Professional Finishing Sales Terms and Conditions

1. Acceptance. The following terms and conditions ("Terms and Conditions") apply to all transactions for a service ("Service") or good ("Good") and each quotation or proposal ("Quotation"), order acknowledgement, and invoice from Professional Finishing, Inc., its subsidiaries and affiliates ("Professional Finishing"). Purchase Orders, if accepted by Professional Finishing, are accepted subject to the Terms and Conditions set forth herein. PROFESSIONAL FINISHING REJECTS ADDITIONAL HEREBY ANY OR DIFFERENT TERMS OR CONDITIONS PROPOSED BY CUSTOMER, WHETHER OR NOT CONTAINED IN ANY OF CUSTOMER'S BUSINESS FORMS OR ON CUSTOMER'S WEBSITE, AND SUCH ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS SHALL BE VOID AND OF NO EFFECT UNLESS CONTAINED IN A SIGNED WRITTEN AGREEMENT BY AN AUTHORIZED REPRESENTATIVE OF PROFESSIONAL FINISHING, WHICH SPECIFICALLY **REFERS TO "A MODIFICATION OF" OR "DEVIATION FROM" THE LANGUAGE OF "PROFESSIONAL** FINISHING'S GLOBAL TERMS AND CONDITIONS".

Acceptance of these Terms and Conditions Customer's may be accomplished by any of the following means: 1. signing a Quotation containing Professional Finishing's Terms and Conditions; 2. acceptance of Services or Goods; 3. submission of an order after receipt of a Quotation; and 4. any other communication indicating acceptance of these Terms and Conditions.

2. <u>Quotations</u>. Any Quotation is only valid if in writing and then only for thirty (30) days from the date of the Quotation unless otherwise set forth in such Quotation. All Quotations by Professional Finishing are subject to change or withdrawal without prior notice to Customer unless otherwise specifically stated in the Quotation.

<u>3. Prices.</u> Prices shall be as stated in the applicable Quotation. Professional Finishing reserves the right to adjust the price, and Customer agrees to accept such adjustment, if a raw material or component is subject to a price increase or if a supplier raises its prices or imposes a surcharge on Professional Finishing. Professional Finishing reserves the right to charge Customer overtime and other applicable charges to the extent that Professional Finishing incurs additional costs in performing Services or producing Goods due to the actions (or inaction) of Customer. Customer is responsible to pay for, on or prior to the end of any program, order, etc., any unused materials (packaging, coating materials, etc.) specifically made or acquired for Customer's order.

<u>4. Terms of Payment.</u> Unless otherwise expressly agreed to by Professional Finishing in Professional Finishing's Quotation, terms of payment are thirty (30) days net from the date of Professional Finishing's invoice. Time of payment is of the essence. In the event of Customer's failure to pay Professional Finishing timely Professional Finishing reserves the right to take any or all of the following actions: (a) any actions allowable under law; (b) withhold shipment of goods; (c) demand the return of previously shipped Goods or goods upon which Services have been rendered; (d) institute new payment terms; and/or (e) cancel any Purchase Orders. Customer agrees to pay interest on overdue invoices at the rate of the lesser of one and one half percent (1 1/2 %) per month or the highest rate permitted by law. Customer shall be responsible for paying all taxes (other than taxes based on the income of Professional Finishing) assessed in connection with the provision of Services or Goods under any Purchase Order.

<u>5. Credit Approval.</u> All extensions of credit are subject to the approval of Professional Finishing's accounting department. If, in Professional Finishing's sole judgment, the financial viability or responsibility of Customer is or becomes unsatisfactory, then Professional Finishing may, at its option and without prejudice to any of its other remedies hereunder or at law or equity, (a) defer or decline to make any shipments hereunder except upon receipt of satisfactory security or cash payments in advance, and / or (b) terminate all Purchase Orders of Customer. Professional Finishing hereby retains a security interest on all Goods and goods upon which Services are rendered pending full payment by Customer of amounts due.

<u>6. Cancellation.</u> Unless specifically agreed to by Professional Finishing in a writing signed by an Authorized Representative, a Purchase Order may not be canceled, terminated or modified by Customer in whole or in part. If Customer nonetheless repudiates the Purchase Order or contract or notifies Professional Finishing to proceed no further therewith, Professional Finishing shall have the right to deliver all goods upon which Services have been performed, Goods, and work in process, and Customer agrees to accept same and to pay to Professional Finishing the contract price for all such Services and Goods, plus any costs or expenses associated with the early termination.

