

TERMS & CONDITIONS OF THE BON ♦ TON PURCHASE ORDER

GENERAL PROVISIONS:

1. **Agreement:** The vendor named on the face of this purchase order ("Vendor") agrees to sell and deliver to The Bon-Ton Department Stores, Inc. ("Buyer"), and Buyer agrees to purchase from Vendor the merchandise described on the face of this purchase order ("Merchandise") in accordance with all terms, dating and conditions set forth on both sides of this purchase order.
2. **Acceptance:** Acceptance of this purchase order is expressly limited to the terms and conditions stated herein. Any terms and conditions in any Vendor invoice, packing or shipping document, or otherwise stated by Vendor, which are different from, conflict with, or add to the terms and conditions herein, shall be null and void. Shipment of any part of the Merchandise by Vendor shall be deemed Vendor's acceptance of all terms and conditions of this purchase order.
3. **Signatures Required:** Buyer shall not be obligated under this purchase order or for any Merchandise shipped or for goods "put in work" unless this purchase order has been subscribed by facsimile or handwritten signature by Buyer's authorized representative.
4. **Right to Cancel:** Buyer reserves the right to cancel this purchase order and to return, at Vendor's expense, all or any part of the Merchandise if the Merchandise is defective or not fit for the purpose sold or sent at variance with the quantity ordered or varies from the sample from which, or specifications on which, this order was placed, or for failure to comply with Buyer's shipping, packing and invoicing instructions, or billing directions, or is not in conformity with the warranties given by Vendor or with any other provision of this purchase order. Buyer may, however, retain such of the Merchandise as it determines, paying for it at the rate herein provided.
5. **Price:** If prior to delivery there is any reduction in Vendor's regular selling price for goods similar to the Merchandise, the price specified herein will be reduced to Vendor's regular selling price prevailing at the time of delivery, provided, however, that nothing herein contained shall permit an increase in the price specified in this purchase order unless approved in writing and signed by Buyer's authorized representative. Vendor also agrees to either meet the lower prices of its legitimate competition brought to its attention by Buyer before delivery or accept cancellation of this order.
6. **Time of Delivery:** Time of delivery is of the essence. Buyer reserves the right to cancel all or any part of this order if the Merchandise is not shipped when specified herein. Any Merchandise not timely shipped will be held subject to Buyer's right to reject all or any part thereof. This purchase order shall be automatically canceled if not delivered complete prior to the cancel date noted on the face of this purchase order. Any Merchandise received by Buyer after the cancel date is subject to return to Vendor at Vendor's expense, and, if accepted by Buyer, will be subject to an additional handling fee to be assessed by Buyer.
7. **Early Delivery:** If any Merchandise is delivered prior to the ship date specified on the face of this purchase order and if Buyer elects to accept and retain such Merchandise, a charge of two percent of the Merchandise cost for each month (pro-rated for any portion of a month), calculated from the actual ship date until the specified ship date, shall be made against Vendor for storage, service and handling of such early delivery.

