

DESAPRO, INC. TERMS AND CONDITIONS OF SALE

The following terms and conditions (the “Terms”) are applicable to the sale of products or services (“Work”) by DESAPRO, Inc. and its divisions and affiliates (“Seller”) to any purchaser thereof (“Buyer”). These Terms together with any agreement, attachments and exhibits, specifications, drawings, notes, instructions and other information, whether physically attached or incorporated by reference constitutes the entire and exclusive agreement between Seller and Buyer.

1. SCOPE OF AGREEMENT. By placing an order with Seller for Products, Buyer’s acceptance of an order is an agreement to accept and to be bound by these Terms to the exclusion of any other terms or conditions not accepted by Seller in writing. This includes but is not limited to any pre-printed terms or conditions on Buyer’s purchase order or any purported nullification of these Terms by way of any purchase order, order communication, in any form. Buyer acknowledges that it has been advised that no agent, employee, representative or dealer of Seller has any authority to bind Seller to any affirmation, promise, representation, or warranty concerning any of the Products and, unless such affirmation, promise, representation, or warranty is specifically set forth in the agreement, it does not form a basis of this bargain and shall not be enforceable against Seller.

2. PRICE AND TERMS. (a) The prices payable by Buyer for goods and services to be supplied under these Terms will be specified in the applicable Order. Unless otherwise expressly stated in an Order, all prices exclude shipping and taxes. (b) Payment terms for contracts over 20,000.00USD will be subject to milestone payments. Standard milestone payments are 35% at order acknowledgement, and 65% due net thirty (30) after shipment. These milestones can be invoked on orders under 20,000USD if deemed warranted by DESAPRO, Inc. (c) 100% Prepayment at time of order may be required for any Buyer that is not in good standing. (d) For all other orders, payment terms are net thirty (30) calendar days from invoice date. If Buyer does not pay an invoiced amount within terms, Buyer will pay an additional finance charge of one and one-half percent (1.5%) per month on the late balance and DESAPRO, Inc. reserves the right to (1) withhold shipment of the Work until full payment is made; and/or (2) revoke any credit extended to Buyer. In the event that Buyer’s account is more than ninety (90) days in arrears, Buyer shall reimburse DESAPRO, Inc. for all reasonable costs, including attorneys’ fees, of collecting such amounts from Buyer. In the event of any dispute regarding an invoice, no finance charges will apply if Buyer provides written notice of the dispute prior to the due date for such payment. (e) Upon reasonable request by DESAPRO, Inc., Buyer shall provide copies of its most recent audited financial statements or other reasonable evidence of its financial capacity and such other information reasonably requested to determine credit status or credit limits. (f) Buyer shall provide notice within five (5) business days of the occurrence of any event which materially affects Buyer’s ability to perform its obligations under these Terms including but not limited to: (i) the material default of any DESAPRO, Inc. or sub-contractor; (ii) labor strike or dispute; or (iii) material uncured default with respect to any debt obligations of Buyer. (g) Pricing schedules (whether attached to these Terms or an Order) are subject to change upon a change in the price of applicable raw materials (as reflected on a recognized trade or commodity pricing tracker) in excess of five percent (5%) from the date of such schedule. (h) Unless otherwise specified in the Order, Work will be delivered Ex-Works (INCOTERMS 2010) Seller’s plant. All delivery dates are reasonable commercial estimates and Seller has no liability for any delay in delivery.

3. BUYER MATERIALS AND DATA. (a) Buyer represents and warrants that any matter it furnishes for performance of services by DESAPRO, Inc. (i) does not infringe any copyright or trademark or other Intellectual Property Rights of any third party; (ii) is not libelous or obscene; (iii) does not invade any persons right to privacy; and (iv) does not otherwise violate any laws or infringe the rights of any third party. (b) Buyer warrants that it has the right to use and to have DESAPRO, Inc. use on behalf of Buyer any data provided to DESAPRO, Inc. or its Affiliates by Buyer including specific customer names, identifying information, addresses and other contact information and related personal information (“Data”).

