

- 1. Sale.** As used herein, the term "Seller" shall mean RetroLock Corporation and "Buyer" shall mean the party issuing a purchase order for or otherwise acquiring goods to be supplied by Seller. The Terms and Conditions of Sale contained herein shall apply to all quotations made and purchase orders entered into by Seller. These Terms and Conditions of Sale constitute an offer by Seller to sell products (the "Products") pursuant to the terms and conditions stated herein. THIS OFFER IS EXPRESSLY CONDITIONED ON ACCEPTANCE WITHOUT ADDITION OR ALTERATION. SELLER HEREBY PROVIDES NOTICE THAT IT OBJECTS TO ANY ADDITIONAL OR DIFFERENT TERMS PROPOSED IN ANY INSTRUMENT REQUESTING OR CONFIRMING THIS OFFER OF SALE BY OR ON BEHALF OF BUYER. These Terms and Conditions supersede any provisions, terms and conditions contained on any confirmation, purchase order or other writing the Customer may give or receive, and the rights of the parties shall be governed exclusively by these Terms and Conditions. No contrary, additional or different provisions, terms or conditions shall be binding on the Company.
- 2. Prices; Payment; Setoff.** Unless otherwise provided in writing by Seller, all prices quoted (i) are F.O.B. Seller's facility in City of Industry, California, or other location specified by Seller; (ii) and are based on the quantities specified for delivery; (iii) shall automatically expire sixty (60) calendar days following the quotation date; and (iv) are subject to termination by Seller within such period. Such prices are subject to increase by Seller for (i) any order change made by Buyer and approved by Seller, (ii) with respect to multiple orders pursuant to a single purchase order, for any order confirmed after a general price increase made by Seller, and (iii) orders requiring special inspection, special packaging and certification. In addition, unless otherwise provided in a written quotation or invoice, payment terms shall be Net 30 days or whatever approved by seller and interest shall accrue on all past due invoice amounts at the rate of 1.5% per month (or the maximum amount permitted by applicable law, whichever is lower), and be calculated starting from the fifteenth (15) day of invoice due date. Failure to timely pay any Seller invoice shall cause all subsequent invoices to become immediately due and payable. Seller may set off any amount due from Buyer, whether or not under this agreement, against any amount which may become due to Buyer hereunder.
- 3. Warranties and Remedies.** Seller warrants that all its products are free from defects in workmanship and material under normal use and service for 3 years from the date of purchase. Seller will, at its option, repair or replace defective products with no charge for parts or labor, provided said products are returned to Seller at 17915 Railroad Street, City of Industry, CA 91748 freight prepaid, accompanied by proof of purchase with date and a written notice which includes Buyer's name, address, telephone number, email address, item No. and a brief description of the defect or problem. Seller is not responsible for defects or damages which occur from improper installation, maintenance and storage, shipping and handling, ordinary wear and tear, misuse, abuse, accident, unauthorized service, work done by others, consequential damages, or use of Seller's products with unauthorized non-Seller's parts. This warranty is in lieu of all other express warranties. To the extent permitted by law, no implied warranty of merchantability or fitness for particular purpose shall apply. Seller shall not be liable for any incidental or consequential damages.
- 4. Default; Cancellation.** Buyer shall be liable to Seller for any and all costs and expenses incurred by Seller (including, without limitation, reasonable attorney's fees) in connection with Seller's collection of any past due invoice amounts. In the event that Buyer cancels any order (in whole or in part) placed in connection with this quote without Seller's consent, Buyer shall be liable to Seller for reasonable cancellation charges, which shall include, but not be limited to, all costs and expenses incurred by Seller in preparing to fulfill such order. Cancellations will be accepted only upon receipt of written notice from Buyer and acceptance by Seller. Buyer shall incur a restocking charge of twenty-five percent (25%) of the total invoice for any order cancelled more than ten (10) calendar days after initially placed with Seller.
- 5. Acceptance; Adjustments.** All Products sold by Seller hereunder shall be deemed acceptable by Buyer unless within ten (10) days following Buyer's receipt of the Product, Buyer notifies Seller in writing of any claim that such Products are damaged or defective. Any claims for shortages or invoice discrepancies must be made to Seller in writing within ten (10) days following the invoice date in order to qualify for an adjustment. Claims for loss or damage as a result of shipment must include a copy of the delivery receipt.
- 6. Returns.** No merchandise shall be accepted for credit unless the return has been previously authorized by Seller in writing and Buyer returns the Products in original packaging along with a copy of Seller's authorization for such return. Seller shall replace Products returned to Seller in compliance with applicable Product specifications, provided Seller, in Seller's sole determination, justifies the replacement of such Product. Seller shall not be liable for such replacement Product or Product part. Any credit issued pursuant to the terms herein shall be applied to Buyer's future Product orders. Seller shall not be obligated to issue any refund to Buyer.
