

## TERMS AND CONDITIONS OF SALE

1. F.O.B. Point: All shipments are made F.O.B. Seller's plant.
2. Claims for Transit Damage (obvious or concealed): Common carriers, who assume full responsibility for the shipment the moment they take possession of it at Seller's plant and to whom you look for recovery of transit damage, usually REQUIRE that you notify them of such damage within **5 days** of your receipt of the shipment so that they can inspect the damage and notate the waybill accordingly. When deliveries are made by Seller's trucks or those of suppliers, their respective insurance protects your shipment, and they should be notified **direct** within the like 5-day period.
3. RESPONSIBILITY: SELLER ASSUMES FULL RESPONSIBILITY FOR THE PRODUCTION OF TOP QUALITY IMAGE CARRIERS, AND FOR ANY ALTERATIONS OR CORRECTIONS NECESSITATED BY ANY ACT OF COMMISSION OR OMISSION ON ITS PART. SELLER DOES NOT ASSUME RESPONSIBILITY FOR CONTINGENT LIABILITIES INCLUSIVE OF, WITHOUT BEING LIMITED TO, PRESS OR BINDERY TIME, PAPER OR INK.
4. Changes and Alterations: All revisions, changes, and/or alterations, not included in the original specifications and artwork, will be charged for at the current rate and paid for by Buyer.
5. Credits: All shipments to be made hereunder shall at all times be subject to the approval of Seller's Credit Department, and if the financial responsibility of Buyer is unsatisfactory, or becomes impaired, or if Buyer fails to make any payment in accordance with the terms of the contract, then, in any such event, Seller may defer or decline to make any shipments hereunder except upon receipt of satisfactory security or cash payments in advance, or it may terminate the contract. Terms of payment shall be as set forth on the face hereof. A service charge of 1.5% per month (which is annual percentage rate of 18%) or, if less, the maximum amount allowed by law, may be applied to unpaid invoices from the due date thereof.
6. Customer's Property: Any material owned or furnished by Buyer will be carefully handled and stored by Seller, but Seller shall be relieved of responsibility for loss or damage thereto.
7. Order Cancellation: Regularly entered orders, once work has been commenced, can be cancelled only on terms that will compensate Seller for all work done and all materials or outside services procured for and applied to the order.
8. Price Quotations: All prices quoted are for immediate acceptance and are subject to change or revision without notice.
9. Delays in Delivery: Quoted delivery dates are target goals, with the Seller exerting his best efforts in the interest of meeting or beating such dates. All agreements are made, and all orders are accepted contingent upon strikes, fires, accidents, wars, floods, or other causes beyond the Seller's control.
10. Contract between Buyer and Seller: The terms and conditions herein set forth, inclusive of those on the reverse side hereof, together with those relating to specifications, quantity, price, delivery dates, and shipping and invoicing instructions, shall constitute the entire agreement between Buyer and Seller and said agreement shall not be amended, modified or rescinded except by written agreement signed by an officer or authorized official of each company.
11. The provisions of this acknowledgment and all other writings forming the contract between the parties hereunder shall be construed and interpreted in accordance with the laws of the Commonwealth of Kentucky.
12. All prepress material made by Southern Graphic Systems, LLC. in processing this order shall be considered as tooling used in producing the final product, the image carriers. This prepress material remains the property of Southern Graphic Systems, Inc., even where a separate charge is made for its production. In cases where the final delivered product is itself prepress material, all prepress material made prior to that final product is tooling and remains Southern Graphic Systems, Inc., property.