4. INVENTORY. In the event any inventory is maintained by the DESAPRO, Inc. on behalf of Buyer, the applicable Addendum(s) (Addendum 1 and/or Addendum 2) incorporated herein shall apply.

5. INTELLECTUAL PROPERTY. Any and all inventions, discoveries, patent applications, patents, copyrights, trademarks and trade names, commercial symbols, trade secrets, work product and information embodying proprietary data existing and owned by Buyer as of the date of the Order or made or conceived by employees of Buyer during the Term of the Order shall be and remain the sole and exclusive property of Buyer provided that Buyer grants to DESAPRO, Inc. a license to use, display and distribute (and to sub-license its affiliates and sub-contractors to use, display and distribute) any intellectual property rights delivered to DESAPRO, Inc. as reasonably necessary to perform any Order. Any and all inventions, discoveries, patent applications, patents, copyrights, trademarks and trade names, commercial symbols, trade secrets, work product and information embodying proprietary data existing and owned by DESAPRO, Inc. as of the date of the Order or made or conceived by employees, consultants, representatives or agents of DESAPRO, Inc. during the term of an Order shall be and remain the sole and exclusive property of DESAPRO, Inc. Without limiting the generality of the foregoing, the parties agree that DESAPRO, Inc. will own systems (including all web source code) related to the Services provided hereunder, including all modifications, upgrades and enhancements thereto made during the term of the Order. Without limiting the generality of the foregoing, Buyer acknowledges and agrees that DESAPRO, Inc. is in the business of developing customized print and e-commerce solutions, and the provision of print and fulfillment order services, and that DESAPRO, Inc. shall have the right to provide to third parties services which are the same or similar to the services provided herein and to use or otherwise exploit any DESAPRO, Inc. materials in providing such services.

6. CONFIDENTIALITY. Each party shall treat all information received from the other party marked “Confidential” or reasonably obvious as to be confidential as it would treat its own confidential information.

7. INDEMNIFICATION. The indemnifying party, as Indemnitor, shall indemnify, defend and hold harmless the indemnified party, as Indemnitee, its officers, directors, employees, agents, subsidiaries, and other affiliates from and against any and all claims, damages, liabilities, and expenses (including attorney fees) arising from any third-party claim based on Indemnitor’s (or its agent’s) breach of any representation, warranty, covenant, agreement, or obligation under the Order or these Terms, or Indemnitor’s (or its agent’s) grossly negligent and/or willful acts in carrying out its obligations under the Order or these Terms, provided that in no event shall DESAPRO, Inc. be responsible for any claims arising out of its compliance with instructions, requirements, or specifications provided by or required by Buyer (including the use of information, artwork, logos, and/or trademarks provided by Buyer). Neither party will be responsible for indemnifying another party hereto where the basis of the indemnity claim arises out of such other party’s own negligence or willful misconduct. In order to avail itself of this

indemnity provision, Indemnitee shall promptly provide notice to Indemnitor of any such claim, tender the defense of the claim to Indemnitor, and cooperate with Indemnitor in the defense of the claim. Indemnitor shall not be liable for any cost, expense, or compromise incurred or made by Indemnitee in any legal action without the Indemnitor's prior written consent.

8. BREACH. In addition to all other rights to which a party is entitled under these Terms, if either party breaches any term of the Order, the non-breaching party shall have the right to: (a) terminate the Order immediately upon written notice to the other party; and (b) seek to obtain injunctive relief to prevent such breach or to otherwise enforce these Terms. Failure to properly demand compliance or performance of any term of the Order shall not constitute a waiver of DESAPRO, Inc.'s rights hereunder and prior to any claim for damages being made for non-conformance or breach, Buyer shall provide DESAPRO, Inc. with reasonable notice of any alleged deficiencies in the Work or performance under the Order and DESAPRO, Inc. shall have a reasonable opportunity to cure any such alleged non-conformance or breach.

