

AlfaMag Electronics LLC Terms of Sale:

1. **Prevailing Terms:** The Terms and Conditions as listed below are exclusive and cannot be altered by any other terms and conditions appearing on Purchaser's purchase order or elsewhere and apply to all quotations made and orders accepted by AlfaMag Electronics LLC (hereinafter "Seller") unless expressly agreed by Seller to the contrary on the face of the order acknowledgement or quotation, or as provided in Section 10 hereunder.

2. **Pricing and Terms:** Purchaser shall pay the price stated in the Quotation accompanying these Terms and Conditions, or if no such quotation is provided, the Seller's published price for the goods at the time of shipment less any applicable discounts or other net prices that may be in effect at the time. All prices are F.O.B. shipping point unless otherwise agreed to in writing by Seller. All orders are subject to Seller's written acceptance and to approval of Purchaser's creditworthiness, which may be subject to change over time.

3. **Payment:** Payment terms will be cash in advance, COD, or payment with major credit card. If Seller extends net 30 payment terms, purchaser agrees to pay Seller for the goods within thirty (30) days after the date of Seller's invoice or as otherwise required by Seller. Interest at the rate of 18% per annum (1½% monthly) or the maximum interest rate permitted under Texas law, whichever is less, will be charged on all amounts not paid when due. In the event Seller is required to seek the aid of any attorney for collection under this Quotation, Purchaser agrees to also pay reasonable attorneys' and other fees (not less than 10% of the delinquent amount plus court costs). Payment is due at the remit to of the Seller at the address stated in the Invoice. Shipping address shall be deemed the place of performance.

4. **Shipment of Goods:** Method and route of shipment is at Seller's discretion. Seller will endeavor, but is not obligated, to use the most economical method of shipment. [Seller will seek to comply with explicit shipping instructions provided to Seller in writing at least 5 days prior to shipment, but Seller's failure to comply with such instructions shall result in no liability to Purchaser.]

a. **Shipment Dates:** All shipment dates are approximate. The estimated shipping schedule is Seller's best estimate based upon current inventory and commitments. Seller is not liable or responsible in any way for any delay in shipment arising from causes beyond its control including, but not limited to, the outbreak of war, governmental regulations or actions, demands by any governmental authority, restraining orders of any judge or court, fire, flood, strike or other labor disputes, failures of suppliers or subcontractors, accidents, or material shortages. The happening of any contingency beyond the Seller's reasonable control shall not constitute cause for cancellation of the Purchaser's order, but shall extend the Seller's time to ship goods for a period equal to the duration of such contingency. Buyer shall take the total order quantity within 12 months of date of order, or Seller shall have the option to requote/reprice the product.

b. **Freight Costs:** Purchaser will pay all freight costs incurred, including any costs associated with specific routing and special handling. Seller reserves the right to make partial shipments and will pay any additional freight charges incurred as a result of partial shipments made for Seller's convenience.

c. **Risk of Loss:** All right and title to the goods pass to Purchaser when such goods are delivered to the carrier and shall in no manner diminish Purchaser's obligation to pay Seller. All claims, damages, costs or other requests related to damage in transit, shortage, non-delivery or similar losses must be filed and settled by Purchaser with such carrier and shall in no manner diminish Purchaser's obligation to pay Seller.

d. **Drop Shipment:** Seller may, in its discretion, make drop shipments to Purchaser's customers at the request of Purchaser. Seller shall reimburse Purchaser for all shipping charges and other expenses in connection therewith.

5. **Additional Charges:** Prices quoted are based upon and apply to, the quantity reflected on Seller's order acknowledgement. Orders for goods may be cancelled only with the written consent of the Seller and payment of a cancellation charge reflecting Seller's loss of profits and only losses on cancellation. Purchaser shall be responsible for any cancellation charges, work-in-progress costs or other cases relating to goods or product purchased from third parties that cannot be returned or if returned are subject to a restocking charge. Purchaser further agrees that if Seller allows a cancellation of any order, in whole or in part, Purchaser will pay all appropriate restocking or cancellation charges and if such charges are designated in advance in this document the Purchaser agrees and represents that said amount is reasonable.

6. **Returned Goods and Non-Conforming Goods:** Goods purchased pursuant to this Quotation may be returned for credit or refund only upon receipt of authorization from Seller, which shall provide return material authorization numbers to assure correct identification of, and appropriate credit (if any) to, the Purchaser. All goods must be returned freight pre-paid. **NO GOODS WILL BE ACCEPTED WITHOUT PRIOR AUTHORIZATION.** A restocking fee of twenty percent (20%) will be charged on all goods accepted for credit or refund provided such goods were shipped within the last six months, are in unopened packages, are currently available on Seller's published price list and are in good condition. Any goods discontinued or custom made by Seller are not returnable. All goods returned to Seller under terms of this provision more than 30 days after receipt by Purchaser will be credited to Purchaser using a formula of, "Base Price minus Restocking Charges," where

(a) Base Price will be determined by the lower of (a) the original net invoice price to Purchaser (net price after rebates), or (b) the current net price of the product returned; and

(b) Restocking Charge will be the greater of (a) \$10 per unit, (b) 20% of the Base Price, plus (c) the sum of any and all refurbishment costs and additional warranty costs incurred by Seller in refurbishing such units to safety, functional and cosmetic conditions which meet Seller's standards.

