

Watchfire Signs – Purchase Order Terms and Conditions

1. ACCEPTANCE: THESE TERMS AND CONDITIONS (these “Terms”), THE TERMS AND CONDITIONS SET FORTH IN THE PURCHASE ORDER (the “Purchase Order”) TO WHICH THESE TERMS ARE ATTACHED OR OTHERWISE INCORPORATED, AND ANY ATTACHMENTS REFERENCED THEREIN (collectively, the “PO Terms”) CONTAIN THE ENTIRE AGREEMENT BETWEEN THE APPLICABLE BUYER SPECIFIED ON THE FACE OF THE PURCHASE ORDER (“Buyer”) AND THE VENDOR OR SELLER SET FORTH IN THE PURCHASE ORDER TO WHICH THESE TERMS ARE ATTACHED (“Seller”). THE PO TERMS BECOME A BINDING CONTRACT ON THE EARLIER OF (i) SIGNED OR WRITTEN ACKNOWLEDGEMENT BY SELLER, (ii) COMMENCEMENT OF PERFORMANCE BY SELLER, OR (iii) SHIPMENT OF ANY GOODS. BUYER OBJECTS TO, AND IS NOT BOUND BY, ANY TERM OR CONDITION IN SELLER’S ACKNOWLEDGEMENT OF THE PURCHASE ORDER WHICH CONTAINS DIFFERENT OR ADDITIONAL TERMS AND CONDITIONS OTHER THAN THOSE SET FORTH IN THE PO TERMS. BUYER DOES NOT AGREE TO ANY PROPOSED REPLACEMENT, ADDITION, ALTERATION, OR DELETION BY SELLER UNLESS AGREED TO IN A SIGNED WRITING BY BOTH PARTIES. ANY OTHER STATEMENT OR WRITING OF SELLER SHALL NOT ALTER, ADD TO, OR OTHERWISE AFFECT THESE TERMS AND CONDITIONS. THE PURCHASE ORDER IS SUBJECT TO THE TERMS AND CONDITIONS OF ANY APPLICABLE WRITTEN AGREEMENT BETWEEN SELLER AND BUYER. IN THE EVENT OF ANY CONFLICT BETWEEN THE PO TERMS AND THE TERMS OF ANY SUCH WRITTEN AGREEMENT, THE TERMS OF THE WRITTEN AGREEMENT BETWEEN SELLER AND BUYER SHALL GOVERN AND CONTROL. SELLER AGREES TO SELL TO BUYER THE GOODS OR SERVICES DESCRIBED OR REFERRED TO IN THE PURCHASE ORDER, AT THE PRICES INDICATED, ON THE EXPRESS CONDITION THAT SELLER ASSENTS TO THE TERMS OR CONDITIONS SET FORTH IN THE PURCHASE ORDER AND THE OTHER PO TERMS. IF THIS DOCUMENT IS CONSTRUED AS AN EXPRESSION OF ACCEPTANCE OR AS A CONFIRMATION OF A VERBAL AGREEMENT, SUCH ACCEPTANCE OR CONFIRMATION IS EXPRESSLY MADE CONDITIONAL ON THE ASSENT OF SELLER TO THE TERMS. IN THE EVENT THIS DOCUMENT IS DEEMED AN OFFER, THE OFFER IS EXPRESSLY CONDITIONED UPON AGREEMENT BY SELLER TO THE EXACT TERMS, AND ANY ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS PROPOSED BY SELLER ARE HEREBY EXPRESSLY REJECTED.
2. ORDER NUMBERS: Buyer will communicate a purchase order number (the “Purchase Order Number”) to Seller by telephone, fax or e-mail. Seller shall include the Purchase Order Number on every packing sheet, invoice and every other communication related to this order.
3. PACKING AND SHIPPING: All items must be properly prepared for shipment to secure lowest transportation rates and comply with carrier regulations. No charges will be paid by Buyer for packing, boxing, crating, cartage, or storage unless so stated by Buyer in the Purchase Order. All shipments to be forwarded on one day via one route must be consolidated. To the extent practicable, items ordered under separate Purchase Order Numbers shall be segregated within the pallet, box or shipping container. A separate packing sheet for each order included in a shipment, showing Purchase Order Number, must be included with each shipment.
4. PERFORMANCE TIMING: Time is of the essence for shipment or delivery and to any other performance required of Seller, including all performance dates, timetables, project milestones and other requirements in the Purchase Order. Shipment or delivery and the timing of performance of any services, as applicable, shall be in accordance with the schedule set out in the Purchase Order and, with respect to goods, in exact quantities ordered. If delivery or other performance is not effected by the date or dates indicated, or is otherwise nonconforming, Buyer reserves the right to elect, at its sole discretion, any of the following: (i) to cancel the Purchase Order or remainder thereof, and purchase the goods or services elsewhere, and charge Seller with any loss incurred through Seller’s failure to deliver; (ii) to approve the nonconforming delivery or other performance, subject to such discount as Buyer and Seller may agree; (iii) to approve the nonconforming delivery, subject to Seller paying all expedited shipping (air or ground); or (iv) to approve the nonconforming delivery or other performance, and charge Seller with any loss incurred by Buyer for late delivery or performance by Buyer to its own customers directly or indirectly resulting from Seller’s failure to conform delivery or other performance. Buyer reserves the right, at Seller’s expense, to return any goods shipped in advance of the schedule set out in the Purchase Order.
5. INSPECTION: All items are subject to final inspection and acceptance by Buyer at the destination

