

TIPPER TIE, INC.

TERMS AND CONDITIONS

1.A Warranty. Limitation of Liability. Tipper Tie, Inc. warrants the Products will, upon delivery to Customer, conform to the description and specifications set forth herein and will be free from defects in material and workmanship. For Clip, Loop and Wire products, Tipper Tie, Inc shall replace any product that becomes defective within the 60 day period following the date of sale. For Parts, Clippers, and Machines, Tipper Tie, Inc. shall repair or replace, at its option, any product that becomes defective within 6 months of the date of shipment. The repair or replacement of Products shall occur within a commercially reasonable period following receipt of a declaration from the Customer. Items, components, or parts covered by the forgoing warranty shall be returned to Tipper Tie, Inc., f.o.b. Apex, North Carolina. All items, components, or parts replaced under this warranty shall become the property of Tipper Tie, Inc. The warranty becomes immediately void in every case where repairs affecting the Product's operation or safety are compromised or where modifications or alterations are carried out by the Purchaser or by third parties without the prior written consent of Tipper Tie. The warranty does not cover damages caused by insufficient, incorrect or forceful operation of the Product, by failure to observe the operating instructions, by overloading, by the use of materials, consumables or accessories not manufactured by Tipper Tie or specifically approved in writing by Tipper Tie for use with the Product, by chemical or electrolytic action, by the use of spare parts from an outside source, or by any event of force majeure.

1.B Tipper Tie makes no warranties for damages resulting from normal or excessive wear of component parts to include, but not be limited to, punches, dies, knife blades, skin brakes, Teflon coated parts, or conveyor belts and other parts which by their nature as a result of normal equipment operation wear out and must be replaced. Tipper Tie makes no warranties as to any equipment or accessories not manufactured by Tipper Tie, and Purchaser shall be limited only to the warranties, if any, provided by the manufacturer of such equipment or accessories. Any declaration made under this warranty must be presented, in writing, to Tipper Tie during the Warranty Period.

1.C Tipper Tie, Inc. will not be liable for personal injury or property damage nor shall it have obligations or liabilities for consequential damages including but not limited to product loss, film loss and lost profits even if advised of the possibility of such. **THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** Customer further agrees that Tipper Tie, Inc.'s liability hereunder for damages including but not limited to patent and copyright infringement shall not exceed the aggregate sum paid hereunder by Customer to the date the amount of such liability is determined.

2.A Implied Patent and Copyright License. Customer is granted an implied license to practice the inventions and authored works of Tipper Tie incorporated in the Product which license is limited and does not include any unauthorized reconstruction of the Product. Unauthorized reconstruction shall constitute infringement for which Customer shall be liable pursuant to Title 35 and Title 17 of the United States Code (US Patent and Copyright Act), and shall be subject to injunction, and damages payment of all attorney fees and costs.

2.B Patent and Copyright Indemnification. If notified promptly in writing of any action brought against Customer, based on a claim that the Product infringes a United States Patent or copyright, Tipper Tie, Inc. will defend such action at its expense and will pay the costs and damages awarded in any such action, provided that Tipper Tie, Inc. shall have the sole control of the defense of any such action and all negotiations for its settlement or compromise. In the event that a final injunction shall be obtained against the Customer's use of the Product by reason of infringement of a United States patent or copyright, Tipper Tie, Inc. will, at its option and at its expense, either procure for the Customer the right to continue using the Product, replace or modify the same so that it becomes non-infringing, or grant Customer a credit for such Product as depreciated and accept its return. Customer shall hold Tipper Tie, Inc. harmless against any expense, judgment or loss for infringement of any patents or copyrights which result from Tipper Tie, Inc.'s compliance with Customer's designs, specifications, or any unauthorized reconstruction of Product.

3. Security Interest. Customer hereby grants Tipper Tie, Inc. a security interest in the Product and proceeds thereof, to secure Customer's obligation hereunder. Customer hereby appoints Tipper Tie, Inc. its attorney-in-fact to execute financing statements to perfect such security interest.

4. General. All obligations and warranties by Tipper Tie, Inc. granted hereunder are void in the event of any unauthorized reconstruction by or for Customer and any liabilities or claims of any nature whatsoever associated with the Product shall be assumed by Customer. If any of the provisions of this agreement are invalid under any applicable statute or rule of law, they are to that extent deemed omitted. The Customer's remedies in this agreement are exclusive. Any purchase order or similar form attached hereto is void to the extent that it contains any terms that are contrary to, or inconsistent with, the provisions of this contract. The parties agree that this agreement is the complete and exclusive statement of the understanding between the parties, which supersedes all proposals oral or written and all other communications between the parties relating to the subject matter of this agreement. This agreement will be governed by the laws of the State of North Carolina.