes beyond Seller’s control, including but not limited to, acts or regulations of any government authority, fire, strikes, lockouts, accidents, flood, war, national emergency, acts of God, public disorders, transportation shortages and delays, and shortages of fuel or materials. In no event shall Seller be liable for any incidental or consequential damages arising out of or in connection with delay or non-delivery for any reason.

11. DELIVERY IN INSTALLMENTS. Seller reserves the right to make delivery in installments, unless otherwise expressly provided for hereunder. All such installments shall be separately invoiced and paid for when due, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve buyer of its obligation to accept remaining deliveries.
12. WARRANTY. Except as otherwise provided herein, Seller's standard warranty statement shall apply. THIS WARRANTY IS EXPRESSLY IN LIEU OF OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE EXCLUDED. Buyer shall be notified when extended warranties have been provided by others.
13. LIMITATION OF LIABILITY. SELLER'S LIABILITY ON ANY CLAIM(S) OF ANY KIND, INCLUDING NEGLIGENCE OR STRICT LIABILITY, FOR ANY LOSS OR DAMAGE ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THE PERFORMANCE OR BREACH OF THE TERMS HEREOF, OR FROM THE DESIGN, MANUFACTURE, SALE, DELIVERY, RESALE, INSTALLATION, TECHNICAL DIRECTION OF INSTALLATION, INSPECTION, REPAIR, OPERATION OR USE OF ANY GOODS SOLD BY SELLER TO BUYER, SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE GOODS WHICH GIVE RISE TO THE CLAIM. IN NO EVENT SHALL SELLER HAVE ANY LIABILITY FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH A BREACH OF THE CONTRACT OF SALE OR ANY OTHER DUTY OF SELLER WITH RESPECT TO THESE GOODS INCLUDING, BUT NOT LIMITED TO, INCIDENTAL OR CONSEQUENTIAL DAMAGES, SUCH AS FOR LOST PROFITS OR GOODWILL, LOST SALES, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY THEREOF, OR INJURY TO PERSONS OR PROPERTY.
14. NO RIGHT OF SET OFF. Buyer has no right to deduct or set off from the purchase price of the product any damages or cost incurred by buyer as a result of any action on the part of Seller or otherwise.
15. INSURANCE. The risk of loss or damage passes to buyer upon delivery of the goods to the carrier. Insurance against loss or damage to the goods during shipment is the responsibility of the buyer. Until the entire purchase price for the goods is paid in full, buyer will keep the goods insured against loss or damage by fire and other risks and hazards included with so-called "extended coverage" insurance, in an amount at least equal to such purchase price. Losses under such insurance shall be made payable to Seller and any payments under such insurance shall be paid to Seller and applied to the unpaid balance of the purchase price. Buyer will furnish Seller with copies of the policies of such insurance and each renewal thereof.
16. CHANGES. Price quotations may not be modified orally, and no modification or waiver of any provision shall be valid unless in writing, signed by the Seller. All change orders shall be in writing acknowledged by buyer and Seller. Seller reserves the right to adjust the purchase price based on changes requested in writing by buyer, and to charge reasonable fees for processing such change orders.
17. MISCELLANEOUS. All rights and remedies of Seller under this contract are in addition to Seller's other rights and remedies and are cumulative, not alternative.
18. GOVERNING LAW. The validity, interpretation and performance of this contract for sale shall be governed by and interpreted in accordance with the laws of the State of Minnesota. ANY LEGAL ACTION OR PROCEEDING ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT OR THE PRODUCT SHALL BE BROUGHT EXCLUSIVELY IN THE COURTS OF THE STATE OF MINNESOTA OR IN THE U.S. DISTRICT COURT, MINNEAPOLIS, MINNESOTA.