



## SERVICE AGREEMENT

1. **ENTIRE AGREEMENT.** Nylok LLC ("Provider") hereby offers to perform services ("Services") on the property ("Property") belonging to the recipient of Services ("Recipient") pursuant to the terms and conditions of this Service Agreement ("Agreement"). By accepting Services, Recipient agrees to be bound by the terms and conditions of this Agreement and this Agreement shall supersede all other agreements, oral or written, and all other communications between the parties suggesting additional or different terms. The Agreement represents the final and complete understanding of the parties and may be amended or cancelled only by mutual written agreement. Recipient's acceptance is expressly limited to the terms of this Agreement. Any proposal for additional or different terms or any attempt by Recipient to vary these terms is hereby deemed material and is objected to and rejected. No terms of any document or form submitted by Recipient shall be effective to alter or add to this Agreement.
  2. **NO SALE OF GOODS.** The purpose of this Agreement is to provide Recipient the benefit of Provider's expertise and skill as a provider of Services. Provider performs Services in accordance with Recipient's specifications. Recipient acknowledges and agrees that Recipient is solely responsible for determining whether the specifications meet Recipient's and the ultimate customer's needs. Recipient acknowledges and agrees that any recommendations expressed by Provider are recommendations only, and that final approval of any such recommendations is the sole and exclusive responsibility of Recipient. Title to Property shall not pass to Provider at any time during the performance of Services. Any acquisition of goods hereunder by Recipient is incidental to the provision of Services. Article 2 of the Uniform Commercial Code has no application to and shall not govern this Agreement, its acceptance, or the parties' performance thereof.
  3. **INTELLECTUAL PROPERTY.** Except as explicitly set forth in this Agreement or otherwise explicitly agreed to in writing, signed by the parties, Provider does not grant any license to any copyrights, patents or confidential or proprietary technical information or know how to Recipient.
  4. **PRICES.** Prices quoted are based on the price at the time of quotation and are subject to change without notice. Clerical errors are subject to correction without liability.
  5. **TAXES.** Prices do not include any sales, use, excise, privilege, or other taxes or assessments now or hereafter imposed or levied by or under the authority of any foreign, federal, state, or local law, rule, or regulation (collectively, "Law") concerning Services. If Provider pays any such taxes or assessments, Recipient shall, upon demand, immediately reimburse Provider for such amounts.
  6. **TERMS OF PAYMENT.** All payments are due net 30 days from date of invoice. All orders are subject to acceptance in writing by Provider. No discounts shall be taken unless specifically allowed in writing by Provider. All amounts due Provider from Recipient shall be paid without abatement, deduction, or setoff. The date of payment of an invoice shall be the date the payment is received by Provider at the location designated on the invoice. Invoices not paid when due are subject to a late payment service charge of the lesser of 1.5% per month or the highest rate permitted under the law, calculated daily and compounded monthly. If Recipient fails to make any payment when due, Recipient shall be liable for all costs and expenses related to collection of past due amounts, including, without limitation, attorneys' fees and costs. If, in Provider's judgment, the financial condition of Recipient does not justify continuance on the terms of payment above, Provider may require full or partial payment in advance or otherwise adjust the terms including ceasing to supply Recipient.
  7. **FREIGHT.** Recipient shall arrange for shipment of the Property to Provider for the performance of Services at Recipient's sole expense. Unless Provider otherwise agrees in writing, return delivery of Property after Services shall be by shipment F.O.B. origin. After Services are performed, risk of loss or damage to Property shall pass to Recipient upon delivery to Recipient, to its designated agent, or to a carrier for delivery to Recipient, whichever occurs first.
  8. **(RETURN) DELIVERY.** Dates for completing Services and (return) delivery of Property are estimates and are based upon prompt receipt of all necessary information from Recipient. Delays in securing Recipient's approval of any matter shall, at Provider's discretion, extend the date for completing Services and (return) delivery. Provider shall not be liable for any claim, Loss, expense, or damage of any kind whatsoever for delays, loss or damage in transit.
  9. **INSPECTION.** Recipient shall inspect Property upon return delivery, and Recipient shall immediately notify Provider in writing of any claims that returned Property does not conform to Provider's warranty with respect to Services. Failure to give such written notice during such period will constitute satisfactory performance of Services by Provider and irrevocable acceptance by Recipient of all Services and return delivery.
  10. **BLANKET ORDERS.** All Services to be performed under a blanket order must be requested by Recipient within the agreed-upon time frame, which shall not exceed one year from the date of the blanket order. Services shall be completed and return delivery of the Property under a blanket order shall occur in the agreed-upon release quantities.
  11. **CHANGES.** Changes in specifications or designs relating to any Services, changes in return delivery schedules or reschedules or cancellations of orders are not permitted unless Provider has accepted same in writing, has determined the additional charge to be made, if any, and the same has been paid by Recipient.
  12. **STORAGE.** In the absence of agreed shipping dates, Provider may invoice Recipient and ship Property once it is ready for shipment. If, because of Recipient's inability to take delivery, Property is not shipped, stopped in transit or returned, Provider may store Property for Recipient at Recipient's expense and risk and risk of loss shall pass to Recipient when Property is placed in storage and such date shall constitute the date of return delivery for purposes of beginning the warranty and payment periods.
  13. **LIMITED WARRANTIES.** Provider warrants Services in accordance with its written limited warranty in effect from time to time and if none, then Provider warrants that Services will be free from defects in workmanship for a period of 12 months after shipment.
