

STANDARD TERMS AND CONDITIONS OF SALE

1. SCOPE: The terms and conditions of sales contained herein apply to all quotations made and purchase orders entered into by the RESCO Electronics (hereinafter referred to as Seller) and the Buyer. The present terms and conditions may in some instances conflict with the terms affixed to the form or order blank and/or specified by the Buyer. Therefore, acceptance of the Buyer's order is made only on the express understanding and condition that insofar as these standard terms and conditions conflict with any terms and conditions of the Buyer's order, these standard terms and conditions shall govern. Any changes in the standard terms and conditions of sales contained herein must specifically be agreed to in writing by an authorized officer of the Seller before becoming binding on either the Seller or the Buyer. These terms and conditions of sale shall be applicable whether or not they are attached to or enclosed with the products sold or to be sold.
2. QUOTATION: Unless otherwise stated, prices quoted by Seller to Buyer are valid for a period of thirty (30) days from the date of quotation.
3. ORDERS: All orders are subject to final acceptance by the Seller. The Seller reserves the right to accept or to reject any order from any Buyer, in whole or in part. The Seller reserves the right (without prejudice to any other remedy) to cancel any uncompleted order or to suspend delivery in the event of any of the Buyer's obligations to the Seller not being complied with or in the event of any act or omission of Buyer which delays Seller's performance. If the Seller cancels any order due to the Buyer's failure to comply with the terms and conditions set herein, Buyer will indemnify the Seller against all losses, including cost of all labor, materials, overheads, damages, charges, expenses and attorney's fees and costs arising out of the order and its cancellation. Blanket orders will be accepted for annual quantity pricing, provided they are firm orders for a stated quantity and total delivery is accepted by the Buyer within one (1) year after date of blanket order entry. Unless otherwise stated, prices are firm but subject to changes in sales taxes and other direct taxes between date of order, acceptance, and date of shipment.
4. PRODUCTION SCHEDULING: For quotations relating to any goods that are being manufactured or modified by the Seller, production and/or shipment dates provided by the Seller to the Buyer are tentative until the written acceptance of the quotation by the Buyer is received by the Seller. Once the Seller has received written acceptance, the Seller will set actual production dates and will inform the Buyer of the expected shipment date.
5. TITLE AND DELIVERY: The goods shall be delivered F.O.B. Seller's plant or designated warehouse and title thereto and liability for loss of damage in transit or thereafter shall pass to Buyer upon Seller's delivery of the goods in good condition to a common carrier for shipment to Buyer or upon Seller's delivery of the goods directly to Buyer at Seller's plant or designated warehouse if no common carrier is required. Buyer shall pay all shipping costs. Seller retains a security interest in the goods until the entire payment due and all other monies payable hereunder are paid in full. Buyer agrees that a copy of this Agreement is sufficient and may be recorded as a financing statement. A financing statement may be filed without Buyer's signature on the basis of this Agreement. Unless instructions from buyer specify the method of shipment to be used, the Seller will exercise its own discretion. Times quoted for shipments will date from receipt by Seller of order accompanied by all necessary information enabling work to commence together with any import license and/or permits, which may be necessary, or letters of credit or other instruments of payment which may be requested by Seller. Shipping dates are estimated only and not guaranteed. The Seller shall not be liable for failure to meet such dates. Seller will in no event be liable for delay or non-delivery due to causes beyond its reasonable control, including, but not limited to, acts of God, acts of civil or military authority priorities, fires, strikes, lockouts, slowdowns, factory or labor conditions, errors in manufacture and inability to obtain necessary labor, materials or manufacturing facilities. In the event of such delay, the date of delivery shall, at the request of the Seller, be deferred for a period equal to the time lost by reason of the delay.
6. TAXES: All federal, state, county, local or other taxes, levies or duties (of whatsoever nature) applicable to the goods sold, shall be paid by the Buyer, in lieu thereof, the Buyer shall provide the Seller with a tax exemption certificate acceptable to the taxing authorities.
7. PAYMENTS: All orders are subject to credit approval before acceptance. All invoices are due and payable in United States currency without discounts thirty (30) days from date of invoice, unless other terms are set by Seller in writing. If, in the Seller's judgment, the Buyer's financial condition does not at any time justify the terms of payment specified, the Seller may cancel any unfilled orders unless the Buyer shall at the Seller's option:
 - (a) Immediately pay for any goods delivered or manufactured to Buyer's specification; or

- (b) Pay in advance for all goods ordered but not delivered; or
- (c) Make any other credit or payment arrangements acceptable to Seller.