notwithstanding any prior payment or inspection. Inspection and acceptance of any items by Buyer shall not be deemed to alter the obligations of Seller or the rights of Buyer and the other Buyer Parties under the warranties, indemnification, and other provisions of the PO Terms.

6. **REJECTION:** All goods that are discovered to be defective, of a size other than as ordered by Buyer, not conforming to any warranty or specification of Seller upon initial inspection, or at any later time if the defects contained in the goods were not reasonably ascertainable upon the initial inspection, may be returned to Seller for full credit or replacement, notwithstanding prior acceptance by Buyer. All transportation charges on rejected goods, both to and from the original destination, shall be at the sole expense of Seller. No goods returned as defective shall be replaced by Seller without Buyer's express written authorization. If any goods are rejected by Buyer, Seller shall pay Buyer for all of (i) the Buyer Parties' time, effort, costs, and expenses in inspecting, remedying, and/or replacing such goods including labor and other goods incorporated or combined therewith (but in no event less than the sales value of rejected goods), and (ii) any charge backs from Buyer's customers resulting directly or indirectly from Seller's failure to provide acceptable goods. For purposes of clarity but not limitation, Seller understands and agrees that Seller shall pay Buyer for the full value of a completed assembly in the event, in Buyer's good faith determination, defective goods provided pursuant to these Terms justify or necessitate the replacement of a completed assembly of which the applicable good is a component. Seller further understands and agrees that nothing in this Section 6 shall limit the rights of the Buyer Parties pursuant to Section 11 (Indemnity). All risk of loss or damage to the goods prior to the time of receipt of the goods by Buyer is upon Seller.

7. **WARRANTIES:** In addition to the warranties set forth elsewhere in the PO Terms, Seller warrants to Buyer that all goods furnished under the Purchase Order will conform to the specifications, drawings, samples or descriptions agreed to by Buyer; will be of first class quality, free from defects in material or workmanship, whether latent or apparent; will not infringe upon any third party's patent, copyright, trade secret, trade name, trademark or service mark, or other proprietary right; will be merchantable; will be fit for their particular purpose; and will be delivered free from any security interest or other lien or encumbrance. In addition to the warranties set forth elsewhere in the PO Terms, Seller warrants that all services performed hereunder shall be performed in a good and workmanlike manner, free from errors, by personnel whom are properly licensed, certified or accredited as required by applicable law and are suitably skilled, experienced, qualified, and trained to perform the services. These warranties shall survive any inspection, delivery, acceptance, or payment by Buyer for goods purchased or services obtained hereunder. All such warranties, as well as Seller's original warranties, shall have a warranty period that is the longer of: (i) Seller's original warranty; or (ii) five (5) years after accepted delivery of the applicable goods or services.