Goods ordered by Purchaser and acquired by Seller from third-party sources and goods manufactured or assembled by Seller pursuant to Purchaser's specification shall be returnable only if such goods fail to conform to Purchaser's specifications. Goods acquired from third-party sources shall be considered conforming if they meet or exceed industry specifications for similar or like items. Specially manufactured or assembled goods shall be considered conforming if they meet or exceed Seller's specifications. Purchaser must give notice to Seller of any such defect or non-conformity in writing and in detail within fifteen days (15) of receipt of the goods or Purchaser's rights of complaint or legal remedy is waived. If notice is timely given, then upon authorization by the Seller for return, the goods may be returned by the Purchaser freight pre-paid. Purchaser must give notice to Seller of any non-conformity regarding the type of items shipped or the quantity shipped in writing within twenty-four hours after receipt of shipment, or legal remedy is waived. If credit and/or replacement of the returned goods are approved by the Seller, the Purchaser must return the goods to Seller within fifteen (15) days of the Seller's acknowledgement for return. Seller shall not deem acceptance of the return merchandise or acknowledgement to return the merchandise a concession or acknowledgement of defect or non-conformity. In any event, Seller shall not accept returned goods without the Purchaser's written statement fully describing the alleged defects. If Seller determines that in fact the goods are non-conforming or defective, then at Seller's option, Seller shall credit Purchaser for the cost thereof, return the goods to the supplier for rework or replace the goods. If the defect or non-conforming nature of the goods is not as a result of the fault of Seller then Purchaser shall be liable for the cost of rework or replacement and all associated costs therewith including but not limited to transportation and inspection fees. Time is of the essence in these terms and conditions.

7. **Limitation of Liability:** Purchaser agrees that regardless of the claim or the form in which any legal or equitable action may be brought by the Purchaser against Seller, Seller shall not be liable for any indirect, special, consequential or exemplary damages, including but not limited to loss of profits or revenues, promotional or manufacturing expenses, labor expenses, overhead, injury to reputation, loss of customers or any other matters. Purchaser's recovery from Seller for any claim shall not exceed Purchaser's purchase price for the goods irrespective of the nature of the claim, whether in contract, tort, warranty, or otherwise. Failure to give Seller notice of any claim within 90 days from the date of delivery, or the date fixed for delivery (in the case of non delivery) shall constitute a waiver by Purchaser of all claims in respect of such goods. Purchaser's exclusive remedy for Seller's breach hereunder shall be to return the goods to Seller and to receive a refund of the purchase price or, at Seller's option, to receive goods reworked to make them conforming or to receive new product.

8. **Warranty:** EXCEPT AS SPECIFICALLY PROVIDED TO PURCHASER IN WRITING, SELLER SPECIFICALLY DISCLAIMS ALL WARRANTIES EXPRESSED OR IMPLIED INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ITS INTENDED PURPOSE AND ALL GOODS ARE TENDERED ON AN AS-IS BASIS BETWEEN MERCHANTS. SELLER WARRANTS THAT THE GOODS CONFORM TO THE SPECIFICATIONS DELIVERED TO PURCHASER. IF ANY MODEL OR SAMPLE WAS SHOWN TO PURCHASER, SUCH MODEL OR SAMPLE WAS USED MERELY TO ILLUSTRATE THE GENERAL TYPE AND QUALITY OF GOODS AND NOT TO REPRESENT THAT THE GOODS WOULD NECESSARILY CONFORM TO THE MODEL OR SAMPLE.

9. **Acceptance of Purchaser's Order:** ACCEPTANCE OF THE PURCHASER'S ORDER DOES NOT CONSTITUTE ACCEPTANCE OF THE PURCHASER'S TERMS AND CONDITIONS OF SALE QUOTED THEREIN unless said terms are (i) manually typed (not printed) on Purchaser's order and (ii) specifically authorized and accepted by the written consent of the Seller. Failure of Seller to object to the terms and conditions in Purchaser's order shall not constitute their acceptance.

10. **Taxes:** All taxes, excises or other charges Seller may be required to pay to any Government (national, state or local) upon the sale, production or transportation of the goods are the sole obligation of Purchaser. To the extent Seller pays or collects any such tax, excise or other charge, Purchaser shall reimburse Seller.

11. **Notice:** Notice shall be deemed effective when received or refused if sent to the other party at the address provided on the accompanying Quotation by pre-paid, certified mail, return receipt or verification of delivery requested.

12. **Applicable Law:** Any agreement arising from this Quotation, Purchaser's purchase order, Seller's order acknowledgement, or the actions of Seller and Purchaser, shall be governed under the laws of the State of Texas.

13. **Non-Assignment:** Purchaser may not assign his rights of receiving goods from the Seller without the prior written consent of the Seller. Such consent, if given, will not relieve Purchaser of its primary obligation of payment.

14. **Complete Agreement:** The Terms and Conditions set forth herein together with any documents specifically incorporated herein constitute the entire agreement between Purchaser and Seller with respect to any order and supersede completely any oral or written communications unless the terms thereof are expressly incorporated in Sellers' acknowledgement.