

The Binding Edge, Inc.

Quotation

Terms & Conditions of Sale

1. Agreement. This document is an offer by The Binding Edge, Inc. (the "Binding Edge") extending for sixty (60) days from the date on the face hereof to sell the products and/or services described herein and is expressly conditioned upon customer's assent to these terms and conditions. No additional or different terms or conditions will apply to this sale or be binding upon the Binding Edge. The Binding Edge objects to any terms or conditions which are in addition to or different from these terms and conditions. By accepting this offer, customer agrees to and accepts all these terms and conditions; any additional or different terms and conditions contained in any document sent by customer to the Binding Edge shall be of no effect. By acceptance of any goods or services produced hereunder, customer specifically waives any additional or different terms and conditions.

Acceptance hereof shall occur when customer (i) in writing, by facsimile transmittal (FAX), or otherwise orders any of the products, or authorizes the Binding Edge to perform any of the work, shown on the face hereof, or (ii) receives any product from the Binding Edge, whichever occurs first. This document constitutes the entire agreement between the Binding Edge and customer, it shall be governed and be construed according to its terms and the internal laws of the State of Wisconsin. Wisconsin courts shall be the only forum for any disputes arising hereunder. The Binding Edge and customer consent and submit to the exercise of personal jurisdiction by the courts located in the State of Wisconsin. Any provisions hereof prohibited or unenforceable under applicable law shall be ineffective only to such extent and without invalidating the remaining provisions of this document. No order may be cancelled or altered by customer except upon the Binding Edge's prior written consent.

2. Delivery, Claims, and Delays. All products are sold F.O.B. the Binding Edge's plant and customer shall bear all risk of loss, or damage in transit. The Binding Edge may deliver products in installments with each installment to be separately invoiced and paid for when due. Delay in delivery of any installment shall not relieve customer of its obligation to accept and pay for any other delivery. Any delivery not in dispute shall be paid for regardless of any controversies relating to other products. Claims for shortages or other errors in delivery must be made in writing to the Binding Edge within thirty (30) days from date of invoice. Failure to give such notice shall constitute customer's unqualified acceptance of delivery and waiver of any such claims. All products furnished by the Binding Edge shall be subject to commercial variations. A variation of ten percent (10%) in the quantity ordered by customer shall constitute acceptable delivery and shall result in a corresponding percentage price increase or decrease. The Binding Edge shall not be liable for any damage resulting from any cause beyond the Binding Edge's control, including without limitation, an act of God, act of the customer, embargo or other government act, regulation or request, fire, accident, strike, slowdown, war, riot, delay in transportation, inability to obtain necessary labor, materials or production facilities.

3. Right to Changes. The Binding Edge may at any time make such changes in products or services as shall, in the Binding Edge's judgment, constitute an improvement. The Binding Edge may furnish suitable substitutes for material unobtainable because of good and reasonable cause. The Binding Edge has the right to cancel and declare null and void any agreements resulting from this Quotation without liability to the customer other than refunding to customer any payment for goods tendered prior to cancellation and the reasons therefor. Any changes in drawings, materials, design specifications, or masters which affect cost will entitle the Binding Edge to establish new prices, and if work has been started, the Binding Edge shall be properly reimbursed for work already performed regardless of whether products or services are accepted by customer. The Binding Edge similarly reserves the right to establish new prices if changes involve an increase or decrease in the quantities due or in the time required for performance under the order. In the event that the Binding Edge shall be required by any governmental authority, including government agency, regulatory body, law, rule, regulation, or order, to implement technologies for the protection of the environment, which technologies are not in place at the time of the Quotation at the Binding Edge's facility selected by the Binding Edge for production, or to change operations, as a result of the environment impact of the production techniques required to complete customer's order, the Binding Edge shall be entitled to pass to customer the increased cost to the Binding Edge of the required technology and the same shall be deemed added to the prices quoted herein and order(s) submitted. In the event customer cancels a production order, the Binding Edge shall at a minimum be entitled to be paid a raw materials fee equal to ten percent (10%) of the gross price of customer's total order, together with such other incidental and consequential damages and loss of profits as may result from the cancellation.

