

**Double HH Manufacturing  
Quotation/Sales Terms and Conditions for Tangible Goods**

**I. Quotation.**

1) These Terms and Conditions apply to all quotations made and sales agreements entered into by Double HH Manufacturing ("DHH") and the buyer as designated on the reverse side of this document ("Buyer") for any goods purchased from DHH ("Goods"). Unless DHH and Buyer enter into a separate written agreement, formally executed by DHH and specifically waiving the terms set forth herein, the purchase of any Goods by Buyer shall be deemed acceptance of these terms and conditions set forth herein.

2) The quotation set forth on this document remains open for acceptance for a period of thirty (30) days or such other period as agreed in writing by both DHH and Buyer.

3) Costs shown on quotation are in United States Dollars. Payments for all Goods must be made in same funds.

4) Quotation is based on raw material cost at time of quotation. DHH reserves the option to pass along actual material cost increase as incurred (including base material increases, surcharges, and incoming freight/surcharges in effect at time of material receipt and/or product shipment).

5) The Quotation is subject to review and amendment by DHH upon receipt of any/all conditions, terms, and/or quality assurance requirements that are not sufficiently addressed in any request for quote ("RFQ") documents, which DHH determines, in its sole discretion, changes the condition of the quotation.

6) General Buyer terms and conditions published on company websites cannot be accepted. Specifically, Buyer terms and conditions not included in RFQ and/or purchasing documents are not accepted by Seller.

7) All quantity costs are based on manufacturing in one lot and one shipment, as shown on quotation, unless otherwise stated on quotation.

8) Quoted cost is based on Buyer acceptance of over/under shipment for each line item quantity of 5%. If over/under shipments cannot be accepted, this must be clearly stated on RFQ and purchase order documents.

9) Tools, dies, jigs, fixtures, gauges and their engineering and design are integral parts of DHH's manufacturing processes. Therefore separate quotation to or payment by Buyer for these items, supplied by DHH, conveys neither ownership nor the right of removal from DHH's factory.

10) Any claim for defective workmanship and material must be made within thirty days after receipt of the material/components. Any return merchandise authorizations must be requested by Buyer, and approved by DHH prior to return. Upon DHH inspection/confirmation of defect, components may be repaired, replaced, or credit issued within limitations of paragraph 8, above.

11) Orders may be canceled or deliveries deferred by Buyer only with the written consent of Seller, and only upon the condition that Buyer assumes immediate responsibility for and makes payment to DHH for all work complete at the unit sales price; work in process on the basis of the percentage of completion thereof times the unit sales price; raw material, unamortized tooling, engineering and other cancellation charges incurred on the basis of cost to DHH plus handling and overhead charges. All cancellation charges to be determined at the time of cancellation or deferment.

12) Quotations covering machining of Buyer's material are made subject to delivery of the amount of material as specified by DHH in 12' or 20' lengths (as agreed to by DHH), FOB DHH's plant, and are subject to change if material furnished by Buyer is defective or will not machine with reasonable wear on tools at the speed and feed estimated. Chemical and physical specifications are the sole responsibility of Buyer and parts manufactured from Buyer's material, which conform to blueprint specifications shall be accepted by Buyer. DHH cannot guarantee to deliver more than 90% of the quantity ordered in accordance with paragraph 7, above. If

DHH determines, in its sole discretion, that Buyer's material proves defective in total or in part or is of a different character or quality than was represented by either Buyer or material producer, all work performed and costs incurred by DHH shall be reimbursed by Buyer.

13) The sale of the Goods shall not grant to Buyer any right or license of any kind under any patent owned or controlled by DHH or under which DHH is licensed.

14) Typographical and/or cost calculation errors are subject to correction.

## **II. Delivery.**

1) The Goods will be delivered within a reasonable time after the receipt of Buyer's purchase order, subject to availability of finished Goods. DHH shall not be liable for any delays, loss or damage in transit.

2) Unless otherwise agreed in writing by the parties, DHH shall deliver the Goods to Buyer's designated location (the "Delivery Point") FOB DHH's plant. Title and risk of loss passes to Buyer upon delivery of the Goods to the shipping carrier. As collateral security for the payment of the purchase price of the Goods, Buyer hereby grants to DHH a lien on and security interest in and to all of the right, title and interest of Buyer in, to and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the Iowa Uniform Commercial Code.

3) DHH may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Buyer's purchase order.

4) If for any reason Buyer fails to accept delivery of any of the Goods on the date fixed pursuant to DHH's notice that the Goods have been delivered at the Delivery Point, or if DHH is unable to deliver the Goods at the Delivery Point on such date because Buyer has not provided appropriate instructions, documents, licenses or authorizations, DHH, at its option, may store the Goods until Buyer picks them up, whereupon Buyer shall be liable for all related costs and expenses (including, without limitation, storage and insurance).

**III. Taxes.** The Buyer shall pay all taxes (including, without limitation, any and all federal, state or local sales, use, excise, privilege or similar taxes), levies, tariffs or duties, of any kind (collectively, the "Taxes"), on the Products, or the Buyer shall provide DHH with a tax exemption certificate acceptable to the taxing authorities. Buyer agrees to indemnify and hold harmless DHH for any liability for tax in connection with the sale, as well as the collection or withholding thereof, including penalties and interest thereon.

## **IV. Payment Terms.**

1) Buyer shall pay all invoiced amounts due to DHH thirty (30) days from DHH's invoice.

2) Buyer shall pay interest on all late payments at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse DHH for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. In addition to all other remedies available under these Terms or at law (which DHH does not waive by the exercise of any rights hereunder), DHH shall be entitled to suspend the delivery of any Goods if Buyer fails to pay any amounts when due hereunder and such failure continues for fifteen (15) days following written notice thereof.

**V. Force Majeure.** No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations of Buyer to make payments to DHH hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's ("Impacted Party") control, including, without limitation, the following force majeure events ("Force Majeure Event(s)") acts of God, flood, fire, earthquake, pandemics, government shutdowns, or explosion, war, invasion, hostilities (whether war is declared or not),

terrorist threats or acts, riot or other civil unrest; and other events beyond the control of the Impacted Party]. The Impacted Party shall give notice within five (5) days of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of thirty (30) days following written notice given by it under this Section, either party may thereafter terminate this Agreement upon written notice.

**VI. Relationship of the Parties.** The relationship between the parties is that of independent contractors. Nothing contained in this Agreement 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.

**VII. No Third-Party Beneficiaries.** This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and 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 these Terms.

**VIII. Governing Law and Jurisdiction.** All matters arising out of or relating to these terms is governed by and construed with the laws of the State of Iowa without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than those of the State of Iowa. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States or the courts of the State of Iowa in each case located in Sioux County and each party irrevocably submits to the exclusive jurisdiction of such courts in any suit, action, or proceeding.

**IX. Assignment.** Buyer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of DHH. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement.