

STANDARD TERMS AND CONDITIONS OF SALE

All sales and transactions with Poly Print, Inc. ("Seller") are subject to the following "Standard Terms and Condition of Sale":

1. **LIMITED WARRANTY:** Seller warrants to the buyer that the goods delivered hereby (the "Goods") are of Seller's standard quality. Seller makes NO other warranty, express or implied, regarding the Goods. Seller hereby disclaims all other warranties, whether express or implied, which may be applicable to this transaction under the laws of any state, including, but not limited to any warranties of merchantability, non infringement or fitness for a particular purpose. Buyer shall inspect and test the Goods prior to any production runs. Buyer shall immediately upon receipt thereof inspect the Goods inasmuch as possible to verify qualities and quantities received and inspect for freight damage and if damaged shall not accept the Goods and return to seller. Buyer shall notify Seller, immediately in writing, of any claims whatsoever including but not limited to weight, quality, quantity, print copy, quality of any type of film issues, losses, or damage of any kind. Buyer is hereby notified that failure of film will occur at the production level and therefore must be tested and evaluated accordingly. It is the position of the Seller that a field failure can be prevented when tested at the buyer's production level. The Seller can recommend film structures for certain products, upon request from buyer, however qualification for its final use must be reviewed and approved by the buyer. The Seller shall and will ONLY consider the replacement of the original film order in Seller's sole discretion. Absolutely no changes such as copy, color or structure will be permitted. Failure to inspect the Goods either upon receipt or prior to production runs and to give notice of claims as required herein shall constitute a waiver of any claims of buyer with respect to the Goods, including, but not limited to, a claim that the Goods do not meet the foregoing limited warranty. Any use of the Goods beyond five percent or Goods held or any portion of Goods held beyond three months from Sellers shipping date shall be considered acceptance by buyer of Goods and shall constitute a waiver by buyer of any and all such claims with respect to the Goods, and shall be deemed satisfactory performance on the part of Seller. Buyer assumes all risk in determining the suitability of the Goods for any use or for any improper handling of the Goods.

2. **LIMITATION OF REMEDIES:** The sole and exclusive remedies for breach of the foregoing limited warranty are replacement of the Goods at the original point of delivery by Seller upon finding by Seller that the Goods do not conform to such limited warranty or at the sole option of Seller, the granting of a refund or credit of the purchase price. No portion of the Goods may be returned to Seller without the Seller's prior written authorization and the Seller's "Return Authorization Number." Any Goods that are returned in accordance herewith must be returned with the original packaging and must be returned as received. If the condition in the preceding sentence is not satisfied as determined by Seller, then buyer must pay the full purchase price of the Goods, less the scrap value of the Goods as determined by Seller. Any portion of the Goods which are replaced by Seller shall become the property of Seller. In accordance with the Arizona Uniform Commercial Code, in no event shall Seller be liable or be held liable in any suit or proceeding founded upon either contract, tort or equity, for any punitive, special, incidental or consequential damages, including, but not limited to, loss of use or profits or goodwill, lost sales, business interruption, damages to or destruction of property, or liabilities of buyer to any third party, for any cause, including, but not limited to, defects in the Goods or late or non-delivery of the Goods. Buyer acknowledges and agrees that the limitations and exclusions set forth herein represent the parties' agreement as to allocation of risk between them in connection with Seller's obligations arising from the sale of the Goods covered hereby. The purchase price payable to Seller hereunder reflects, and is set in reliance upon, the allocation of risks set forth herein and the exclusions and limitations set forth herein.

3. **PRICES:** All prices quoted are based upon current raw material prices to Seller. All prices are subject to change without notice and may be subject to any increase or additional surcharge which may be in effect on the date of shipment or invoicing

4. **DELIVERY; RISK OF LOSS AND TITLE:** Dates of delivery are approximate, and are dependent upon prompt receipt by Seller of all information necessary to allow Seller to proceed with work immediately and without interruption. Delivery of the Goods shall be made by delivering the Goods to the carrier selected by Seller, unless the terms provide otherwise in this "Standard Terms and Conditions of Sale" sheet. Partial deliveries shall be permitted. All orders shall be shipped F.O.B. place of shipment, unless otherwise specified. Title of the Goods shall pass to buyer upon payment by buyer. Buyer assumes all risk of loss to the Goods at the time of delivery to the carrier, unless otherwise specified. Unless otherwise specified, shipments will not be insured by Seller and the cost of any insurance shall be borne by buyer. All claims for loss or damage in transit shall be made by buyer against the carrier or the applicable insurance company.