Each shipment shall be considered a separate and independent transaction, and payment therefore shall be made accordingly. In the event of any default by the Buyer, Seller may decline to make further shipments without in any way affecting its rights under such order. If, despite any default by the Buyer, the Seller elects to continue to make shipments, its action shall not constitute a waiver of any default by the Buyer or in any way offset the Seller's legal remedies for any such default. In the event of any default by the Buyer, Seller shall be entitled to receive from the Buyer all expenses arising out of such default, including attorney's fees and costs through appeal.

- 8. PATENTS: The Buyer shall indemnify and hold the Seller harmless against any expense or loss resulting from any claims for actual or alleged infringement of patents or trademarks arising from compliance with Buyer's designs, specification or instructions.
- 9. WARRANTY: The Seller warrants that any goods that Seller has manufactured or modified on behalf of the Buyer will comply to the Buyer's specifications relating to the goods and/or the Seller's normal standard of workmanship. The Seller shall incur no liability under this warranty unless:
 - (a) The Buyer notifies the Seller in writing upon discovery of any such latent or patent defect in the goods within ninety (90) days from the date of shipment of the goods to the Buyer;
 - (b) After issuance of a Return Material Authorization (RMA) by the Seller, the Buyer returns to the Seller the allegedly defective goods within thirty (30) days; and
 - (c) After the return of the goods, the Seller's tests disclose that the goods do not meet Buyer's specifications by reason alone of defects of material and/or deviation from Seller's normal standard of workmanship.

The liability of the Seller shall in any event be limited to either the repair or replacement of the defective goods sold hereunder at the Seller's expense. In no event shall the Seller be responsible for defects due to physical damages suffered to the goods as a result of improper handling and/or storage during or after shipment, misuse, neglect, improper installation or operation, repair, alterations, accident, or for any other cause not attributable to defects of material or of workmanship on the part of the Seller. In no event shall the damages for which the Seller may be liable to the Buyer exceed the sale price to the Buyer for

the defective goods sold hereunder. Seller is not liable for special, incidental or consequential damages, including, but not limited to cost of removal and reinstallation of goods, loss of good will, loss of profits, storage, or loss of use, however caused, whether by negligence of Seller or otherwise. Seller's warranties as herein set forth shall not be enlarged, diminished or affected by, and no obligation or liability shall arise or grow out of Seller's rendering of technical advice or service in connection with Buyer's order of the goods furnished hereunder. THIS WARRANTY IS IN LIEU OF ANY OTHER WARRANTY, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND OF ALL OTHER OBLIGATIONS ASSUMED BY ANY EMPLOYEE, AGENT, OR REPRESENTATIVE. FURTHER, THIS WARRANTY ONLY APPLIES TO GOODS EITHER MANUFACTURED OR MODIFIED BY THE SELLER, IT DOES NOT APPLY TO ANY GOODS EITHER DISTRIBUTED OR BROKERED BY THE SELLER.

- 10. RETURNS AND CANCELLATIONS: UNLESS OTHERWISE STATED IN WRITING BY THE SELLER, ORDERS ARE NON-CANCELABLE AND NON-RETURNABLE (except as provided for under the Warranty described herein). In those instances where the Seller approves the return of goods, the Seller will issue a Return Material Authorization (RMA) to the Buyer. Once an RMA is issued, the Buyer must return the goods within thirty (30) days to the Seller in salable condition, as determined by the Seller, with all return freight charges paid by the Buyer.
- 11. ASSIGNMENT: The Buyer shall not assign its order or any interest therein or any rights thereunder without the prior written consent of Seller.
- 12. INTERPRETATION: THE BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS. FURTHER, THE BUYER AGREES THAT IT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES, WHICH SUPERCEDES ALL PROPOSALS OR PRIOR AGREEMENTS, ORAL OR WRITTEN, AND ALL OTHER COMMUNICATIONS BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT. The rights and obligations arising under this agreement shall be governed by the laws of the State of Maryland. Venue in any action arising hereunder shall lie in Baltimore County, Maryland.