

## Terms and Conditions of Sale

The terms and conditions of sale set forth below are between Carrdan Corporation, hereinafter referred to as "Seller" and the party to whom the offer is submitted, hereinafter referred to as "Buyer". These terms and conditions constitute an offer on our part upon the terms and conditions set forth below.

If this order acknowledgement or confirmation responds to or follows any request for quotation and/or purchase order which could be reasonably construed as an "offer" from the Buyer and which offer contains terms and conditions different from and/or additional to those set forth below, then this acknowledgement shall not constitute an acceptance of the Buyer's offer. Seller's acceptance of any purchase order is expressly conditional on Buyer's assent to the terms and conditions set forth below.

**Prices:** Prices based on F.O.B. point of shipment, unless otherwise specified in writing. If shipment of an order is delayed by Buyer, Seller shall have the right to increase the price charged for any item ordered to reflect the prices in effect at time of shipment.

**Payment:** Payment shall be net thirty (30) days after date of invoice, unless other specified in writing. Seller may issue an invoice one year after date of order for goods ready for shipment even though shipment is delayed by Buyer. Under no circumstances will the thirty (30) day term be construed to begin after the goods arrive at the Buyer's facility or after the occurrence of any other contingency.

**Cancellation by Seller:** Seller reserves the right to cancel all or part of any order at any time if, in the Seller's reasonable judgment, the financial condition of the Buyer, or the status of the account, warrants such action. Buyer agrees to authorize its creditors to disclose to Seller information concerning Buyer's credit worthiness, upon the Seller's request.

**Deliveries:** Delivery dates are approximations and time shall not be of the essence in any contract created by the acceptance of this offer. In no event shall Seller be liable for any damages or contingent expenses caused by delays in delivery.

**Title:** Title and possession of the goods which are the subject of this acknowledgement pass to the buyer on delivery FOB point of shipment, or as otherwise specified. In the event Buyer does not indicate routing, Seller reserves the right to specify the routing of all shipments.

**Warranty and Limits of Liability:** Seller warrants that at the time of shipment, all goods sold by it shall be free of defects in workmanship and material under normal use and service, provided, however, that the goods are in possession of the Buyer, that the Buyer gives the Seller reasonable written notice of any defects, and that the goods have not been taxed beyond their normal capacity or have not been abused or altered in any way. This warranty extends for a period of three (3) months from the date of shipment if the goods are used in a single shift operation or forty-five (45) days in a multi shift

operation. Buyer's remedy for such breach shall be the replacement by Seller of any parts, FOB destination, without obligation of the Seller for installation of replacement parts. This remedy is expressly agreed by the parties to be the Buyer's sole and exclusive remedy. In no event shall Seller be liable for loss of use or for any indirect, incidental, or consequential damages, including, but not limited to consequential damages for personal injuries. The parties expressly agree that this disclaimer shall remain in effect in the event that the Buyer's sole and exclusive remedy fails of its essential purpose. All other warranties, direct or implied, including the implied warranties of merchantability and fitness for particular purpose, are hereby excluded.

**Cancellation:** In the event of any cancellation by buyer:

- A. Any items completed at the time of receipt of written cancellation notice will be shipped and invoiced at the contract price.
- B. Work on the balance of the order will be stopped as promptly as reasonably possible and Seller shall be reimbursed for all actual expenditures, commitments, liabilities, and costs determined in accordance with good accounting practices made or incurred with respect to such incomplete items.
- C. At Seller's option, a cancellation and / or restocking fee may be imposed. In no case will this amount be less than 25% of the purchase order amount or \$50.00 per line item, whichever is greater.

**Claims and Adjustments:** No shortage claim or error in shipment unless reported in writing to Seller within ten (10) days of receipt of material. Returns, regardless of reason, will not be accepted without prior written authorization by Seller. Returns must be properly packaged to prevent damage and are returned prepaid by the buyer by the best and most economical means.

**Statute of Limitations:** Buyer agrees that any action of any kind by the Buyer against the Seller must commence on or before the first anniversary of the date the right, claim, demand or cause of actions shall have first occurred.

**Arbitration:** Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any Court having jurisdiction thereof.

**Sole Agreement:** This proposal supersedes and cancels any previous understanding or agreement, written or implied, between the parties relating to the goods covered hereby. It expresses the complete and final understanding of the parties in respect thereto, and may not be changed in any way except in writing by both parties.