

TERMS AND CONDITIONS OF PURCHASE

“Buyer” shall refer to JB Systems, Inc. “Seller” shall refer to the seller as well as its subcontractors, independent contractors and all other classes of persons performing any type of work under the applicable purchase order.

1. **ACCEPTANCE.** Each purchase order issued by Buyer (“Order”) is an offer to Seller for the purchase of goods, equipment, and/or services (“Supplies”) and includes and is governed by these Terms and Conditions of Purchase (“Terms”). Seller accepts the Order, including these Terms, and forms a contract by doing any of the following: (a) commencing any work under the Order; (b) accepting the Order in writing; or (c) any other conduct that recognizes the existence of a contract with respect to the subject matter of the Order. **The Order is limited to and conditional upon Seller’s acceptance of these Terms exclusively.** Any reference in the Order to any offer or proposal made by Seller is solely to incorporate the description or specifications of Supplies in the prior proposal, but only to the extent that the description or specifications do not conflict with the description and specifications in the Order. Any additional or different terms proposed by Seller, whether in Seller’s quotation, acknowledgement, invoice or otherwise, are unacceptable to Buyer, are expressly rejected by Buyer, and will not become part of the Order
2. **ENTIRE AGREEMENT.** The Order, together with these Terms and the attachments, exhibits, supplements or other terms specifically referenced therein, constitutes the entire agreement between Seller and Buyer with respect to the matters contained in the Order. No amendments or modifications to its provisions will be binding upon Buyer unless in writing and signed by Buyer’s authorized representative.
3. **PRICE AND TAXES.** The price(s) set forth on the Order is firm, and not subject to increase. The price includes storage, handling, packaging and all other expenses and charges of Seller. If Seller reduces the price of any Supplies during the term of the Order, such price reduction shall automatically reduce the price of the unshipped Supplies. If prior to shipment, Seller offers to sell the same Supplies to others at lower prices than noted on the Order, Buyer will be invoiced at those lower prices. Applicable taxes and other charges such as shipping costs, duties, customs, tariffs, and government imposed surcharges shall be stated separately on Seller's invoice.
4. **INVOICES AND PAYMENT.** Invoices shall contain the following information: Order number, item number, description of Supplies, sizes, quantities, unit prices, and extended totals in addition to any other information specified elsewhere in these Terms. Unless otherwise specified on the Order, Buyer shall pay the invoiced amount in U. S. Dollars within 45 days from the date of receipt of all Supplies or date of receipt of correct invoice, whichever is later.
5. **PACKING.** All Supplies shall be adequately packaged to prevent damage, scratches, or contamination and shall be packed so as to secure the lowest transportation rates. Seller shall mark all containers with necessary lifting, handling, and shipping information and also purchase order numbers and date of shipment. An itemized packaging sheet must accompany each shipment.
6. **DELIVERY. TIME IS OF THE ESSENCE OF THE ORDER** and deliveries must be received on the dates and at the destination(s) set forth on the Order. If delivery is not completed within the time(s) specified, Buyer reserves the right, without liability, in addition to its other rights and remedies, to cancel the entire Order or that part of the Order not delivered, or to extend the time of delivery or payment. If timely delivery is endangered by Seller, Buyer shall have the right to direct Seller to make shipment by the most expeditious means and the total cost of such expedited shipment and handling shall be borne by Seller. No partial or complete delivery shall be made prior to the date(s) shown unless Buyer has given prior written consent.

7. TITLE AND RISK OF LOSS. Seller assumes (i) all risk of loss or damage to the goods until delivery to Buyer at the destination specified of the Order; and (ii) all risk of loss or damage to any goods rejected by Buyer or as to which Buyer has revoked its acceptance, from the time of such rejection or revocation. The FOB point or Incoterm named in the Order refers to transportation charges only and it does not vary the foregoing provisions.

8. INSPECTION AND ACCEPTANCE. All Supplies shall be subject to inspection and acceptance by Buyer after delivery notwithstanding any payment. After receipt of the Supplies, Buyer shall have a reasonable time (which time shall not be more than ninety (90) days) within which to inspect prior to Buyer's acceptance thereof. Nonconforming Supplies shall be returned freight collect, and Seller shall be debited for the inbound transportation cost plus handling and packing expense. Prior to returning any nonconforming Supplies, Buyer shall request from Seller a return goods authorization number which Seller shall promptly provide Buyer.

9. WARRANTY. (a) Seller warrants that the Supplies furnished shall: i) be free from defects in workmanship, material, manufacture, and design (where design is Seller's responsibility); ii) comply with the requirements of the Order, including all drawings and specifications incorporated therein and samples furnished by Seller; iii) be merchantable and fit and sufficient for the use intended by Buyer; and iv) be free and clear of any lien or other adverse claim against title.. The foregoing warranties are in addition to all other warranties, expressed or implied, and shall survive any delivery, inspection, acceptance, and payment by Buyer. Buyer's approval of Seller's material or design shall not relieve Seller of the warranties set forth herein.

(b) Seller's warranty shall be effective for a period of one (1) year from the date of Buyer's acceptance. This warranty will run to Buyer, its customers and users of its products.

(c) If any Supplies do not meet the warranties specified, Buyer will promptly notify Seller of such non-conformance and return the Supplies to Seller, at Seller's expense. Within a reasonable period of time not to exceed thirty (3) days of receipt of the returned Supplies, Seller shall, at Buyer's option, either repair or replace such Supplies or credit Buyer's account for the same. Packing and shipping shall be at Seller's cost. Supplies shall be warranted for the remainder of the warranty period.