<u>7. Inspection / Non – Conforming Shipments.</u> Customer must notify Professional Finishing of its non-acceptance of any Service or Good and its reasons therefor in writing within fifteen (15) days of delivery. If Customer fails to provide Professional Finishing with reasonably detailed notice of rejection within that time, it shall be deemed to have accepted such Services or Goods. Any return must be authorized by Professional Finishing and made in accordance with Professional Finishing's return policies then in effect. Customer will be responsible for all costs, expenses and risk associated with any returns of items and will bear the risk of loss or damage unless Professional Finishing agrees otherwise in writing, or the item actually did not conform to the warranties herein.

Title / Risk of Loss / Delivery. Unless other arrangements 8. are made in writing, all Goods and goods upon which Services are rendered shall be shipped F.O.B. Professional Finishing's plant and shall become the property (if not already the property) of Customer upon delivery to the carrier and receipt of payment in full to Professional Finishing. Freight payments are solely the responsibility of the Customer, to be paid directly by the Customer to the carrier. Customer assumes all risk and liability for loss, damage, or destruction, as well as the results of any use or misuse by third parties who may acquire or use the Goods or goods upon which Services are rendered illicitly after the delivery to the carrier. Unless mutually agreed upon in writing, shipping dates are approximate and are based upon prompt receipt of all necessary information. Professional Finishing reserves the right to ship items in a single or multiple shipments.

<u>9. Indemnification.</u> Customer shall indemnify and hold Professional Finishing harmless from and against any and all claims, demands, liabilities, suits, actions, proceedings, damages, costs and expenses (including, but not limited to, attorney's fees), etc. incident to or arising out of or in connection with or relating to Customer's negligent or willful acts related to this Agreement. Professional Finishing may participate in any such defense to such extent as it, in its sole discretion, may determine.

WARRANTY. PROFESSIONAL FINISHING 10. WARRANTS THAT THE SERVICES AND GOODS CONTRACTED FOR HEREUNDER (A) WILL CONFORM TO THE DESCRIPTION ON THE FACE OF THE QUOTATION, INVOICE, PACKING LIST, ETC., AND (B) WILL BE CONVEYED FREE AND CLEAR OF SECURITY ANY LIEN, INTEREST OR ENCUMBRANĆE CREATED BY PROFESSIONAL FINISHING OR ANY PARTY CLAIMING BY. THROUGH, OR UNDER PROFESSIONAL FINISHING. IN THE EVENT OF A BREACH OF THIS WARRANTY. THE SOLE AND EXCLUSIVE LIABILITY OÉ PROFESSIONAL FINISHING SHALL BE LIMITED SOLELY TO RE-PERFORMANCE, REPLACEMENT, **REPAIR, REFUND OR CREDIT AS PROFESSIONAL** FINISHING IN ITS SOLE DISCRETION MAY ELECT.

EXCEPT AS SET FORTH ABOVE, PROFESSIONAL FINISHING MAKES NO WARRANTY OR **REPRESENTATION OF ANY KIND, EXPRESS** OR NO (INCLUDING WARRANTY OF IMPLIED MERCHANTABILITY OR FITNESS FOR Α PARTICULAR PURPOSE) WITH RESPECT TO ITS SERVICES AND GOODS.

LIMITATION OF LIABILITIES AND REMEDIES. 11. **PROFESSIONAL FINISHING SHALL NOT BE LIABLE,** AND CUSTOMER WAIVES ALL CLAIMS AGAINST PROFESSIONAL FINISHING FOR INCIDENTAL, PUNITIVE SPECIAL. OR CONSEQUENTIAL DAMAGES, LOST PROFITS OR COMMERCIAL WHETHER OR NOT BASED LOSSES, UPON PROFESSIONAL FINISHING'S NEGLIGENCE OR BREACH OF WARRANTY OR STRICT LIABILITY IN TORT OR ANY OTHER CAUSE OF ACTION. IN NO PROFESSIONAL WILL **FINISHING'S** EVENT LIABILITY UNDER THESE TERMS AND CONDITIONS OR IN CONNECTION WITH THE SALE OF GOODS OR SERVICES BY PROFESSIONAL FINISHING EXCEED THE CONTRACT PRICE OF THE SPECIFIC GOODS OR SERVICES AS TO WHICH THE CLAIM IS MADE.

