

## COVERCRAFT PURCHASE ORDER TERMS AND CONDITIONS

### IMPORTANT INSTRUCTIONS

Covercraft Industries, LLC including all Divisions of Covercraft (hereinafter referred to as "**Buyer**")  
Named party stated on Purchase Order (hereinafter referred to as "**Seller**")  
(**Buyer** and **Seller** are hereinafter collectively referred to as the "**Parties**")

Seller accepts this order subject to the terms and conditions contained herein and to any amendments attached to this purchase order.

### PURCHASE ORDER TERMS AND CONDITIONS

- Acceptance of Order.** This order is subject to acceptance only on the terms and conditions stated herein. Any additional or different terms and conditions proposed by Seller are hereby rejected, and shall be of no force or effect unless expressly assented to in writing by Buyer. There shall be no contract except upon the terms and conditions herein provided.
- Price.** Notwithstanding any other provision to the contrary, the Buyer and Seller hereby agree that in the event the price for the goods sold is not definitely and precisely fixed and agreed upon by the Buyer and Seller prior to the first delivery, then this order shall be void and of no effect.
- Time of Delivery.** Time is of the essence of this contract. The goods shall be delivered on or about the time stated on the face of this order.
- Place of Delivery.** The goods specified on this order shall be delivered to the location specified on the face of this order. Regardless of whether or not the goods are shipped F.O.B. seller or F.O.B. buyer, Seller assumes sole responsibility for all risks or damage to, or loss or destruction of said goods until same have been received, inspected and accepted by Buyer.
- Quantity.** Quantity of goods being shipped against this purchase order shall not deviate from the specified amount unless otherwise agreed upon by Buyer in writing.
- Reservation of Security Interest Prohibited.** It is agreed that the Seller will not reserve a security interest in the goods sold hereunder, once the Seller has caused the goods to be shipped. It is further agreed that the Seller will in no way encumber the goods or impair the ability of the Buyer to obtain financing for the same.
- Situations Where Parties are Excused.** Seller shall not be liable for any delay or failure to deliver any or all of the goods in case of delay or failure is caused by labor disputes, strikes, war, riots, insurrection, civil commotion, fire, flood, accident, storm, or any act of God, failure of crops, or supplies, or other causes beyond the Seller's control. Buyer shall not be liable for failure to take delivery of the goods for any of the above causes if they render it commercially impractical for him to receive the goods. Where only a part of Seller's or Buyer's capacity to perform is excused under this paragraph, Seller or Buyer must allocate production, deliveries, or receipt of deliveries among his various customers then under contract for similar goods. The allocation must be in a commercially fair and reasonable manner. Where either Seller or Buyer claims an excuse for nonperformance under this paragraph, he must give reasonable notice to the other party. Where an allocation has been made of the estimated quota made available for each Buyer or Seller, as the case may be, notice must be given.
- Warranty.** Seller expressly warrants that all materials purchase and shipped under this order will conform to the specifications, drawings and samples applicable and that they will be free from defects in material and workmanship. Seller is aware that Buyer is purchasing these goods for use in the manufacturing of automobile/marine accessories and that Buyer is relying on Seller's warranty that the goods are fit for this purpose. Acceptance of these materials by the Buyer after inspection shall not limit, release or discharge Seller's liability under said warranties. All of said warranties shall inure to the benefit of Buyer, its successors, assigns and customers, and shall be construed as conditions as well as warranties. Seller shall promptly reimburse Buyer for any and all damages, costs, or expense including the transportation charges, sustained or incurred by Buyer as a result of Seller's breach of warranty.
- Inspection by Buyer.** All goods shall be subject to Buyer's inspection and approval after delivery, and payment therefor by Buyer shall not constitute acceptance hereof. If said goods are not as warranted, Buyer may at its option, reject all or part of said goods and hold the goods so rejected for Seller's instructions and at Seller's risk, or may return them to Seller at Seller's expense. This paragraph shall not limit Buyer's rights or Seller's obligations under any other provision of this order. Notwithstanding any other provision herein to the contrary, Buyer shall in no event be penalized or precluded from establishing a defect in rejected goods by reason of any failure to particularize such defects.
- Prohibition of Cure of Improper Tender.** Seller understands that the specification of the goods must be fully met and that no tolerance is permitted. In the event that a tender is made of goods that do not meet the specifications, this shall constitute a breach of this Purchase Order Contract and Seller shall have no right to substitute a conforming tender.
- Reservation of Rights.** The failure of the Buyer to object to the manner of performance of any of the terms herein shall not be considered a waiver of any rights or remedies, past, present, or future, and the fact that objection is not taken with respect to any performance which is not in compliance herewith shall not be construed as acceptance or acquiescence in such performance, and Buyer reserves his right to insist upon strict compliance herewith at all times.
- Integration.** This writing is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this purchase order. Acceptance or acquiescence in the course of performance rendered under this purchase order shall not be relevant to determine the meaning of this purchase order even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection.
- Assignment and Delegation.** No delegation of any duty owed by Seller shall be made without the written permission of the Buyer. Any attempted delegation shall be wholly void and totally ineffective for all purposes. However, no such permission is necessary with respect to any assignment of rights hereunder.
- Jurisdiction.** This purchase order shall be subject to and interpreted under the laws of the State of California, and both Buyer and Seller agree that any action brought to enforce any of the terms and conditions herein shall be commenced exclusively in a court of competent jurisdiction in the State of California. Venue shall be in the County of Los Angeles. The implied warranties and remedies of the UCC are included in the purchase order.
- Recovery of Litigation Costs.** If any legal action is brought for the enforcement of the terms of this purchase order, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.
- Government, Safety and Environmental Regulations.** All purchased materials used in part manufacture shall satisfy current governmental constraints on restricted, toxic and hazardous materials; as well as environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale.
- Inspection of Goods.** We the buyer, or our customer, reserve the right to perform inspections of goods at seller's premises. When or if the buyer, or customer, proposes to perform verification at the seller's premises, the buyer, or customer, shall state the intended verification arrangements and method of product release in the purchasing information. Verification by the buyer shall not absolve the seller of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer. Such verification shall not be used by the seller as evidence of effective control of quality by the subcontractor.