9. LIMITED WARRANTY EXCLUSIONS AND DISCLAIMERS.

A. LIMITED WARRANTY. SELLER WARRANTS THAT FROM THE DATE OF DELIVERY THROUGH THE END OF THE APPLICABLE WARRANTY PERIOD, THE PRODUCTS WILL CONFORM TO SELLER'S PUBLISHED SPECIFICATIONS AT TIME OF SALE AND BE FREE FROM DEFECTS IN MATERIALS AND WORKMANSHIP, UNDER PROPER USE AND SERVICE, IN ACCORDANCE WITH THE WARRANTY STATEMENT PUBLISHED BY SELLER IN EFFECT AT THE TIME OF DELIVERY OF THE PRODUCT. WARRANTY STATEMENTS ARE DEFINED ON QUOTE. Seller's sole liability shall be discharged by replacing or repairing any part or parts which may prove defective under normal and proper use. In the event that a product is used, altered or modified by Buyer in contradiction to Seller's instructions or without Seller's written consent all warranties terminate immediately.

B. WARRANTY EXCLUSIONS AND DISCLAIMERS. SELLER MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE (EVEN IF BUYER HAS NOTIFIED SELLER OF ITS INTENDED USE FOR THE PRODUCTS). SELLER FURTHER EXPRESSLY DISCLAIMS ANY WARRANTY OF THE PRODUCTS WHERE THE ALLEGED NONCONFORMITY IS DUE TO NORMAL WEAR AND TEAR, ALTERATION, MODIFICATION, REPAIR, ATTEMPTED REPAIR, IMPROPER USE, IMPROPER MAINTENANCE, NEGLIGENCE, ABUSE, IMPROPER STORAGE, FAILURE TO FOLLOW ANY PRODUCT INSTRUCTIONS, DAMAGE (WHETHER CAUSED BY ACCIDENT OR OTHERWISE), OR ANY OTHER IMPROPER CARE OR HANDLING OF THE PRODUCTS CAUSED BY ANYONE OTHER THAN SELLER OR SELLER'S EXPRESSLY AUTHORIZED DESIGNEE.

10. LIMITATION OF LIABILITY. NOTWITHSTANDING WARRANTY REPAIR OR REPLACEMENT, SELLER ACCEPTS NO LIABILITY FOR ANY CLAIMS ARISING OUT OF OR RELATING TO THESE TERMS, THE PRODUCTS, OR THE CONTRACT EXCEEDING THE AMOUNT OF THE INVOICE FOR THE PRODUCTS UPON WHICH SUCH CLAIMS ARE BASED, INCLUDING BUT NOT LIMITED TO CLAIMS FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES, OR DAMAGES CLAIMS BY ANY THIRD PARTY, WHETHER OR NOT THE CLAIMS ARE BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, EVEN IF SELLER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE LIMITED LIABILITY AVAILABLE UNDER THIS SECTION SHALL TERMINATE ONE YEAR FROM DELIVERY, IF NOT SOONER TERMINATED.

11. NOTICE. Any notice sent pursuant to the Order or these Terms shall be sent by certified mail, return receipt requested, or by overnight mail to the addresses on the Order or to such address as either party may in the future designate.

12. ASSIGNMENT. Buyer may not assign any right or delegate any duty under the Order or these Terms without the express written consent of Seller, which shall not be unreasonably withheld.

13. STATUS. Buyer and DESAPRO, Inc. are separate entities. Nothing in the Order or these Terms shall be construed as creating an employer-employee or joint venture relationship.

14. COMPLIANCE WITH LAW. Each party shall comply with all state, federal and local laws and regulations applicable to its performance hereunder. EACH PARTY SHALL COMPLY WITH EXPORT LAWS THAT ARE APPLICABLE EITHER TO THE INFORMATION OR PRODUCTS.