8. **CHANGES:** Buyer may make changes to any services to be performed or to any goods to be specifically manufactured, but no change shall be effective, nor shall Buyer be obligated to pay any increase in compensation as a result of a change, unless Buyer issues a written change order. Changes which increase or decrease pricing shall be revised as mutually agreed to in writing.

9. **PRICING:** If price is omitted on the Purchase Order (except where the Purchase Order is given in acceptance of quoted prices), Seller's price will be the lowest prevailing market price or, if lower, the price last previously quoted or charged to Buyer by Seller. If Seller's quoted prices offered to anyone for goods covered hereunder are, at the time of shipment, reduced by rebate, price reduction, discount or otherwise, the price hereunder will be reduced accordingly. In case goods of a quantity or value in excess of that ordered are sent to Buyer hereunder, Buyer may at its sole election retain such goods at the invoice price, or return the goods to Seller at Seller's expense. Unless otherwise specified in the Purchase Order, the price includes all packaging, transportation costs to the delivery point specified in the Purchase Order, insurance, customs duties, fees, and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the price is effective, whether due to increased material, labor or transportation costs, other charges assessed against Seller, or otherwise, without the prior written consent of Buyer. Seller certifies that the prices herein are not higher than any price being charged to other organizations purchasing identical goods on any similar or smaller quantities at the particular time and do not discriminate against Buyer. Quoted prices are not subject to increase without Buyer's prior written consent.

10. **INVOICES/PAYMENT:** A separate invoice shall be issued for each shipment and for each Purchase Order Number, with the Purchase Order Number stated on the face of the invoice. No invoice shall be issued until Buyer receives the shipment of goods, and no payment shall be made prior to receipt and acceptance of confirming goods and invoice. Payment terms commence upon receipt of a correct invoice. Unless otherwise agreed to in writing by the

parties, invoices will be paid according to early payment discount terms, or if no early payment discount is offered, payment terms are net 90 days of receipt of correct invoice, which could be expedited by early payment discounts or allowance of payment by credit card without fee. Seller shall submit invoices electronically to Buyer at AccountsPayable@watchfiresigns.com or by mail at 1015 Maple, Danville, IL 61832.

11. INDEMNITY: Seller shall indemnify, hold harmless, and defend Buyer, its affiliates and their respective directors, managers, officers, employees, agents, representatives, contractors, subcontractors, customers, and users of Seller's goods and services (collectively, the "Buyer Parties") from any and all claims (including, without limitation, claims for personal injury or property damage, claims or damages payable to customers of Buyer, breaches of the Purchase Order, and claims brought by Buyer Parties), suits, liabilities, losses, damages and expenses (including attorneys' fees) arising from or related to (i) the negligence (including strict liability) or willful misconduct of Seller, its affiliates or any of their respective directors, managers, officers, employees, agents, representatives, contractors, subcontractors, vendors, or suppliers (collectively, the "Seller Parties"), (ii) breach or inaccuracy of any warranty of Seller, (iii) contamination of or adverse effect on the environment, (iv) violation of any law or regulation or (v) alleged infringement of any patent, copyright or trademark or violation of any other intellectual property right of a third party. This indemnity shall apply without regard to whether the claim, damage, liability or expense is based on breach of contract, breach of warranty, negligence, strict liability, or other tort. Buyer shall have the right, at its option, to participate in the defense of any matter subject to this indemnity, and Seller shall not enter into any settlement without Buyer's prior written consent. The parties agree that this indemnification obligation shall survive delivery and acceptance of goods or services until any claim, action or cause of action respecting the above is fully and finally barred by the applicable statute of limitation. In any interparty dispute, the prevailing party shall be entitled to reasonable legal costs and expenses, including attorneys' fees.