5. **PAYMENT; REMEDIES:** All invoices are due and payable according to the credit and payment terms as agreed upon. If buyer does not pay the amounts due hereunder within the time specified, then all unpaid amounts will accrue a late fee that is equal to 1.5% per month or the highest amount permitted by applicable law. If buyer does not pay or perform its obligations hereunder, then all amounts owing from buyer to Seller shall be due and payable in full immediately and Seller may: (1) suspend any future deliveries of Goods; (2) take possession of the Goods wherever found; (3) foreclose any security interest that Seller may have in the Goods; (4) sell or otherwise dispose of all or any of the Goods; and/or (5) pursue all other rights or remedies afforded by applicable law whether in law or in equity. The rights and remedies of Seller shall be cumulative and may be exercised successively or concurrently.

6. **TAXES:** All prices are exclusive of any applicable federal, state or local sales, use, excise or other taxes. All taxes are the sole responsibility of the buyer.

7. **INDEMNITY:** Buyer shall indemnify, protect, defend and hold Seller harmless for, from and against any expense or loss resulting from: (1) any act of omission on the part of buyer and/or any person or entity acting on behalf of buyer or any successor to the Goods; and/or (2) any claim of infringement by buyer of any patent, trademark or copyright, or from any other claim which may arise based upon any reproduction, use, or sale of the Goods by buyer, including, but not limited to, buyer's use of the Goods in combination with other substances. Seller shall have the right, in Seller's sole discretion, to place Seller's trademarks, labeling, or other marks or coding on the Goods in any suitable location.

8. **GENERAL:**

A. The term buyer, as used herein, is not limited to the immediate purchaser of the Goods from Seller, and shall have all of the meanings used in the Uniform Commercial Code.

B. All sales of Goods by Seller to buyer shall be governed by and in all respects construed according to the laws of the State of Arizona, including, but not limited to, the Uniform Commercial Code as in effect from time to time. Buyer and Seller hereby submit to the jurisdiction of the State of Arizona. Any controversy or claim arising out of or relating to these "Standard Terms and Conditions of Sale", or breach hereof, shall be settled by arbitration held in Tucson, Arizona, in accordance with the laws and rules of the State of Arizona, and judgment upon any award thereon may be entered in any court in Pima County, Arizona having jurisdiction thereof.

C. No waiver or modification of any of these "Standard Terms and Conditions of Sale" shall be effective unless such waiver or modification shall be in a writing signed by both the Seller and buyer.

D. Buyer's agreement with the "Standard Terms and Condition of Sale" set forth herein shall be evidenced by acceptance of any shipment, a return purchase order or any other acknowledgment hereof, including the placement of an order. The "Standard Terms and Conditions of Sale" stated herein shall supersede any and all prior discussions, representations and writings between Seller and buyer, and shall constitute the entire, complete, final and only agreement between Seller and buyer with respect to the Goods. Any provision of any purchase order, request for quotation, quotation, order, acknowledgment or other form or document relating to sales of the Goods by Seller which is inconsistent or in conflict with any of the terms or conditions above shall be deemed inapplicable to sales of the Goods. If Seller commences an action against buyer to enforce any of the terms hereof or because of the breach by buyer of any of the terms hereof or for the recovery of any payments due hereunder, buyer shall pay Seller's costs associated with such action, including, but not limited to, attorneys' fees and expenses. Seller shall have no liability for delay or failure to perform any of its obligations hereunder if such delay or failure to perform results from causes beyond Seller's exclusive control including, but not limited to, fire, flood, storm, weather condition, earthquake, acts of any governing body, third parties, or God. Except as provided in Paragraph 8(A) above, buyer may not assign its rights or delegate its duties hereunder without the prior written consent of Seller. Any action brought by buyer with respect to these "Standard Terms and Conditions of Sale" must be brought within three months after the sale of the Goods to which the action relates. The provisions of Paragraph 1, Paragraph 2 and Paragraph 7 shall survive the termination, cancellation or expiration of these Standard Terms and Conditions of Sale. In the event any part of these "Standard Terms and Conditions of Sale" shall be found to be unenforceable by a court of competent jurisdiction, the remaining portions of these "Standard Terms and Conditions of Sale" shall continue in full force and effect.