15. GOVERNING LAW. The Order and these Terms shall be governed by the laws of the State of Florida, without reference to conflicts of law principles. Any legal suit, action or proceeding arising out of or relating to the Order or these Terms shall be commenced in a federal court in Florida or in state court in the County of Brevard, Florida, and the appellate courts thereof, and each party hereto irrevocably submits to the exclusive jurisdiction and venue of any such court in any such suit, action or proceeding. With respect to any litigation arising out of the Order or these Terms, the parties expressly waive any right they may have to a jury trial and agree that any such litigation shall be tried by a judge without a jury and the prevailing party shall be entitled to recover its expenses, including reasonable attorney's fees, from the other party.

16. FORCE MAJEURE. Neither party shall be responsible for delays or failure in performance of the Order or these Terms (other than failure to pay any amounts due) to the extent that such party was hindered in its performance by any act of God, governmental act or failure to act, terrorism, civil commotion, labor dispute, epidemic, unavailability or shortages of materials or any other occurrence beyond its reasonable control.

17. CANCELLATION, TERMINATION AND SURVIVABILITY. Seller reserves the right, in its sole discretion, to decline or to cancel any order for any reason. Following Seller's acknowledgement of an order, the order may only be cancelled by Buyer with the express written consent of Seller will be subject to payment for any applicable material, labor, service, or other costs and fees, incurred by Seller in connection with Buyer's order at Seller's sole discretion.

18. SEVERABILITY. If any of these Terms or part thereof is held to be invalid, illegal, or unenforceable by law, all other Terms and the parts of any Term not held to be invalid, illegal, or unenforceable, shall remain in full force and effect. All sections herein relating to payment, ownership, confidentiality, indemnification and duties of defense, representations and warranties, waiver, waiver of jury trial and provisions which by their terms extend beyond the Term shall survive the termination of the Order and these Terms.

19. PRODUCT RETURNS. Products shall not be returned to Seller without its written consent. Return instructions can be found at WWW.DESPARO.COM. Seller shall pay the cost of returning to Buyer Products that are repaired or replaced under Warranty.

20. ACCEPTANCE. Upon Delivery by Seller, all Products are deemed accepted by Buyer five (5) days after receipt of delivery.

21. ENTIRE AGREEMENT. The parties expressly acknowledge that these terms are the complete Agreement, are an essential part of the Agreement, and supersede all prior negotiations, agreements and understandings of the parties regarding the subject matter of these Terms. These Terms may only be modified by the express written consent of Seller.

ADDENDUM 1
Customer Owned Inventory

DESAPRO, Inc. may, from time to time, house materials or inventory owned by Customer (“Customer Materials”) at its facility (“DESAPRO, Inc. Facility”) in order for DESAPRO, Inc. to perform services for Customer and Customer and DESAPRO, Inc. desire to agree to the terms and conditions upon which DESAPRO, Inc. will store such Customer Materials. Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Customer agrees to pay the storage and other fees associated with DESAPRO, Inc.’s storage, inventorying and warehousing of the Customer Materials (“Customer Materials Warehouse Storage Fees”).
2. Upon DESAPRO, Inc.’s receipt of Customer Materials, Customer agrees that it shall bear all and insure against all risk of loss at all times while such Customer Materials are located at the DESAPRO, Inc. Facility or while such Customer Materials are under the direction and control of DESAPRO, Inc. Unless caused by the gross negligence or willful misconduct of DESAPRO, Inc., in no event shall DESAPRO, Inc. be liable for any loss or damage to the Customer Materials.
3. In the event there is no order or de minimus activity related to the Customer Materials for a period of twelve (12) months or upon expiration or termination of these Terms, DESAPRO, Inc. will use reasonable efforts to notify Customer of any such Customer Materials which remain under DESAPRO, Inc.’s direction or control and, unless otherwise agreed to in writing by both parties, Customer shall accept C.O.D. return shipment of all such remaining Customer Materials. In the event such Customer Materials are returned to DESAPRO, Inc., Customer shall remain liable for all costs related to the shipment of such Customer Materials and DESAPRO, Inc. shall have the right to destroy, resell or otherwise dispose of such Customer Materials and Customer shall be liable for all costs and expenses related thereto, including but not limited to all costs of shipment, destruction, resale, enforcement of and collection under these Terms, including reasonable attorneys’ fees.
4. This Addendum shall remain in effect until such time as DESAPRO, Inc. is no longer in possession or control of any Customer Materials provided that either party may terminate this Addendum immediately for cause upon written notice, which notice will include a ten (10) business day opportunity to cure. Either party may terminate this Addendum for convenience upon sixty (60) days written notice to the other party.

