

## **ACORN DESIGN AND MANUFACTURING PURCHASE ORDER TERMS AND CONDITIONS**

**1. ACCEPTANCE.** Acceptance of this order shall be unqualified, unconditional, subject to and expressly limited by the terms and conditions contained or incorporated by reference herein. By accepting and filling this order, or any part thereof, Seller hereby agrees and shall be bound by the terms and conditions set forth herein, and RLB Ventures, Inc. d/b/a Acorn Design and Manufacturing shall not be bound by additional or varying provisions that may appear in Seller's quotation, acknowledgment, packing slip, invoice or any other communication from Seller to Acorn Design and Manufacturing, unless such provision is expressly agreed to in writing and signed by Acorn Design and Manufacturing.

**2. DELIVERY, TITLE and RISK OF LOSS.** Time is of the essence of this order and deliveries must be made as set forth on the face hereof. Partial delivery or performance will not extend the final delivery date beyond that specified unless agreed to in writing by Acorn Design and Manufacturing. In the event of delay in receipt of the merchandise through no fault of Acorn Design and Manufacturing, Acorn Design and Manufacturing reserves the right, at its option, to cancel the entire order or that part of the order not delivered, or to extend the time for delivery, or payment, correspondingly. Acceptance of the merchandise after any delivery date shall not be construed as a waiver of Acorn Design and Manufacturing's right to recover for late delivery. Title shall pass to Acorn Design and Manufacturing on delivery of the merchandise to its designated plant or location. Notwithstanding any agreement to pay freight, express or other transportation charges, the risk of loss or damage in transfer shall be upon the Seller.

**3. INSPECTION.** Delivery shall not be complete until the merchandise has been actually received by, and is subject to the final count, inspection and acceptance of Acorn Design and Manufacturing. Any merchandise rejected by Acorn Design and Manufacturing as defective or not conforming to this order shall be returned at Seller's expense. Seller shall bear all risk of loss after notice of rejection is tendered.

**4. PRICE.** This order shall not be executed at a price higher than that specified on the face hereof.

**5. SHIP AND CANCEL POLICY.** The balance of this order shall be deemed cancelled when ninety-eight percent of the order quantity of confirming goods has been shipped. Over shipments must be limited to three percent of the original order quantity.

**6. PACKING.** No additional charges for packing, boxing, palletizing or cartage will be paid by Acorn Design and Manufacturing, unless specified on the face hereof. Loss of or damage to any goods not packed in such a manner as to insure proper protection to same shall be borne by Seller.

**7. TERMINATION FOR BANKRUPTCY.** Seller shall promptly notify Acorn Design and Manufacturing of Seller's voluntary or involuntary bankruptcy or receivership or insolvency. Upon said notification, Acorn Design and Manufacturing may terminate this order.

**8. WARRANTY.** Seller, warrants that it owns the merchandise described on the face hereof and that all merchandise furnished hereunder shall conform to specifications, samples or other descriptions furnished by Acorn Design and Manufacturing to Seller, or by Seller and approved by Acorn Design and Manufacturing; perform as specified herein or otherwise represented by Seller; will be merchantable and fit and sufficient for the purposes ordered; and will be free from defects in material and workmanship. This warranty will run to Acorn Design and Manufacturing and its customers. Any merchandise furnished hereunder which does not function in accordance with Seller's published specifications at the time of use by Acorn Design and Manufacturing's customer, is returnable by Acorn Design and Manufacturing to Seller for cash or full credit against future purchases, at the option of Acorn Design and Manufacturing. Packing and shipping shall be at Seller's cost.

**9. INDEMNIFICATION AND INSURANCE.** Seller will indemnify and save harmless Acorn Design and Manufacturing, its employees, agents, customers, and invitees from and against all liability, demands, claims, loss, cost, damage and expense by reason or on account of property damage, death and/or personal injury of whatsoever nature or kind arising out of or in connection with the use or performance of the merchandise contained in this order which is occasioned by the actions or omissions of Seller or its suppliers. Seller will maintain and carry employer's liability insurance, workman's compensation insurance in statutory amounts and general liability insurance, including but not limited to public liability, property damage liability, product liability, completed operations liability and contractual liability coverage in amounts satisfactory to and with companies approved by Acorn Design and Manufacturing. If so requested by Acorn Design and Manufacturing, Seller will furnish certificates of insurance indicating the foregoing coverage.

**10. COMPLIANCE WITH LAWS.** Seller represents and warrants that the merchandise referred to in this order has been or will be manufactured, produced, packaged, labeled, sold and if required, registered in complete and strict compliance and accordance with all relevant federal, state, and local laws, including but not limited to Title VII of the Civil Rights Act of 1964, as amended, and the Occupational Safety and Health Act of 1970, as amended, as well as all pertinent regulations and orders of the federal government and the various departments, branches and agencies thereof, and Seller agrees to provide at the time of acceptance of this order all certificates of compliance, including but not limited to Material Safety Data Sheets (MSDS). Seller further agrees to indemnify and hold Acorn Design and Manufacturing and its customers harmless from, and to reimburse them for any and all costs damages, and expenses (including reasonable attorney's fees) suffered by or occasioned to them directly or indirectly, because of Seller's noncompliance with this section.

**11. PATENTS.** Seller warrants and represents that the manufacture, sale and use of the merchandise ordered hereby will not infringe any United States or Foreign patent rights, and Seller agrees to indemnify Acorn Design and Manufacturing and its customers or users of the merchandise against all suits, costs and expense, including reasonable attorney's fees. Seller further covenants that it will, upon request of Acorn Design and Manufacturing and at the Seller's own cost and expense, defend any suit or action which may be brought against Acorn Design and Manufacturing or its customers and users of the merchandise hereby ordered, by reason of any infringement or alleged infringement of any patent arising out of the sale or use of the merchandise hereby ordered

**12. ASSIGNMENT.** Seller may not delegate or subcontract any duties, nor assign any rights or claims under this order without the prior written consent of Acorn Design and Manufacturing, and any such attempted delegation or assignment shall be void. All claims for monies due or become due from Acorn Design and Manufacturing to Seller shall be subject to deduction by Acorn Design and Manufacturing of any offset or counterclaim arising out of this or, any other transaction between Acorn Design and Manufacturing and Seller, irrespective of the time when such counterclaim or offset arose.

**13. RIGHTS AND REMEDIES OF RLB VENTURES, INC. D/B/A ACORN DESIGN AND MANUFACTURING DESIGN AND MANUFACTURING** The rights and remedies of Acorn Design and Manufacturing set forth herein shall be in addition to any other rights and remedies provided in law or equity.

**14. WAIVER.** Failure or delay on the part of Acorn Design and Manufacturing to exercise any right, remedy or privilege under this order shall not operate as a waiver thereof.

**15. ENTIRE AGREEMENT.** This contract contains the entire agreement 'between Acorn Design and Manufacturing' and Seller. It may not be modified or terminated orally, and no claimed modifications, revisions or waiver shall be binding on Acorn Design and Manufacturing unless in writing, and signed by a duly authorized representative of Acorn Design and Manufacturing.

**16. CONTROLLING LAW.** This order is to be governed by and construed under the laws of the Commonwealth of Pennsylvania, USA. Seller agrees to the exclusive jurisdiction of the Court of Common Pleas of Lebanon County, Pennsylvania, and the United States District Court for the Eastern District of Pennsylvania, in any and all actions or proceedings arising hereunder or pursuant hereto.