12. INSURANCE: Seller shall maintain, at its sole cost, and shall require any subcontractors it may engage to maintain at all times while transacting business with Buyer, the insurance coverage set forth below, with one or more insurance companies licensed to do business in the state where the work is performed:

(a) Workers' Compensation Insurance as required by laws and regulations applicable to and covering any subcontractor's employees performing in connection with Seller's obligations hereunder at any location of any of the Buyer Parties, and all employees of Seller engaged in Seller's performance of its obligations hereunder.

(b) Employers' Liability Insurance protecting Seller or such subcontractor against common law liability in the absence of statutory liability, for employee bodily injury arising out of the master-servant relationship with a limit of not less than \$5,000,000.

(c) Commercial General Liability Insurance including coverages for premises/operations, products/completed operations, bodily injury, property damage, independent contractors and coverage for insured contracts specifically in support of the contractual obligations of Seller including, without limitation, any indemnity obligations hereunder, with limits of liability of not less than \$5,000,000 per occurrence and \$10,000,000 in the annual aggregate and naming Buyer and its Affiliates as an additional insured.

(d) Automobile Liability Insurance including non-owned and hired vehicle coverage with limits of liability of not less than \$1,000,000 per occurrence combined single limit and naming Buyer and its Affiliates as an additional insured.

Seller shall provide a certificate of insurance evidencing such insurance coverage that shall provide that the insurance carrier will give Buyer thirty (30) days' prior written notice of any cancellation or non-renewal of any policy or policies identified in such certificate.

13. TITLE AND RISK OF LOSS: Unless otherwise agreed to in writing by the parties, Seller warrants title to all goods sold and bears the risk of loss or damages to the items purchased under the Purchase Order until they are delivered in conformity with the Purchase Order at Buyer's delivery point specified in the Purchase Order or installed, as required pursuant to the Purchase Order, and, upon such delivery or installation, title shall pass to Buyer. Passing of title shall not constitute acceptance of the items by Buyer.

14. CONFIDENTIALITY: Seller shall keep confidential all information designated as confidential by Buyer or

reasonably anticipated to be confidential, including, but not limited to, designs, processes, drawings, specifications, reports, data and other technical or proprietary information and the features of all parts, equipment, tools, gauges, patterns and other items furnished or disclosed to Seller or any of its employees, agents, vendors, suppliers, contractors, or subcontractors by or on behalf of Buyer in connection with the Purchase Order (“Buyer’s Confidential Information”). Seller shall not disclose such information to any third party without the written consent of Buyer and shall not use Buyer’s Confidential Information except as contemplated in the Purchase Order. Upon completion or termination of the Purchase Order, Seller shall return all Buyer’s Confidential Information to Buyer or make such other disposition thereof as may be directed and approved by Buyer and shall certify to such return or destruction.

15. COMPLIANCE: Seller warrants that all goods and services supplied under the Purchase Order shall comply with all applicable federal, state, and local laws, rules, regulations and ordinances at the time of delivery or performance. For on-site performance of services, if applicable, Seller shall adhere to all safety, health or other administrative requirements, rules, regulations or procedure of Buyer and its facilities or of such third-party owner or operator where services are performed and shall provide to Buyer a health and safety declaration.

