



AXELENT INC. TERMS AND CONDITIONS OF SALE

1. GENERAL. These Terms and Conditions ("Terms") set forth the terms and conditions pursuant to which the purchaser ("Purchaser") will purchase and Axelent, Inc. ("Axelent") will sell any and all products ("Products"). No interlineations, deletions, modifications or amendments to these Terms shall be binding on Axelent unless agreed to and accepted in writing by Axelent.

2. PRICE QUOTATIONS. Quotations or tenders are noncommittal in nature. No contract for sale shall arise until a written acknowledgement from Axelent accepting the Purchaser's order is sent by Axelent to Purchaser. Because no contract is formed until Axelent acknowledges Purchaser's order, these Terms shall supersede any and all terms of Buyer.

3. PURCHASE ORDERS. All purchase orders of Purchaser shall, unless otherwise agreed to in writing by Axelent, be in writing placed by mail, e-mail or fax and set forth the quantity of the Products desired, the specifications therefore, the desired delivery date, the price of each Product, and all other relevant information necessary to effectuate shipment of the Products by Axelent. Such purchase orders shall be limited and subject to acceptance of these Terms and Conditions and no additional, inconsistent or contrary terms shall become part of this agreement or any sale of Products to Purchaser unless specifically accepted in writing signed by Axelent.

4. ACCEPTANCE/DELIVERY TIME. Purchaser shall not return any Products actually delivered to Purchaser or cancel any accepted order without the prior written consent of, and upon terms agreed to by, Axelent. All delivery dates are approximates only and based upon prompt receipt of all necessary information from Purchaser. Notwithstanding the provisions contained herein to the contrary, Axelent shall not be responsible or liable for any loss or damage whatsoever, including loss of income and/or profits, incidental, special or consequential damages, resulting from Axelent's delayed performance in shipment or delivery of the Products for any reason whatsoever.

Purchaser has the right to extend the delivery time of Products at a cost of \$_____/pallet per commenced week if the order has been packed. If the extension applies to Products that have not been packed, no extra cost apply to any such extension. Extension is only permitted when the Product is Axelent standard product. No other extensions are allowed.

5. DELIVERY. Unless otherwise specified, the Products are to be delivered EXW, Axelent's facility at Lockport, IL, as such delivery term is defined in the most recently published Incoterms.

6. PRICE. Prices shall be those in effect at the time of order acknowledgment. Prices other than relating to an accepted purchase order are subject to change by Axelent without notice. Axelent's prices do not include sales, use, VAT or similar taxes. Consequently, the amount of any present or future sales, use, VAT or other similar tax applicable to the sale or use of the Products shall be paid by Purchaser.

7. PAYMENT/DELINQUENCY CHARGE. Unless otherwise stated, payment terms are net thirty (30) days from the date of Axelent's invoice. In the event payment is not received when due, interest shall be due at the rate of one and one half percent (1.5%) on the unpaid portion of the invoice sum for each period of thirty (30) days or part thereof from the due date. Purchaser shall pay all of Axelent's costs of collection of any amounts past due, including, but not limited to attorneys' fees, court costs, witness fees, travel and lodging. All payment shall be made via wire transfer unless otherwise agreed to in writing by Axelent. Axelent reserves the right to refuse to ship products to Purchaser if Purchaser is past due or Axelent determines, in its sole opinion, that Purchaser's balance is too large.

8. SECURITY INTEREST. To secure any indebtedness due from Purchaser from time to time, Purchaser hereby grants to Axelent and Axelent hereby reserves, a continuing purchase money security interest in any and all Products heretofore or hereafter sold or delivered to Purchaser by Axelent (or any third party on behalf of Axelent to Purchaser) and all related parts, components and accessories therefore, and all proceeds arising from the sale or other disposition of the foregoing, including, but not limited to, insurance proceeds, cash, accounts, contract rights, accounts receivable, instruments and chattel paper, all as now or hereinafter defined by the UCC. Purchaser shall at no time grant any security interest in conflict with that granted to Axelent herein. Purchaser shall cooperate in, and hereby authorizes, the preparation, signing and filing of financing statements and other documents necessary to evidence and perfect Axelent's security interest as described herein.

9. MODIFICATIONS AND SUPPLEMENTS. Modifications and supplements are treated as new orders, except for standard Products that have not been packed (standard colors) or are unpainted (special colors).

10. CANCELLATIONS. Cancellations are only accepted for standard Product/standard colors and at a cost of 15% of the order value or a minimum of \$100.

11. PASSING OF RISK AND TITLE. Title and risk of loss and damages shall pass to the Purchaser at the point of Axelent's delivery of the Products to Purchaser at Axelent's facility in Lockport, IL as defined by the delivery term EXW in the most recently published Incoterms.

12. LIMITED WARRANTY. Axelent warrants that the Products sold hereunder will be free from defects in design, material and workmanship for a period of one (1) year from the date of delivery and that the Products complies with the specifications, drawings and data submitted by Purchaser to Axelent. For functional parts, such as hinges and locks, Axelent provides a five (5) year limited warranty. This warranty is limited to repair, replacement or credit, in part or whole, at Axelent's discretion. Furthermore, this Limited Warranty applies only if and are conditioned upon the Products

- (1) being installed, maintained and used by Purchaser according to the instructions furnished by Axelent and in conformance with all applicable recommendations of Axelent with respect to the Products;
- (2) remaining in their originally installed location;
- (3) being connected to a proper power supply;
- (4) not having been misused or abused; and
- (5) showing no evidence of tampering, mishandling, neglect, accidental damage, modification or repair without the approval of Axelent, or damage done to the Product by anyone other than Axelent.