- 7. Security Interest.** Buyer hereby grants to Seller a purchase money security interest in all Products covered hereby as security for payment of all amounts due hereunder. Buyer agrees that Seller may take any actions reasonably necessary to perfect, preserve, and protect the security interest created hereby. The Seller shall have all of the remedies of a secured creditor under the Uniform Commercial Code or similar law of the country, kingdom, territory or principality in which Buyer is resident or to which the Products are shipped.
- 8. Option to Accelerate.** Upon written notice to Buyer, Seller shall have the right to demand immediate payment of amounts due hereunder when Seller believes in good faith that the prospect or payment or performance by Buyer hereunder is impaired. The acceptance of Products by Buyer shall constitute an express representation that Buyer is not then insolvent within the meaning of Title 11, United States Code, or similar federal or state law or similar law of any foreign government.
- 9. Taxes.** Any tax, duty, custom, impost or other fee of any nature imposed upon this transaction by any Federal, State, local or foreign governmental authority shall be paid by Buyer in addition to the price quoted or invoiced. In the event Seller is required to prepay any such tax, Buyer will promptly reimburse Seller for same.
- 10. Contingencies.** Seller will make reasonable efforts to fulfill orders; however, Seller will not be liable for any delay in performance or nonperformance on the part of Seller, directly or indirectly caused by fire, explosion, accidents, flood, labor trouble or shortage, war, act or regulation of any government, inability to obtain suitable material, equipment, fuel, power or transportation, or act of God; arising from contingencies, happenings or causes beyond the reasonable control of Seller. Quantities so affected by any such circumstances may be reduced by Seller without liability, but this agreement shall otherwise remain unaffected.
- 11. Shipment; Risk of Loss; Title.** Unless otherwise agreed to in writing by the parties, deliveries of the goods shall be F.O.B. Seller's facility in City of Industry, CA, or other location specified by Seller. Seller shall not be obligated to deliver Product orders totaling less than \$50.00 (\$200.00 for international orders). Seller shall use its reasonable efforts to place the goods in the possession of a carrier and to make a contract for their transportation as may be reasonable, having regard for the nature of the goods and generally accepted commercial standards. Buyer shall be responsible for and pay all expenses paid or incurred by Seller in delivering the goods. Buyer shall be responsible for insuring the goods during shipment. Risk of loss of the goods shall pass to Buyer at the time the goods are tendered to such carrier.
- 12. Cancellation; Modification; Suspension.** Cancellation, modification, suspension, or delay in shipment of Buyer's order shall not be accepted on terms which will not fully indemnify and reimburse Seller against loss; such indemnity to include recovery of all direct costs incurred and a normal profit.
- 13. Credit Approval.** Shipments, deliveries and performances of work shall at all times be subject to the approval of the Seller's credit department. Seller may at any time decline to make any shipment or delivery or perform any work except upon receipt of payment in advance or upon such other payment terms as are acceptable to Seller's credit department.
- 14. Notice.** Unless otherwise agreed in writing by the parties, all notices to the parties regarding this Agreement shall be sent to Buyer's and Seller's designate all at the address on the signature page of this Agreement.
- 15. Waiver.** No claim or right arising out of a breach of any agreement to purchase Products by Buyer may be discharged in whole or in part by a waiver or renunciation of the claim or right by Seller unless supported by consideration and in writing signed by Seller. No waiver of a breach shall operate or be construed as a waiver of any subsequent breach.
- 16. Assignment.** Buyer shall not assign or transfer any of its rights or obligations hereunder without Seller's prior written consent.
- 17. Governing Law; Venue.** The contract made by acceptance of this offer shall be deemed made in the State of California and shall be governed by and construed in accordance with the laws of that state, without regard or giving effect to its principles of conflicts of laws principles, as if fully performed in California. In addition, Buyer agrees that any and all disputes arising out of or in connection with such contract shall be resolved exclusively in the state and/or federal courts located within the State of California, which shall have exclusive jurisdiction.
- 18. Entire Agreement.** Upon acceptance by Buyer, these terms and conditions shall contain the entire agreement of the parties regarding the subject matter hereof and shall supersede any and all purchase orders, bills of lading, invoices, letters of intent, agreements, understandings and negotiations regarding same. Any change affecting these Terms and Conditions of Sale must be approved in writing by Seller.
- 19. Severability.** If any provision, clause or part of these Terms and Conditions or any agreement between the Buyer and Seller, or the application thereof is held invalid, the remainder of any such agreement, or the application if such provision, clause or part under other circumstances shall not be affected thereby.
- 20. Binding Effect.** These Terms and Conditions shall be binding and inure to the benefit of the parties hereto, their successors and assigns, or other legal representatives.
- 21. Miscellaneous.** Orders will be considered complete when shipped within 10% over or under order quantities unless otherwise specified on customer orders. Prepaid transportation charges will be shown as a separate invoice item. Additional charges will be reflected on all orders requiring Special Inspection, Special Packaging and Certification. All orders are accepted on the basis of a \$50 minimum invoice total for each shipping destination; export orders, \$200. All tools remain the property of RetroLock Corporation.