16. TERMINATION: Buyer may terminate all or any portion of the Purchase Order at any time by giving notice to Seller. In the event of termination without cause, Buyer’s liability shall be the lesser of: (a) a reasonable price for such portions of raw materials, components, work in progress, and any finished units on hand which are custom and unique for the Purchase Order, incapable of being utilized or repurposed by Seller, and are in conformity with the PO Terms; or (b) the contract price per finished unit, after giving effect to any discount to which Buyer would otherwise be entitled. In the event of termination without cause of any separate services specifically ordered, liability shall be the lesser of: (a) a reasonable price for properly performed services rendered prior to termination; or (b) the contract price for the services. If any hourly or other time-based rate for services is specified in the Purchase Order, such rate shall be used in determining a reasonable price. THE FOREGOING STATES BUYER’S ENTIRE LIABILITY FOR TERMINATION. Additionally, but without limitation, Buyer may, by notice to Seller, terminate the Purchase Order in whole or in part in the event of suspension of Seller’s business, insolvency of Seller, institution of bankruptcy, reorganization, or liquidation proceedings by or against Seller, the appointment of a trustee or receiver for Seller’s property or business, any assignments by Seller for the benefit of creditors or a breach that is not cured after notice detailing such breach. The rights and remedies of Buyer provided in this Termination clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Purchase Order.

17. SUBCONTRACTING AND ASSIGNMENT: Seller shall not assign the Purchase Order or any rights hereunder, nor delegate any duties, nor subcontract any work, without first securing the written approval of Buyer. Any attempts to do so will be null and void. The price quoted by Seller includes the price of any goods or services obtained from any subcontractor or supplier to Seller, unless otherwise agreed in advance by Buyer. Seller shall incorporate these terms and conditions on any order or subcontract approved by Buyer and procured from third parties pertaining to the Purchase Order. Seller shall remain fully responsible for all work performed by such third parties and shall indemnify and hold Buyer harmless for any payment required to be made to any such parties.

18. WAIVER: Buyer may at any time insist upon strict compliance with the PO Terms, notwithstanding any previous custom, practice, or course of dealing to the contrary. No waiver of any default by either party shall act as a waiver of a subsequent or different default.

19. PUBLICITY: Except as may be required by law or governmental rules or the requirements of any exchange on which securities of Seller or an affiliate of Seller are traded, Seller shall not, without the prior written consent of Buyer, which may be granted or withheld at Buyer’s sole discretion: (a) use any of the Buyer Parties’ name, brand, trademarks or any descriptions of the Buyer Parties and/or their respective industry that would allow a third party to identify the Buyer Parties (“Buyer’s Brand”), in advertising or promotional material, publicity releases or for any other commercial purpose; (b) in any manner advertise, publish or disclose the fact that Buyer has placed the Purchase Order with Seller; or (c) disclose the subject matter or terms and conditions of the Purchase Order. Seller shall comply with the restrictions accompanying Buyer’s consent, including but not limited to scope and term limitations. Unless otherwise specified by Buyer in writing, Buyer consents shall be deemed to be “initial use only,” and will expire immediately after Seller’s first use of Buyer’s Brand as set forth in the applicable Buyer consent. Any and all subsequent uses, including but not limited to re-publication of advertising or promotional material, duplicate or follow-up press releases or like publications shall each require an updated consent, duly executed by Buyer. In no case shall Seller or an affiliate of Seller use Buyer’s Brand or information about Buyer’s industry, equipment or operations in a

manner that disparages Buyer.

20. **RELATIONSHIP OF THE PARTIES:** The relationship between the parties is that of independent contractors. Nothing contained in the PO Terms shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

21. **GOVERNING LAW; VENUE; DISPUTE RESOLUTION:** The PO Terms shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of Illinois, without regard to its conflicts-of-law rules. All disputes arising under the Purchase Order are subject to binding arbitration in accordance with the Commercial Rules of the American Arbitration Association ("AAA"), and such arbitration proceedings shall be held in Danville, IL. For all matters submitted to arbitration, the number of arbitrators shall be one, unless the amount in dispute exceeds \$500,000, in which event it shall be three, and they shall be selected in accordance with AAA Rules.

