

**PARAGON SPRING COMPANY**  
**GENERAL TERMS AND CONDITIONS OF SALE**

Paragon Spring Standard Terms and Condition of Sale  
Effective 01/1/07

1. **Acceptance.** With respect to goods purchased by Buyer from Seller ("Goods"), no contract exists until Buyer places order for delivery and such order is accepted by Seller's acknowledging receipt of the order, by Seller's commencement of work on the Goods ordered, or by Seller's shipment of the Goods, whichever occurs first. Any acceptance will be limited to the express terms contained on the face hereof. Additional or different terms in Buyer's forms or any attempt by Buyer to vary in any degree any of the terms of this quotation shall be deemed material and are objected to and rejected, but this shall not prevent the formation of a contract between Buyer and Seller unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods, and the order shall be deemed accepted by Seller without said additional or different terms.
2. **Payment Terms.** Unless otherwise stated on this quotation, payment terms are net 30 days from the date of invoice, subject to the approval of Seller's credit department.
3. **Taxes.** The price does not include federal, state or local property, license, privilege, sales, use, excise, gross receipts, value added or other like taxes which may be applicable to, or imposed upon, the transaction, the goods, or the sale, transportation, delivery, value or use thereof, or any services performed in connection therewith. Such taxes are for the account of the Buyer and Buyer agrees to pay or reimburse any such taxes which Seller or its contractors or suppliers are required to pay.
4. **Excusable Delay.** Seller shall not be liable for failure to perform or for delay in performance due to any cause beyond its reasonable control, including but not limited to fire, flood, strike or other labor difficulty, act of God, any legal proceeding, act of any governmental authority, act of Buyer, war, riot, sabotage, civil disturbance, embargo, fuel or energy shortage, wreck or delay in transportation, major equipment breakdown, inability to obtain necessary labor, materials or manufacturing facilities from usual sources, or any act, delay or failure to act of Seller's suppliers and subcontractors of any tiers beyond Seller or such supplier's of subcontractor's reasonable control. In the event of delay of performance due to any such cause, the date of shipment or time for completion will be extended by a period of time reasonably necessary to overcome the effect of such delay.
5. **Tooling Charges.** Unless otherwise stated on this quotation, where a separate charge is made for specially designed tools and dies, Seller will maintain such tools and dies without further cost to Buyer for the life of such tool or die so long as the part remains active and the design is not changed and Seller will not use such tools or dies for others without Buyer's permission, but Buyer acquires no right to remove any such tools or dies from Seller's factory.
6. **Warranty.** Seller warrants to Buyer that the Goods purchased by Buyer from Seller shall be free from defects in material and workmanship. This warranty is the only warranty applicable to the Goods. Seller's liability for breach of warranty shall be limited solely and exclusively to repairing or replacing, at Seller's option, the defective Goods. THERE ARE NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHICH ARE HEREBY DISCLAIMED. THE REMEDIES SET FOR BREACH OF WARRANTIES SET FORTH ABOVE ARE EXCLUSIVE REMEDIES AND SELLER SHALL NOT BE RESPONSIBLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES.
7. **Exclusions .** The above warranty does not cover, and Seller will have no responsibility for any failure to meet any warranty caused by (x) any failure of Buyer or its agents to store, install, operate, inspect or maintain the Goods in accordance with the recommendations or specifications of the OEM or its agent manufacturer or in the absence of such recommendations or specifications, in accordance with the generally accepted practices of the industry, including but not limited to applicable quality assurance procedures relating to the installation or operation of the Goods or (y) any design failure attributable, in whole or in part, to designs or specifications provided by the OEM or its agent manufacturer.
8. **Acceptance.** All Goods shall be deemed accepted by Buyer upon the earlier of (i) when Buyer uses such Goods in the ordinary course of its business or (ii) 45 days after delivery.
9. **Limitation of Liability.** In no event shall the liability of Seller for breach of any contractual provision relating to the Goods exceed the purchase price of the Goods quoted herein. In no event shall Seller be liable for any special, incidental or consequential damages arising out of Buyer's use or sale of the Goods or Seller's breach of any contractual provisions relating to the Goods, including but not limited to any loss of profits or production by Buyer. Any action resulting from any breach by Seller must be commenced within one year after the cause of action has accrued.
10. **Indemnity.** Except to the extent caused by Seller's breach of warranty, Buyer shall indemnify and hold harmless Seller, its employees, officers and directors, and their respective successors and assigns, (collectively, "Indemnities") from and against any and all liability, damages, claims, causes of action, losses, costs and expenses (including attorneys' fees) of any kind (collectively, "Damages") arising out of injuries to any person (including death) or damage to any property caused by or related to the Goods or any negligent act or omission of Buyer, its employees or agents. Buyer shall indemnify and hold harmless each of the Indemnities from and against any and all Damages, royalties and license fees arising from or for infringement of any patent by reason of any sale or use of the Goods or the manufacture of the Goods to Buyer's specifications or sample. Upon the tendering of any of the foregoing suits or claims to Buyer, Buyer shall defend the same at Buyer's expense. The foregoing obligations of Buyer shall apply whether Seller or Buyer defends such suit or claim.

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11. **Termination.** This agreement shall commence on the date of acceptance and shall continue for twelve (12) months from such date. This agreement shall automatically renew for an additional twelve (12) month term on each anniversary of the acceptance date, unless either party gives at least 30 days prior written notice of its intent to terminate. Seller agrees that it will continue to support Buyer's product needs for a period not to exceed 180 days from the termination date at the price stated in this quotation, solely for the purpose of enabling Buyer to resource its production requirements. If Buyer terminates this agreement and Seller has procured raw material in accordance with Buyer product releases for releases which would have occurred after the termination date, Buyer shall either (i) purchase such raw material from Seller at Seller's cost or (ii) purchase product until such time as Seller has exhausted such raw material supplies.

12. **Changes.** Any changes in orders requested by Buyer, including, without limitation, design, scope of work, delivery or increase or decrease in quantities shall only be effective if accepted in writing by Seller. Such changes may require other terms and conditions to be modified, including price terms and Seller reserves the right to make such adjustments.

13. **General.** The contact arising pursuant to this order and any action to enforce or interpret the same, including as to the Warranty given herein, shall be governed by the laws of the State of Illinois without giving effect to its conflict of law principles. The remedies provided herein shall be cumulative and in addition to any other remedies provided by law or equity. Either party's failure to insist on performance of any of the terms and conditions of this order or exercise any right shall not be deemed a waiver unless in writing signed by the party waiving performance. A waiver on one accession shall not thereafter operate as a waiver of any other terms, conditions or rights, whether of the same or similar type. Seller reserves the right to over and under ship by not more than 10% of specified quantity.

14. **Dispute Resolution.** All actions between the parties arising out of their relationship shall exclusively be brought in the Circuit Court of Cook County, Illinois, and in no other venue without the prior written consent of Seller. Both parties irrevocably waive a trial by Jury as to all claims, and agree that in any such action the prevailing party shall be awarded as additional damages its reasonable attorneys fees and costs (either as Plaintiff or Defendant) against the non-prevailing party.

15. **Severable Terms.** Any of the terms and conditions found by a court of competent jurisdiction to be unenforceable shall not affect the enforceability, validity, and legality of the remaining terms and conditions, which shall be deemed to be severable.

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Approved alw  
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