10. CHANGES. Buyer may direct in writing changes to the Order. Equitable adjustments will be made in price or schedule where required. Any claims for adjustment shall be made by Seller in writing not later than thirty (30) days from the date of Seller's receipt of any such direction from Buyer. Seller shall not be excused from proceeding with a change prior to negotiation of any adjustment.

11. INTELLECTUAL PROPERTY INDEMNITY. Seller warrants that the Supplies and the manufacture, sale and use thereof do not infringe any third party patent, copyright, trademark, trade secret or other proprietary right ("Intellectual Property"). Seller shall defend, indemnify and hold harmless Buyer, its employees, agents, distributors, and customers from all liabilities, obligations, costs and expenses (including reasonable attorneys' fees), claims or demands for actual or alleged infringement of any Intellectual Property arising from the purchase, use or sale of Supplies, except to the extent that infringement arises by reason of design for such Supplies furnished to Seller by Buyer.

12. INDEMNIFICATION. Seller shall defend, indemnify and hold harmless Buyer and its employees, agents, distributors, and customers from all liabilities, obligations, costs and expenses (including attorneys' fees and costs) incurred as a result of all claims, demands, actions or judgments on account of personal injury or death, or damages to property arising out of or in connection with Seller's performance of the Order. Seller shall carry and maintain insurance coverage satisfactory to Buyer to cover the above, and upon Buyer's request, shall furnish Buyer with evidence of such insurance in a form satisfactory to Buyer.

13. TERMINATION FOR CONVENIENCE. (a) Buyer may terminate the Order, in whole or in part, at any time without cause, upon written notice to Seller. Upon receipt of such notice, Seller shall stop work immediately and terminate all orders and sub-contracts to the extent that they relate to the terminated work.

(b) There shall be no charges for terminating the Order with respect to standard goods. Any claim for termination charges for non-standard goods must be submitted to Buyer in writing within ten (10) days after receipt of the termination notice.

(c) Buyer's sole responsibility to Seller shall be to pay the contract price for such goods as have been delivered as of the time such termination is effective and to reimburse to Seller its actual costs of materials and direct labor expended by Seller as of the termination date in reasonable anticipation of its fulfillment of this Order which are not recoverable by Seller, provided that no allowance shall be made to Seller for any overhead or anticipated profit for undelivered Supplies. Buyer shall not be responsible for any commitments made by Seller in advance of those necessary to comply with the schedules set forth in this Order. Upon payment of Seller's claim, Buyer shall be entitled to all Supplies, materials and work in process paid for.

14. CANCELLATION FOR DEFAULT. (a) Buyer may cancel the Order immediately, in whole or in part, if Seller: (i) fails to deliver Supplies according to the date specified in the Order, or (ii) breaches any other term or condition of this Order. Seller shall continue to supply any portion of the Order not canceled.

(b) In the event of such cancellation, at Buyer's request, Seller will transfer title to, and deliver to Buyer: (i) any completed Supplies; (ii) any partially completed items and (iii) all unique materials and tooling. Prices for partially completed Supplies and unique materials and tooling accepted shall be negotiated; however, in no event shall such prices exceed the Order price for said Supplies..

15. CONFIDENTIAL INFORMATION. All information furnished or disclosed to Seller by Buyer in connection with this Order which is identified as "Confidential" or "Proprietary" is received in confidence, shall remain the property of Buyer and shall not be disclosed to any third party without Buyer's written consent. Seller shall not use any such information for any purpose other than to perform this Order. If requested, Seller shall execute Buyer's Non-Disclosure Agreement before receipt of any such confidential information. Seller will return, upon demand, all such confidential information to Buyer upon completion by Seller of its obligations hereunder. The obligations of this paragraph shall survive expiration or termination of this Order.

16. ASSIGNMENT AND SUBCONTRACTING. Seller shall not delegate or subcontract any duties, nor assign any rights or claims under the Order without the prior written consent of Buyer.

17. COMPLIANCE WITH LAWS. Seller guarantees that all Supplies are produced, packed, labeled and shipped in compliance with all applicable laws. Seller agrees to comply with all Federal, State, County and local laws, rules, codes, executive orders and regulations (the "Laws") applicable to its provision of materials and services hereunder. Seller agrees to hold harmless Buyer and its employees, agents, affiliates, customers and users from any liability arising from Seller's failure to comply with such Laws.

18. GOVERNING LAW. The Order shall be interpreted in accordance with and governed by the laws of the State of Georgia, excluding its conflict of law rules. Any litigation arising out of this Order shall be brought in the state or federal courts located in the County of Troup, Georgia and the parties consent to the jurisdiction over them by such courts.

19. RIGHTS AND REMEDIES. All rights and remedies of Buyer specifically set forth in these Terms and the Order shall be in addition to any other or further rights and remedies provided at law or in equity. Failure of Buyer to insist upon strict performance of any term or condition shall not be deemed to be a waiver of Buyer's rights and remedies.

20. SETOFFS. All claims for money due or to become due from Buyer shall be subject to setoff by Buyer by reason of any counterclaim arising out of this or any other transaction with Seller.

21. BUYER'S PROPERTY. All property and material furnished to Seller by Buyer or specifically paid for by Buyer shall be used only in the performance of the Order and shall remain the property of Buyer. Such property shall be held at Seller's sole risk and shall be kept insured by Seller at Seller's expense in an amount equal to the replacement cost with loss payable to Buyer. Such property shall be delivered in good condition, normal wear and tear excepted, to Buyer, FOB Buyer's plant, immediately upon request by Buyer