ADDENDUM 2
DESAPRO, Inc. Owned Inventory

DESAPRO, Inc. may, from time to time, purchase materials and/or inventory on Customer's behalf ("DESAPRO, Inc.-Managed Inventory") and such DESAPRO, Inc.-Managed Inventory shall be stored at DESAPRO, Inc.'s facility ("DESAPRO, Inc. Facility") in order for DESAPRO, Inc. to perform services for Customer. Customer and DESAPRO, Inc. desire to agree to the terms and conditions upon which DESAPRO, Inc. will warehouse and store such DESAPRO, Inc.-Managed Inventory. Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Customer agrees to pay the storage fees associated with DESAPRO, Inc.'s storage, management and inventorying of the DESAPRO, Inc.-Managed Inventory ("DESAPRO, Inc.-Managed Inventory Warehouse Storage Fees").

2. In the event there is (a) a de minimus or no order activity related to the DESAPRO, Inc.-Managed Inventory for a period of twelve (12) or more months; (b) upon the expiration or termination of this Addendum; or (c) the expiration or termination of these Terms between the parties to which the DESAPRO, Inc.-Managed Inventory is addressed or the subject of, DESAPRO, Inc. will use reasonable efforts to notify Customer of any such DESAPRO, Inc.-Managed Inventory which remains under DESAPRO, Inc.'s possession, direction or control and, unless otherwise agreed to in writing by both parties, DESAPRO, Inc. shall invoice Customer for such DESAPRO, Inc.-Managed Inventory and payment shall be due within thirty (30) days of the invoice date. For amounts owed which are more than thirty (30) days past due, DESAPRO, Inc. may charge Customer interest in the amount of one and a half percent (1.5%) per month or the maximum rate permitted by law. Upon receipt of payment from Customer, Customer shall accept C.O.D. return shipment of all such remaining DESAPRO, Inc.-Managed Inventory and shall be responsible for all other costs or expenses related to the return of such DESAPRO, Inc.-Managed Inventory. Risk of loss of DESAPRO, Inc.-Managed Inventory shall transfer to Customer upon shipment. In addition to all other remedies available to DESAPRO, Inc., in the event that DESAPRO, Inc. does not receive full payment for the DESAPRO, Inc.-Managed Inventory within sixty (60) days of the invoice date, DESAPRO, Inc. shall have the right to destroy, resell or otherwise dispose of such DESAPRO, Inc.-Managed Inventory and, in addition to the invoiced amount of the DESAPRO, Inc.-Managed Inventory, Customer shall be liable for all costs and expenses related thereto, including but not limited to all costs of shipment, destruction, resale, enforcement of and collection under these Terms, including reasonable attorneys' fees.

3. This Addendum shall remain in effect until such time as DESAPRO, Inc. is no longer in possession or control of any DESAPRO, Inc.-Managed Inventory provided that either party may terminate this Addendum immediately for cause upon written notice, which notice will include a ten (10) day opportunity to cure. Either party may terminate this Addendum for convenience upon sixty (60) days written notice to the other party.

4. This Addendum constitutes and contains the entire agreement between the parties with respect to the storage, warehousing and inventorying of the DESAPRO, Inc.-Managed Inventory. The parties acknowledge and agree that to the extent there is a conflict between any terms in this Addendum and any terms contained in the storage, warehousing and inventory provisions related to the DESAPRO, Inc.-Managed Inventory contained in any other agreement executed by the parties, the terms related to such storage, warehousing and inventory of the DESAPRO, Inc.-Managed Inventory contained therein, shall be governed by this Addendum and the terms contained herein shall prevail.