This Limited Warranty is provided by Axelent and contains the only express warranty provided to Purchaser and the above remedies constitute Purchaser's sole and exclusive remedy for any failure of an Axelent Product. AXELENT DISCLAIMS ANY OTHER EXPRESS WARRANTY NOT PROVIDED HEREIN AND ANY IMPLIED WARRANTY, GUARANTEE OR REPRESENTATION AS TO SUITABILITY FOR ANY PARTICULAR PURPOSE, PERFORMANCE, QUALITY AND ABSENCE OF HIDDEN DEFECTS, AND ANY REMEDY FOR BREACH OF CONTRACT, WHICH BUT FOR THIS PROVISION, MIGHT ARISE BY IMPLICATION, OPERATION OF LAW, CUSTOM OF TRADE OR COURSE OF DEALING, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS PROVIDED IN THIS AGREEMENT, AXELENT FURTHER DISCLAIMS ANY RESPONSIBILITY FOR LOSSES, EXPENSES, INCONVENIENCES, SPECIAL, INDIRECT, SECONDARY OR CONSEQUENTIAL DAMAGES ARISING FROM OWNERSHIP OR USE OF THE PRODUCTS, EACH OF WHICH IS HEREBY WAIVED BY PURCHASER.

In no event shall Axelent be liable for damages resulting from third party actions, including, but not limited to damages resulting from faulty installation; Purchaser shall indemnify and defend Axelent for any third-party claim arising out of any actual or alleged improper installation, use or maintenance of any Product. No representative of Axelent (or any distributor, dealer or sales representative of Axelent) has the authority to bind Axelent to any affirmation, representation or warranty concerning the Products sold hereunder beyond the Limited Warranty described herein.

13. INSPECTIONS AND COMPLAINTS. Unless Axelent receives a written complaint from Purchaser regarding any damage or shortage within a period of fourteen (14) days from delivery of the Product to Purchaser, the Products shall be deemed to have been delivered in good condition and the delivery accepted. Such written complaint by the Purchaser to Axelent must include a copy of the consignment note, a specification of the nature of the damage or shortage and a copy of any report to the haulage firm attached.

Complaints pertaining to defects shall be made in writing within a period of fourteen (14) days from the time the defect was discovered and shall include Axelent's order number, item number, amount of Products that have defects and a description of the defect. Return of damaged or defect Products shall be handled and paid for by the Purchaser, unless otherwise agreed in writing between Purchaser and Axelent.

14. ARBITRATION.

(a) Except as provided in subparagraph (b) hereof, the parties agree that all claims of Purchaser arising out of this Agreement, the purchase or sale of Products and/or the relationship of the parties shall be settled by submission for arbitration to the American Arbitration Association. Such proceeding shall be held in Chicago, Illinois. Any judgment upon any award rendered by the arbitrators may be entered in any court having appropriate jurisdiction. If any suit or proceeding is filed by Purchaser in any court, the court shall, on application of Axelent dismiss or stay the action until such arbitration has been had in accordance with these Terms. In no event shall the arbitrators have the authority to award damages inconsistent with these Terms, including indirect, punitive or exemplary damages.

(b) The provisions of subparagraph (a) hereof to the contrary notwithstanding, Axelent reserves the right to bring an action for equitable relief, repossession, replevin, collection or other cause(s), and the parties' agreement to arbitrate hereunder shall not stay or otherwise affect Axelent's right to assert such claims.

(c) Purchaser shall be responsible and reimburse Axelent for all litigation expenses including attorneys' fees in the event of Axelent's enforcement of its rights hereunder.

15. FORCE MAJEURE. Axelent's obligations hereunder are subject to, and Axelent shall not be held responsible for, any delay or failure to make delivery of all or any part of the Products due to acts or circumstances beyond the control of Axelent including, but not limited to, labor difficulties, fires, casualties, accidents, acts of God, acts of war or terror, transportation difficulties, inability to obtain Products, materials or components or qualified labor sufficient to timely perform part or all of any obligation, or governmental regulations or actions. In the event of the occurrence of any of the foregoing, at the option of Axelent, Axelent shall be excused from the performance hereunder or the performance of Axelent shall be correspondingly extended.

16. ENTIRE AGREEMENT. These Terms constitute the sole terms and conditions of the contract between Axelent and Purchaser as it relates to the purchase and sale of Products to Purchaser by Axelent. No other terms, conditions, or understanding, whether oral or written, shall be binding upon Axelent, unless hereafter made in writing and signed by Axelent's authorized representative and, in the case of printed matter, also initialed by such representative next to such printed term or condition. These terms supersede any and all prior or contemporaneous written or oral agreements, correspondence, quotations, understandings, negotiations or discussions between the parties relating to the subject matter hereof. It is expressly agreed that any brochures, sales literature, on-line materials or other materials of Axelent have been provided for informational purposes only; have not been relied upon by Purchaser; do not form or give rise to any warranty; and are superseded by these Terms.

17. MISCELLANEOUS. If any term or condition or part of these Terms is held invalid, the remaining terms and conditions hereof shall not be affected thereby.

This agreement and any sale of Products to Purchaser shall be deemed to have been made in and governed by the substantive laws of the State of Illinois, without regard to choice of-law provisions.

Any failure by either party to enforce at any time any term or condition hereof shall not be considered a waiver of such party's right thereafter to enforce the same or any other term or condition hereof.