4. Payment. All prices are subject to change without notice. The price of products on order but unshipped will be adjusted to the price in effect at the time of shipment. Quantity prices shall be based on the released amount of each part of each scheduled shipment. Invoices are due and payable within thirty (30) days of date of invoice ("due date"). Any amount not paid by due date shall be subject to a finance charge of 1.5% per month until paid. Customer agrees to pay all the Binding Edge's reasonable attorney fees, collection fees, and costs arising out of any breach by customer of this or any subsequent agreement. Advanced payments do not give interest. The Binding Edge shall not be obligated to perform upon any order until the Binding Edge receives any agreed upon advance payment.

5. Samples and Masters; Security Interest. Prices quoted on the face hereof include samples for dimensional approval only. Production samples, prototypes, and pilot runs are subject to separate quotation and negotiation.

All inventions, designs, data, information, sketches, and samples related to the subject of this Quotation or produced by the Binding Edge for customer or on customer's behalf (collectively the "product") shall be and continue to be owned by the Binding Edge and all rights of any nature shall be reserved to the Binding Edge. If amounts remain outstanding to the Binding Edge or if the Binding Edge is performing services or generating products for customer and the Binding Edge has not been paid in full therefor (whether or not payment is then due and owing), the Binding Edge shall have a security interest in and may lawfully retain possession of the product produced by the Binding Edge. Possession shall constitute perfection of this security interest. The Binding Edge shall have all the rights and remedies provided by law, including those of a secured creditor under Chapter 409 of the Wisconsin Statutes.

6. Taxes and Other Charges. Any tax, fee, or charge of any nature whatsoever imposed by any governmental authority shall be paid by customer in addition to the prices quoted or invoiced.

7. Limited Warranty. The Binding Edge warrants that products actually generated by the Binding Edge for customer shall be produced in a workmanlike manner of sound material. Any such product which proves defective in material or workmanship within twelve (12) months after shipment shall be repaired or replaced at the Binding Edge's option, but the Binding Edge's liability shall not exceed the price paid to the Binding Edge by customer for the product. This remedy shall be customer's exclusive remedy for breach of the Binding Edge's warranty. Customer shall give the Binding Edge written notice of any alleged defect within ten (10) days after discovery by customer. Upon request, customer shall return the allegedly defective item, F.O.B. the Binding Edge's facility, transportation charges prepaid. No warranty hereunder shall be assignable or transferable by customer, or shall inure to any third party.

THIS FOREGOING WARRANTY AND REMEDY ARE EXCLUSIVE AND IN LIEU OF ALL CONTRACT OR TORT LIABILITY AND ALL OTHER WARRANTIES OR RIGHTS OF REJECTION, EXPRESS OR IMPLIED BY LAW EQUITY, CONTRACT, CUSTOM, USAGE, OR COURSE OF DEALING, INCLUDING, BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. THE BINDING EDGE SHALL NOT BE LIABLE TO CUSTOMER OR ANY OTHER PERSON FOR ANY CONSEQUENTIAL, INCIDENTAL, OR CONTINGENT DAMAGES WHATSOEVER.

8. Indemnity. Customer shall, at no expense to the Binding Edge, indemnify, defend, and hold the Binding Edge harmless against any and all losses, damages, and expenses (including punitive damages, multiple damages, attorney fees, and other cost of defending any action) that the Binding Edge may incur as a result of any claim made against the Binding Edge by any person, including without limitation, customer, its successors, assigns, and customers, actually or allegedly arising in any way out of the products or services furnished hereunder by the Binding Edge or out of any products supplied or sold by customer including, without limitation, any claim which in whole or in part actually or allegedly arises out of (a) the Binding Edge's negligent or other wrongful act or omission or (b) danger or defect in any product or service sold by the Binding Edge to customer.

9. Intellectual Property. Any intellectual property of the Binding Edge shall remain the confidential property of the Binding Edge regardless of disclosure to customer. Customer shall not use or disclose, or permit any other person to use or disclose the same, and, in any case, shall not reveal any design or production technique revealed thereby or inferable therefrom.

10. No Waiver. No provision hereof and no breach of any provision hereof shall be deemed waived by any previous waiver of such provision or of any breach thereof, by any previous custom, practice, or course of dealing or by the Binding Edge's failure to object to provisions contained in any communication or order from customer.