- THESE ARE PROVIDER'S ONLY WARRANTIES. PROVIDER MAKES NO OTHER EXPRESS WARRANTIES AND HEREBY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE.** If Recipient notifies Provider in writing during the warranty period that Property is not in conformity with the Services warranty, and if Provider determines that the Services performed are non-conforming, Provider will re-perform Services or refund the price therefor, at its sole option, return delivery F.O.B. point of servicing, provided Recipient ships Property to Provider's plant, freight prepaid. This shall be Recipient's exclusive remedy for Provider's liability. Any claims not made during the warranty period are deemed waived by Recipient. Provider's warranty does not attach to parts or materials not manufactured by Provider. Provider will pass on to Recipient the warranty, if any, it receives from the manufacturer of such parts or materials, but only to the extent allowed by such manufacturer. Provider's aggregate liability to Recipient or anyone claiming through or on behalf of Recipient, with respect to any claim or Loss arising out of or relating to any Services or alleged to have resulted from any act or omission of Provider, whether negligent or otherwise, and whether in tort, contract, or otherwise, shall be limited to an amount not to exceed the price received by Provider for Services with respect to which such liability is claimed. Any contract created between the Provider and Recipient is subject to the specific conditions that (a) Provider is not obligated to provide insurance or to indemnify Recipient (other than as provided in Section 15), and (b) there are no flow-downs from any person or entity including, but not limited to the federal government or any other governmental entity, that become part of the contract. **UNDER NO CIRCUMSTANCES SHALL PROVIDER BE LIABLE TO RECIPIENT OR ANY OTHER PERSON OR ENTITY FOR INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES OR ANY OTHER LOSSES OR EXPENSES, INCLUDING WITHOUT LIMITATION, FOR INJURIES TO PERSONS OR DAMAGE TO PROPERTY, LOSS OF PROFIT, REVENUES OR USE, DIMINUTION IN VALUE, COST OF SUBSTITUTE PRODUCTS, DOWNTIME COSTS, OR CLAIMS OF RECIPIENT'S CUSTOMERS EVEN IF PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND REGARDLESS OF THE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.** Upon the occurrence of any event described in Section 14(i)-(vi) without the prior written consent of Provider, this warranty shall be void.
14. **INDEMNIFICATION.** Recipient shall defend, indemnify and hold Provider, its affiliates and their respective officers, directors, members, managers, representatives, agents and employees harmless from and against all claims, suits, demands, losses, liabilities, damages (including injury and death) and expenses (including reasonable attorneys' fees) (collectively, "Losses"), arising out of or relating to: (a) Recipient's or its agents provided specifications, design, structure, operation, material or method of performing Services ("Recipient's Specifications") including, without limitation, any resulting violation of intellectual property or proprietary rights; (b) Recipient's use, misuse or disposal of Property; (c) Recipient's non-compliance with any Law; (d) breach of this Agreement by Recipient; and (e) Property subjected to: (i) improper installation or storage; (ii) accident, damage, abuse or misuse; (iii) abnormal operating conditions or applications; (iv) operating conditions or applications above the rated capacity of Property; (v) repairs or modifications made to all or part of Property without the prior written consent of Provider; or (vi) a use or application other than or varying in any degree from the specifications and Provider's instructions.
  15. **PATENTS.** Except as provided in Section 14 and provided Recipient has made all payments due Provider, Provider shall defend any suit brought against Recipient based upon a claim that the Services or the result of their application to the Property infringe any United States patent issued as of the date of Provider's quotation and shall pay any damages and costs finally awarded therein against Recipient, provided that Provider is notified promptly in writing of such suit and is given full authority, information and assistance by Recipient to defend or settle the suit. Notwithstanding anything to the contrary, Provider will have no liability to the extent that the suit is based upon: (i) modifications to any item made by or on behalf of the Recipient in a manner that causes the infringement; (ii) use of any item in combination with Property that causes the infringement; (iii) Recipient's Specifications; (iv) Recipient's distribution, marketing or use for the benefit of third parties of Property; or (v) use not authorized under this Agreement. If Services or the result of their application to the Property are deemed to infringe any such patent, Provider shall, at its expense and sole option either: procure for Recipient the right to continue using Property; replace it with non-infringing substitute; modify it so it becomes non-infringing; or remove it and refund the price for Services depreciated over no more than 3 years.
  16. **EQUIPMENT AND PARTS THEREFOR.** Any equipment, machinery or parts therefor (collectively, "Equipment"), which Provider owns, makes or acquires to provide Services shall be and remain Provider's property, notwithstanding any charge Provider may have made therefor. In no event shall Recipient have any interest in or option to purchase any Equipment which is utilized to provide Services, or which has been converted or adapted by Provider for such use, notwithstanding any charge for any such utilization, conversion or adaptation.
  17. **CONFIDENTIALITY.** All non-public, confidential or proprietary information of Provider is confidential, solely for the use in performing hereunder and may not be disclosed, used or copied unless authorized in advance by Provider in writing.
  18. **FORCE MAJEURE.** Provider shall not be liable for any delay in or failure to perform due to any cause, matter or contingency beyond its reasonable control.
  19. **TERMINATION.** Provider shall have the right to cease work or terminate this Agreement on any purchase order, in whole or in part, at any time, without liability, if: (i) Recipient breaches or defaults under this Agreement or any other agreement it has with Provider; (ii) a petition under any applicable law relating to bankruptcy, insolvency, or reorganization is filed by or against Recipient; (iii) Recipient executes an assignment for benefit or creditors;