In the event any dispute arises, the parties shall first attempt to amicably resolve any controversy, dispute or difference arising out of this Purchase Order by commercial negotiation. If the amount at issue in the dispute is less than \$100,000, and is not resolved by commercial negotiations, either party shall, upon written notice to the other, refer the dispute to a meeting of appropriate senior management representatives from each of the parties who will confer in good faith to resolve the matter. If the parties cannot resolve the dispute within thirty (30) days of the senior management meeting, it shall be resolved by arbitration as set forth above. If the amount at issue in a dispute exceeds \$100,000 and is not resolved by commercial negotiation, Seller agrees, at Buyer's option, to participate in mediation to be paid for by Seller, as a condition precedent to pursuing arbitration. The mediation shall be conducted by a licensed, qualified mediator in Danville, IL. If the parties cannot resolve their dispute within fifteen (15) days of concluding mediation, it shall be subject to binding arbitration as set forth above.

The parties agree that the State of Illinois, as Buyer's principal place of business, bears a direct and reasonable relationship to this transaction and that for the sake of convenience and certainty, the courts of Illinois shall have exclusive jurisdiction, after arbitration, over any enforcement litigation related to an arbitration arising out of the Purchase Order. Seller consents to service by mail addressed to Seller at Seller's address designated on the Purchase Order, such service to be effective three (3) business days after deposit in the United States mail postage prepaid. Buyer shall be entitled to recover its costs (including reasonable attorneys' fees) incurred in enforcing the PO Terms, and any rights or remedies Buyer has hereunder are cumulative, nonexclusive and in addition to, and not in lieu of any other rights and remedies that Buyer may have hereunder, at law or in equity.

22. **ASSIGNMENT; THIRD PARTY BENEFICIARIES:** The PO Terms shall be binding upon and inure to the benefit of the respective heirs, successors, and assigns of each of Buyer and Seller. Seller shall, however, make no assignment of any right, obligations, or duties hereunder without Buyer's prior written consent and any attempted assignment without Buyer's prior written consent shall be void. Seller acknowledges that the Buyer Parties are third party beneficiaries of the PO Terms. The Buyer Parties shall have the right to exercise all of the rights of Buyer under the PO Terms. References in the Purchase Order to Buyer shall be deemed to include the other Buyer Parties as the context requires. Except for the Buyer Parties, nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of the PO Terms.

23. **CONSENT TO CONDUCT BUSINESS ELECTRONICALLY:** The parties may use and rely upon electronic records and electronic signatures (i) for execution and delivery of the Purchase Order and any other agreement, understandings, notices, disclosures or other documents, communications or information of any type sent or received in accordance with the Purchase Order and (ii) in providing their obligations or exercising rights under the Purchase Order.

24. **MISCELLANEOUS:** Section headings are for convenience only and shall have no legal or interpretive effect. Nothing herein shall be construed as creating an exclusive relationship between Buyer and Seller regarding the goods or services. Buyer reserves the right to engage other persons or entities to provide goods and services similar to those provided hereunder. Buyer shall have the right to audit the books and records of Seller relevant to the Purchase Order, at Seller's place of business or by electronic delivery, until four (4) years after delivery of goods and/or performance of services. Any notices required hereunder shall be given in writing to the addresses set out in the Purchase Order.

and shall be deemed effective on the same day any such written notice is personally served, or on the third (3rd) business day after such notice is deposited in the United States mail or with a nationally recognized overnight delivery service. If any term or provision of the PO Terms is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of the PO Terms or invalidate or render unenforceable such term or provision in any other jurisdiction. Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration of the PO Terms including, but not limited to, the following provisions: Section 5 (Inspection), Section 6 (Rejection), Section 7 (Warranties), Section 11 (Indemnity), Section 12 (Insurance), Section 14 (Confidentiality), Section 15 (Compliance), Section 18 (Waiver), Section 19 (Publicity), Section 20 (Relationship of the Parties), Section 21 (Governing Law; Venue), Section 22 (Assignment; Third Party Beneficiaries), and this Section 24 (Miscellaneous).