18. Confidential Information. Information furnished or made available by Professional Finishing (including, but not limited to, information disclosed prior to the applicability of these Terms and Conditions) to Customer in connection with the subject matter of these Terms and Conditions or of Customer's Purchase Order shall be held in confidence by the Customer. Customer agrees not to use or disclose such information without the prior written consent of an Authorized Representative of Professional Finishing. The obligations in this Section 18 do not apply to information that (a) at the time of disclosure was or becomes, generally available to the public by no breach by the Customer of any obligation herein, (b) the Customer can show by written records was in its possession prior to disclosure by Professional Finishing, or (c) is legally disclosed to Customer by a third party having no direct or indirect confidentiality obligation to Professional Finishing respecting such information.

<u>19.</u> <u>Updates.</u> Professional Finishing may revise these Terms and Conditions at any time by posting them to their website. Such revisions shall govern any Purchase Order placed after the revision is posted.

<u>20.</u> <u>Force Majeure.</u> Professional Finishing shall not be liable for failure to perform or delay in performance or delivery of

any Services, Goods, or goods upon which Services are performed due to (a) fires, floods, other natural disaster, strikes, or other labor disputes, accidents, sabotage, terrorism, war, riots, financial distress of a supplier or other disruption in Professional Finishing's supply chain, delays in transportation or lack of transportation facilities, restrictions imposed by federal, state or local laws, rules or regulations; or (b) any other cause beyond the reasonable control of Professional Finishing. In the event of the occurrence of any of the foregoing, the time for performance shall be extended for such time as may be useful to enable Professional Finishing to perform. Professional Finishing may, during any period of shortage due to any of the above circumstances, allocate its available supply of resources to provide Services or Goods among itself and its Customers in such manner as Professional Finishing, in its judgment, deems fair and equitable.

21. Assignment and Delegation. No assignment of any rights or interest or delegation of any obligation/duty of Customer under these Terms and Conditions, Professional Finishing's Quotation, order acknowledgement, invoice, or Customer's Purchase Order may be made without prior written consent of Professional Finishing's Authorized Representative. Any attempted assignment or delegation will be wholly void and totally ineffective for all purposes.

<u>22.</u> <u>Integration Clause.</u> Except as otherwise indicated herein, these Terms and Conditions constitute the entire Terms and Conditions to transactions between Professional Finishing and Customer with respect to the Services and Goods.

23. Waiver. No failure of Professional Finishing to insist upon strict compliance by Customer with these Terms and Conditions or to exercise any right accruing from any breach of Customer shall impair Professional Finishing's rights in case Customer's breach continues or in case of any subsequent breach by Customer. Waiver by Professional Finishing of any breach by Customer of these Terms and Conditions shall not be construed as a waiver of any other existing or future breach.

<u>24.</u> <u>Dispute Costs.</u> In any litigation or arbitration between Professional Finishing and Customer concerning these Terms and Conditions, the prevailing party is entitled, in addition to such other relief that is granted, to a reasonable sum for their attorney's fees, provided that if each party prevails in part, such fees shall be allocated in such manner as the court or arbitrator shall determine.

25. Choice of Laws. Any dispute arising out of or related to these Terms and Conditions shall be governed by and construed according to the laws of the State of California and litigated exclusively in a court located in Contra Costa County, California (to the extent that a matter may only be litigated in a federal court the parties agree that venue for such dispute shall be the Federal Court for the Northern District of California). The parties hereby agree to the exclusive jurisdiction and venue of such courts. These Terms and Conditions and the rights and obligations of the respective parties hereunder shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods.

<u>26.</u> <u>Severability.</u> The parties intended that these Terms and Conditions are severable. If any provision herein is or is deemed to be unlawful or unenforceable then the remaining provisions shall remain in full force and effect.

<u>27.</u> <u>Survival.</u> Any provision of these Terms and Conditions, which by its nature extends beyond the expiration, termination, or cancellation of these Terms and Conditions, shall remain in full force and effect.