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8. **Compliance with Laws:** Vendor represents and warrants that the weights, measures, sizes, legends or descriptions appearing on the Merchandise containers and on labels attached to the Merchandise are true and correct and conform and comply in every respect with all applicable laws, ordinances, rules and regulations of the United States and of each state, city or other jurisdiction in which Buyer does business, and that all Merchandise required to be labeled in any particular manner will be so labeled. Vendor further represents and warrants it has complied with, and the Merchandise conforms to and was manufactured in accordance with, all applicable laws, ordinances and regulations of the United States and of each state, city or other jurisdiction in which Buyer does business including, but not limited to, all Federal Trade Commission ("FTC") rulings, the Fair Labor Standards Act and the Robinson-Patman Price Discrimination Act. VENDOR WILL PROVIDE, WITH EACH SHIPMENT OF MERCHANDISE, WRITTEN NOTICE OF ITS COMPLIANCE WITH THIS PARAGRAH 8.
9. **Continuing Guarantees:** Vendor represents and warrants that, to the extent required, continuing guarantees under the Wool Products Labeling Act, Fur Products Labeling Act, Flammable Fabrics Act, Textile Fiber Products Identification Act and any similar statute have been filed by Vendor with the FTC or that such guarantees shall be furnished to Buyer at the time of or prior to delivery of the Merchandise.
10. **General Warranties:** Vendor warrants that the Merchandise shall be free from defects in material and workmanship, shall be fit and sufficient for the purposes intended, shall be of good and merchantable quality, shall conform to the specifications, samples, and other descriptions furnished with or prior to this purchase order, and shall be in the quantities specified. The warranties made hereunder shall be enforceable by Buyer, its customers and the users of the Merchandise. All warranties, express or implied, shall survive inspection, acceptance, and payment by Buyer or Buyer's customer.
11. **Patent, Copyright, Trademark Infringement:** Buyer may, at its option, return at Vendor's expense, any or all of the Merchandise and cancel this contract where a claim is made that the Merchandise infringes any alleged design rights, patent, copyright, trademark or similar rights or where, in Buyer's reasonable determination, sale of the Merchandise could result in such claims. Vendor agrees to indemnify Buyer and hold it harmless against any and all liability, loss or expense arising from any claims, demands, suits or actions, including costs and counsel fees, by reason of any such claim arising out of, or relating to, the Merchandise or any part thereof. If Buyer returns such Merchandise, Vendor shall immediately return all payments made by Buyer for the returned Goods.
12. **Consumer Claims:** Vendor agrees to indemnify Buyer and hold it harmless against any and all liability, loss or expense arising from any claims, demands, suits or actions, including costs and counsel fees, which a purchaser of the Merchandise from Buyer, or any other person, may make or bring arising from or connected with the use of the Merchandise or any latent or patent defects in the Merchandise, or the dangerous conditions thereof, or any misrepresentation or breach of warranty, expressed or implied, made by Vendor or made by Buyer in reliance on representations or warranties made by Vendor, and agrees to pay all judgments against, and assumes all liability of Buyer with respect to any such matters.
13. **Breach of Vendor Representations:** Vendor agrees to indemnify Buyer and hold it harmless against any and all liability, loss or expense arising from any claims, demands, suits or actions, including costs and counsel fees, attributable to breach or violation by Vendor of any of its obligations, representations, or warranties hereunder. This may include, but shall not be limited to, loss of payment of the Merchandise.

