

## HTI PLASTICS --- STANDARD TERMS AND CONDITIONS AGREEMENT

Upon Issuance of a purchase order to HTI Plastics for at least a portion of the tooling or products described in the quotation attached hereto, the party issuing the purchase order (hereinafter "Customer") agrees to be bound by and accepts the terms and conditions set forth herein:

### QUOTATION TERMS:

The quotation set forth herein is made on the indicated production volume. Smaller production runs are subject to re-quoting. In the event of such re-quoting Customer shall be bound to all terms and conditions set forth herein regardless of the placement of any order by Customer for at least a portion of the tooling or products described in the present quotation. The attached quotation is considered proprietary and confidential and should not be disclosed without written permission from HTI Plastics.

### PAYMENT TERMS

Net 30 Days. 1% discount within 10 Days. Customer shall also pay all applicable US federal or state sales or use taxes, export or import charges, transportation or insurance charges, custom and duty fees, personal property or similar taxes, if any. All past due accounts are subject to a 1.5% monthly finance charge. Annual effective rate equals 18%. Orders that are rescheduled by Customer beyond their original scheduled shipment date will be assessed a storage fee of 1 % per month until shipment. In the event of an order cancellation, charges will be invoice for all products already produced and a 1% per month storage fee will be invoiced until said product is shipped. Orders for molds, tools, jigs or fixtures are accepted subject to payment in full with order. Customers with approved credit may be extended terms on one-half payment with order and the balance upon delivery of sample molded parts.

Credit Approval: Opening orders for new Customers must be accompanied by a completed and signed HTI Plastics, Inc. credit application form. The application must be completed in its entirety. Contact Customer service at HTI Plastics, (402) 470-2600, to request an application.

If in the judgment of HTI the financial condition of Customer at any time does not justify continuation of production or shipment on the terms of payment originally specified, HTI may require full or partial payment in advance or be entitled to cancel any order then outstanding. Orders may be terminated by HTI if invoices thereon are unpaid for 60 days.

### FREIGHT

Ground freight charges on all orders unless agreed otherwise in writing are FOB from HTI's factory, Lincoln, Nebraska.

### SECURITY INTEREST UNTIL PAID

Customer grants and HTI retains a security interest in Customer's molds, tools, jigs, fixtures and manufactured parts in HTI's possession for any unpaid accounts of Customer for engineering services, for manufactured parts or for mold, tool, jig or fixture work. Customer hereby grants HTI the right and license to use Customer's mold, jigs, fixtures and/or tools to make and sell parts therefrom and to sell any manufactured parts on hand in the event any of Customer's accounts remain unpaid for 60 days.

### STANDARD SPECIFICATIONS

Commercial tolerance on molded parts unless otherwise specified is considered to be plus or minus .030 inches. Unless otherwise agreed in writing any special gauges, fixtures, or other tools required shall be furnished by Customer. Unless otherwise stated, the finish on molded parts includes only such polish as is obtained directly from the manufacturing process. Samples submitted shall be deemed approved by Customer if written notice of rejection is not received within two weeks after date of submittal. Delivery of ten percent more or less than the production quantity specified shall constitute fulfillment of Customer's order and any excess not exceeding ten percent shall be accepted and paid for by Customer. Claims for shortages must be made within ten days after receipt of goods.

### CUSTOMER SUPPLIED INVENTORY

Inserts or any other supplemental parts supplied by Customer shall be delivered prepaid, FOB HTI's factory. All such inserts or parts are subject to HTI approval of design, must be uniform, accurate and free from burrs. HTI assumes no liability for damages to molds, tools, jigs or fixtures caused by defective inserts or supplemental parts, nor for manufactured parts which are made with Customer supplied inserts later found to be defective. HTI agrees to provide safe and secure storage of Customer's parts or inserts; however, it is Customer's responsibility to provide insurance for Customer supplied inventory.

### DESIGN MATTERS AND OWNERSHIP THEREOF

HTI reserves and retains ownership of its patents and other trade secrets created before entering into this Agreement ("HTI existing IP") and all subsequent improvements thereof. In the event that Customer provides proprietary design specifications to HTI, Customer retains ownership of all intellectual property pertaining to such design specifications. In the event that Customer identifies a design issue and requests that HTI make certain modifications to these design specifications, any proprietary technology relating to such modifications shall be owned by Customer. In the event that HTI identifies a design issue and makes modifications to the design specifications, any proprietary technology applying to such modifications shall be owned by HTI. In the event that HTI and Customer jointly identify a design issue and jointly make modifications to the design specifications, such modifications shall be jointly owned by HTI and Customer. In the event that any modifications are jointly owned, HTI and Customer agree to cooperate in seeking intellectual property protection for the jointly owned modifications including executing all necessary documentation to secure such protection. Any jointly owned intellectual property shall not be licensed to any third party without approval from all owners. In the event that HTI develops any computer aided design files (CAD) these files become the exclusive property of HTI and may not be reproduced or copied in any way without the express written consent of HTI. Any jointly owned intellectual property shall not be utilized in the manufacture of any goods for a third party without prior approval from both HTI and Customer. Customer grants no license in any of its intellectual property to HTI except, to the extent such intellectual property is incorporated into one or more products to be manufactured by HTI for Customer, Customer grants a non-exclusive license to HTI for such purposes. Subject to the terms of the MOLD REMOVAL CHARGES clause herein and the respective intellectual property rights of HTI and Customer as described above, any unique tooling and molds developed and utilized for the manufacture of goods for Customer shall be owned by Customer. When requested HTI will serve Customer in submitting suggestions concerning the design and construction of parts and the recommendation of materials; however, HTI does not assume any responsibility or liability for the practicality of any such suggestions or recommendations if adopted by Customer unless otherwise agreed in writing.

### INDEMNIFICATION

Customer agrees to indemnify, defend, protect, and save harmless HTI from all damages, costs, and expenses, including attorney fees, arising from a claim that products made for Customer by HTI infringe on any patent, trademark or trade secrets.

### DEFECTIVE PARTS RETURN POLICY

Rejections for defects must be made within 10 days after receipt of goods. Credit will be issued on such defective parts provided they are returned to HTI within 30 days after date of shipment and after HTI has had an opportunity to inspect them. Credit will not be issued for any parts which have been altered or defaced in any way, or upon which an additional operation has been performed. Freight is to be prepaid by Customer returning defective parts to HTI. Returned Merchandise must be received at the factory within fifteen (15) days of authorization date. Shipping address for return is: HTI Plastics, Inc., 5120 NW 38<sup>th</sup> Street, Lincoln, NE 68524

### MOLD STORAGE/MAINTENANCE

All molds built by HTI will be maintained by HTI in operating condition for their ordinary life only, except that in no event shall HTI's liability in this regard shall not extend for more than one year after the completion of the most recent production order. Any molds furnished by or altered by Customer shall be maintained by Customer. HTI agrees to provide safe and secure storage of Customer's molds; however, it is Customer's responsibility to provide insurance for such molds.

### MOLD REMOVAL CHARGES

In anticipation of molding parts for Customer, HTI has not charged Customer for engineering services necessary in the designing of molds, tools, jigs and fixtures, the quotation consisting of only labor and materials and not fair market value. Customer therefore agrees to pay a charge of thirty percent above the original billing price of said molds, tools, jigs or fixtures in the event they are removed from HTI's possession within one year of completion. In the event Customer removes said molds, tools, fixtures or jigs from HTI's possession after one year, Customer agrees to pay a charge of twenty percent above their original billing price.

### LOST OR DAMAGED GOODS

The responsibility of HTI ends when the transportation company accepts and signs the bill of lading transferring the title of goods to Customer. HTI is not responsible for loss or damage which may occur after the transportation company has accepted the consigned merchandise. All claims for breakage, damage and losses due to transportation shall be made directly against the transportation company by Customer. If any loss or damage is discovered, notify the transportation company at once. HTI is willing to assist Customer when possible in providing information for submitting claims for loss or damage; however, this willingness does not make HTI responsible for collection of claims or replacement of goods.

### ENTIRE AGREEMENT

This agreement constitutes the entire understanding of the parties and supersedes all prior proposals or agreements, verbal or written. Any subsequent changes and additions must be in writing and signed by an authorized representative of HTI.

### CHOICE OF LAW

This agreement and any dispute arising between the parties shall be construed according to the laws of the State of Nebraska.