



Crown Mfg. Co., Inc.

ESTABLISHED 1959

CUSTOMER SATISFACTION GUARANTEED

CONDITIONS OF SALES AND SERVICES

The standards and practices of the Society of the Plastics Industry, unless otherwise set forth in this offer, are to be used in the interpretation of our agreement. SPI represents and serves as the voice of the broad-based plastics industry locally, nationally and internationally, with emphasis on influencing public policy on issues of concern to the industry.

1. ACCEPTANCE:

1.1 Prices are based on wages and cost of raw materials prevailing at the date of quotation and, therefore, are subject to changes reflecting increased costs upon written notice.

1.2 *The obligation to provide further services under this agreement may be terminated by either party upon written notice. In the event of termination, Purchaser will pay Crown for all services rendered to the date of termination including all reimbursable expenses including any amortized costs. Crown must also be indemnified against loss including amortized mold and tooling costs should Purchaser change, reduce, or suspend deliveries of the order*

1.3 Purchaser is financially responsible for any finished goods, raw materials, colorants and packaging remaining on hand after the contract has been ended.

1.4 Quotations are based upon continuous production of quantity specified unless otherwise specifically noted. Smaller runs or reduction in quantity are subject to an increase in price.

2. PAYMENT:

2.1 Unless Crown expressly states otherwise, payment terms are net 30 days. The terms for molds and jigging are 50% Down and 50% on Acceptance of First Article. First Article and or testing Fee is \$750.00 per part thereafter. A minimum order requirement of \$1,750 applies to all orders with Crown. A finance charge of 1.5% month (18% annual interest rate) will be made on unpaid balances including molds and tooling. all orders are subject to credit approval. We may at any time alter, modify or withdraw credit without notice, or require payment in advance of any unpaid balance of purchase price then remaining.

2.2 An unpaid invoice for molded parts, molds, tools or any other parts, materials or services provided by Crown is a lien on molds or tools in Crown's possession. If the Purchaser's account is unpaid past 90 days, Crown can use the molds or tools and sell the parts made from them. Or the lien can be enforced in the manner provided by California Civil Code #3051 & 3052, or at Crown's option by a private sale rather than at public auction.

2.3 In case of the dissolution or bankruptcy of the Purchaser, molds in Crown's possession that are not fully paid for shall become the property of Crown to satisfy any unpaid account, unpaid engineering charges and damages.

3. PACKING, MARKING, AND SHIPPING:

3.1 Unless otherwise agreed, prices quoted cover bulk packaging only. F.O.B. Crown, and Crown's best judgment will be used in routing shipments unless other arrangements are made.

3.2 Delivery of ten percent more or less than the quantity specified shall constitute fulfillment of the order and the Purchaser shall accept and pay for overages not exceeding ten percent.



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3.3 Crown is not responsible for any losses on account of conditions beyond Crown's control such as strikes, accidents, weather or delays of carriers. Nor is Crown responsible for damages on account of failure to deliver at a specified time for any reason whatsoever.

3.4 Unless otherwise agreed, deliveries made within five business days of the due date are timely.

3.5 All Goods shall be packaged, marked and prepared for shipment in the manner which is specified in the order.

4. INSPECTION, TESTING AND REJECTION:

4.1 The Purchaser agrees to inspect all parts within 10 days of receipt and after that time all parts are deemed to be accepted. Purchaser agrees that if the goods tendered under this Agreement are accepted, such acceptance satisfies all of Crown's obligations and after acceptance Purchaser shall have no remedy against Crown whatsoever for dimensional or finish variations. Upon authority, credit will be given on defective parts. Crown will have the opportunity to inspect the parts and returned parts must not have been altered, machined or finished in any way. Even though they may vary from print dimensions, molded parts cannot be rejected if they are consistent with approved samples in dimension, finish or analysis.

4.2 The goods covered by this contract are purchased as molded parts only, replacement or repairing of defective parts shall be the Purchaser's exclusive remedy. Crown disclaims any implied warranties of merchantability and fitness for a particular purpose. All other warranties express or implied are also excluded. We make no warranty other than that the merchandise will conform to the sample or specifications thereof. No other warranty of any type shall be implied.

4.3 Crown, when requested, will submit suggestions to the Purchaser concerning design and construction of molded parts and will recommend various grades of material but Crown will not assume any responsibility or liability for the practicability of these design suggestions or material recommendations if adopted by Purchaser. There are no warranties implied by custom or usage in the trades of either Purchaser or Crown.

4.4 Purchaser warrants that it is the owner or has a legal right to the design of the parts ordered, and that the design is free from product defects. Purchaser agrees to indemnify and hold Crown harmless from any loss, costs, liability, damage, expenses including but not limited to all attorney fees, resulting from infringement or claimed infringement or patents or trademarks, or from any claims that result from the use of foreseeable misuse of the molded parts.

4.5 In the event Crown receives consigned goods whose defects or non-conformity is not apparent on examination, Crown reserves the right to reject acceptance, require correction or replacement, obtain replacement goods at customers cost, as well as payment of damages. If Crown requires replacement or correction, clients failure to replace or correct in the time specified by Crown shall be a default hereunder.

5. CLIENT MOLD, TOOLS AND JIGS:

5.1 Crown absorbs normal mold, tool, and jig costs while the molds, tools, and jigs are in Crown's possession. When the Purchaser is no longer satisfied with the parts produced from the molds, tools, and jigs on account of tool, mold, or jig wear, a quotation will be submitted by Crown covering the cost of reworking or replacing the mold or tool as needed or the additional cost of whatever secondary operations may be involved.

5.2 Changes in any specifications and mold, tool, or jig modifications must be acceptable to Crown. The Purchaser agrees to pay for the changes and also accepts the risks for such changes.



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5.3 Crown does not insure the mold, tools and jigs and is not liable for their loss or damage nor for loss or damage to any materials owned or furnished by the Purchaser. Crown does not guarantee parts produced by buyer's supplied molds, jigs, or tooling.

5.4 Mold, tools, and jigs built and/or changes made on molds, jigs and tools furnished by the Purchaser shall be maintained by the Purchaser and parts produced with them cannot be guaranteed by Crown.

5.5 Crown's responsibility for maintaining molds and tools does not extend beyond one year of the completion of the most recent production order. After one year, Crown may notify the Purchaser, using the last address known to Crown, that disposition must be made of tooling, jigs, and molds. If Crown does not receive a reply from the buyer/purchaser within 30 days, the molds, tooling and jigs will be considered of no value to the Purchaser and will become the property of Crown to dispose of as it deems suitable.

5.6 Molds, jigs, and tools furnished by a Purchaser will not be used to produce parts for any other person without the written consent of that Purchaser.

5.7 We have considerable engineering and development time invested in a customer's mold by the time it is in production. During its production years Crown maintains and services these molds. For these reasons, if the molds, dies and/or tools are removed from our possession, it is both usual and customary for the molder to recover engineering, maintenance and service costs. Crown reserves the right to recoup up to 25% of the original tool cost under these circumstances.

6. ASSIGNMENTS:

6.1 Both Purchaser and Crown each bind themselves and their partners, successors, executors, administrators, assigns and legal representatives to the other party of this Agreement in respect to all covenants, agreements and obligations of this Agreement.

6.2 Neither Purchaser nor Crown shall assign sublet or transfer any rights under or interest in this agreement, including, but not limited to any money that is or may become due, without prior written consent of the other unless restricted by law. No assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

6.3 Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than Purchaser and Crown.

7. PATENTS:

7.1 Purchaser warrants that it is the owner or has a legal right to the design of the parts ordered, and that the design is free from product defects. Purchaser agrees to indemnify and hold Crown harmless from any loss, costs, liability, damage, expenses including but not limited to all attorney fees, resulting from infringement or claimed infringement of patents or trademarks, or from any claims that result from the use or foreseeable misuse of the molded parts.

8. DISPUTES:

8.1 On acceptance of this contract by the Purchaser, the terms and conditions of this document supersede any terms and conditions that the Purchaser may have provided.

8.2 All claims, counterclaims, disputes and other matters in question between the parties hereto arising out of or relating to this Agreement or the breach thereof will be decided by arbitration. Should the arbitrator's decision be contested by either party, or legal action taken, attorney fees and legal costs shall be paid to the prevailing party.



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8.3 When accepted by the Purchaser, this Agreement shall become a contract and the law of the State of California shall be used in its interpretation. Any action to enforce this Agreement, the terms of this Agreement, or any action related to the relationship between the parties to this Agreement, shall be conducted in Alameda County, California.

9. MODIFICATIONS:

9.1 All modifications and amendments to this Agreement must be in writing and signed by both Purchaser and Crown. It is understood that changes in design or delivery may increase the costs of molds and production and may cause a delay in the time required for performance.

10. PROPRIETY INFORMATION:

10.1 Design, samples, drawings, specifications, schedules or any other information supplied to Crown ("Confidential Information") are propriety and confidential and shall not be disclosed to any person or entity and shall not be used for any purpose other than the fulfillment of the order.

10.2 Crown will not unless prior written consent in each instance, advertise or in any other way publish or disclose Confidential Information or the fact that an agreement to Crown has been established for supplies.

10.3 Crown agrees to return, after complete delivery of all orders, or earlier immediately upon customer's request, all Confidential Information and all copies thereof. Copies of Confidential Information may only be made upon customers written consent in each instance.

11. INTELLECTUAL PROPERTY:

11.1 Crown does not warrant and guarantee that the manufacture, use and/or sale of the goods does not infringe any copyright, patent or any intellectual or proprietary rights of another nor does it constitute unfair competition resulting from similarity in design, trademark or appearance.

11.2 Customer shall indemnify , protect and hold Crown, its agents, suppliers or others harmless against any claims, losses, profits, royalties, damages and expenses, including actual attorney fees, which may arise out of any claim of infringement or unfair competition or otherwise based on he above, including any settlement thereof. Crown may be represented and actively participate in any suit or proceeding arising out of any such claim and customer shall pay all costs of such representation. If the sale or use of goods is enjoyed or Crown reasonably believes it will be, customer shall immediately procure a royalty-free right for Crown, its suppliers, successors and assigns, to continue manufacturing, selling and using the goods in addition to all other obligations hereunder.