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14. **Inspection:** Buyer may rely on inspection and representations by Vendor and shall be under no duty to inspect the Merchandise before resale. Resale, repackaging, repacking, or cutting up for purposes of resale, shall not be considered acceptance of the Merchandise by Buyer. Buyer may reject or revoke its acceptance of any Merchandise which does not strictly conform with Vendor's obligations hereunder. Complaints or notice of defects in Merchandise or notice of any other breach by Vendor will be considered made within a reasonable time if made to Vendor a reasonable time after notification is received by Buyer from Buyer's customers.
15. **Taxes:** The prices for the Merchandise include all Federal, state and local taxes and fees imposed upon or on account of sale to Buyer. Vendor shall pay any and all such taxes and fees.
16. **Insurance:** Vendor agrees to maintain public liability insurance (including products/completed operations, vendors' liability and contractual liability coverage) with minimum coverage of not less than \$3,000,000 combined single limit. Vendor will furnish Buyer with certificates evidencing such insurance maintained with companies acceptable to Buyer prior to delivery of the Merchandise.
17. **Reimbursement for Buyer's Expenses:** Vendor agrees to reimburse Buyer for all reasonable costs and expenses incurred by Buyer arising from violation or non-compliance by Vendor with any of the terms and conditions of this purchase order, specifically including but not limited to, non-compliance with shipping, packing, labeling and invoicing instructions. Accordingly, any chargebacks, handling fees, storage fees or other charges Buyer may make to Vendor, and any expense, loss or liability incurred by Buyer by reason of Vendor's failure to follow the terms and conditions set forth herein, or any liability, loss or expense incurred by Buyer due to Vendor's breach of any of the warranties set forth herein, are to be paid by Vendor to Buyer on demand and/or may be set-off by Buyer against payment on this order or on any payments for other orders which Buyer owes or may owe Vendor.
18. **Events Beyond Buyer's Control:** Buyer reserves the right to cancel all or any part of this order which has not been delivered by Vendor if Buyer's business is discontinued or interrupted, or if the value of the Merchandise to Buyer would be materially diminished due to strikes, labor disturbances, blackout, riot, fire, embargo, government regulation, Act of God, or any other cause whether like or unlike the foregoing, if beyond the reasonable efforts of Buyer to control. In the event of any such cancellation, Buyer shall have no liability to Vendor.
19. **Waiver:** No waiver or modification of any term or provision of this purchase order shall be effective unless in writing and signed by Buyer's authorized representative. A waiver and /or failure to insist on strict performance of any of the terms or conditions of this purchase order, or the failure to take advantage of any rights provided in this purchase order, shall not constitute a waiver or an excuse for nonperformance of any other terms or conditions of this purchase order or relinquishment of any other rights in this purchase order, or a waiver or excuse of nonperformance or relinquishment of rights regarding any later failure to perform.
20. **Governing Law:** This contract shall be governed by the laws of the Commonwealth of Pennsylvania. Any action arising out of this contract may only be brought by Vendor in a court in the Commonwealth of Pennsylvania which would be the proper venue for actions arising in York, Pennsylvania. Vendor, recognizing that it is contracting with a Pennsylvania company, hereby consents to submit itself to the jurisdiction of any court within the Commonwealth of Pennsylvania and the venue of any court which would be the proper venue for actions arising in York, Pennsylvania.

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- 21. Title, Risk of Loss and Freight Charges:** Vendor retains title to and risk of loss of the Merchandise until it is received by Buyer or its consolidator at the delivery location specified, and Vendor shall pay freight and insurance, as hereinafter specified, to such location. Vendor shall maintain insurance on the merchandise covering all risks during carriage and with limits at least equal to the price herein specified. Such insurance shall be assigned to Buyer to the extent of any payments by Buyer of the price. If part or all of the Merchandise is rejected or if acceptance of part or all of the Merchandise is revoked, the Merchandise shall be returned to Vendor at Vendor's cost and risk.
- 22. EDI Purchase Order Transmission:** If Buyer and Vendor shall agree to EDI transmission of purchase orders, a copy of these terms and conditions will be provided to Vendor by Purchaser prior to, or simultaneous with, Buyer's initial EDI transmittal of a purchase order, and these terms and conditions shall be deemed a part of each and every purchase order transmitted by Buyer via EDI.
- 23. General:** (a) The rights and remedies herein expressly provided shall be in addition to any other rights and /or remedies provided by law, and the exercise of any such right or remedy shall not constitute a waiver of any other right or remedy.(b) Captions are for convenience only and shall not affect the meaning or interpretation of this contract.

SHIPPING, PACKING AND INVOICING INSTRUCTIONS

SHIPPING AND PACKING INSTRUCTIONS:

Vendor shall comply with all applicable requirements contained within The Bon –Ton Department Stores, Inc. Supply Chain Management Guides (the "Supply Chain Guides"), the terms and provisions of which are incorporated herein by reference, including, but not limited to, all Floor Ready requirements and the Specific Route Guide for Vendor. The Supply Chain Guide is posted at the vendor information section of Buyer's website (www.bonton.com).

Any deviation from, or failure to follow, the Supply Chain Guides will result in chargebacks for additional freight charges and/or handling charges and administrative charges.

INVOICING INSTRUCTIONS:

Available @ www.bonton.com, Vendor Logistics, Domestic Vendor Information, Invoicing Instructions.