(iv) a receiver is appointed for Recipient or any substantial part of its assets; or (v) Provider shall have any reasonable ground for insecurity with respect to Recipient's ability to perform and Recipient is unable to provide Provider with adequate assurance within ten days after written request therefore by Provider. In all cases, Provider's rights are cumulative, are not exclusive and in addition to all other rights and remedies it may have at law or in equity. No termination shall affect any accrued rights or obligations of either party as of the effective date of such termination.

20. **WAIVER.** Failure of Provider at any time to require Recipient's performance of any obligation hereunder shall not affect Provider's right to require performance of that obligation. Any waiver by Provider must be in writing. No delay or omission in the exercise of any right, power, or remedy hereunder shall impair such right, power, or remedy or be considered to be a waiver of any default or acquiescence therein.
21. **GOVERNING LAW AND VENUE.** This Agreement shall be construed in accordance with the laws of the State of Michigan without regard to any rules on conflicts of laws. The state and federal courts of the State of Michigan shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with the Agreement, their subject matter, or the parties' performance thereof. Recipient hereby consents to personal jurisdiction in the State of Michigan.
22. **MISCELLANEOUS.** Recipient shall not assign any of its rights or obligations hereunder without Provider's prior written consent. Recipient shall comply with all applicable laws. There are no third-party beneficiaries. Provisions which by their nature should survive will remain in force after any termination or expiration. The section headings are included solely for the convenience of the parties. The invalidity, illegality, or unenforceability of any term or provision of this Agreement shall not affect any other term or provision of the Agreement.

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