



## TERMS AND CONDITION OF SALE

**PLEASE NOTE:** Claims for pricing errors, shortages and defective products must be reported within 10 days from receipt of goods. Returned products will not be accepted after 30 days from the invoice date, and may be subject to restocking fees in accordance with Pacific Rim Electronics Corporation's return policy. Pacific Rim Electronics standard product purchase orders may not be canceled within 60 days of original shipping date. Pacific Rim Electronics non-standard product purchase orders are non-cancelable and non-returnable. All schedule changes must be requested prior to 30 days of original shipping date. Maximum schedule change "push-out" shall be no more than 30 days from original shipping date. Pacific Rim Electronics reserves the right to review all schedule and quantity changes and make pricing changes as needed. NO CREDIT WILL BE GIVEN FOR PRODUCTS RETURNED WITHOUT PRIOR AUTHORIZATION.

Please also note that IN NO EVENT SHALL PACIFIC RIM ELECTRONICS 'S TOTAL LIABILITY FOR ANY AND ALL LOSSES AND DAMAGES ARISING OUT OF ANY CAUSE (INCLUDING, BUT NOT LIMITED TO, CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT) EXCEED THE PURCHASE COST OF THE PRODUCTS. IN NO EVENT SHALL PACIFIC RIM ELECTRONICS BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES.

Placing an order with Pacific Rim Electronics constitutes an acknowledgement that you have read and agree to the "Terms and Conditions of Sale."

**1. Prices:** Pacific Rim Electronics reserves the right to increase the price of products by written of product to be sold and are based upon the quantity of each type and each size ordered at any one time. If any order is reduced or cancelled by the Buyer with Pacific Rim Electronics' consent, the prices shall be adjusted to the higher prices, if applicable, for the uncanceled quantity.

Unless otherwise agreed, Pacific Rim Electronics reserves the right to ship and bill ten percent more or less than the exact quantity specified.

**2. Taxes:** Unless otherwise specified in the quotation, the prices shown do not include any taxes, import, or export duties, tariffs, or customs charges. The Buyer agrees to pay Pacific Rim Electronics the amount of any federal, state, county, municipal, or other taxes, duties, tariffs, or custom charges levied by any jurisdiction, foreign or domestic, which Pacific Rim Electronics is required to pay on account of the ownership at the place of installation or during transit of the material or equipment which is the subject of this contract, or an account of the transportation, sale, or use of the material or equipment.

**3. Payment Terms:** Unless otherwise stated in a separate agreement or in Pacific Rim Electronics's quotation, payment terms are thirty days net from the date of invoice, subject to approval from Pacific Rim Electronics of amount and terms of credit. Pacific Rim Electronics reserves the right to require payment in advance or C.O.D. and otherwise modified credit terms. When partial shipments are made, payments therefore shall become due in accordance with the above terms upon submission of invoices. If, at the request of the Buyer, shipment is postponed for more than thirty days, payment will become due thirty days after notice to the Buyer that products are ready for shipment. These terms apply to partial as well as complete shipments on the debt at the lesser of 18% per year, or the maximum then permitted by California law, from the due date until the Buyer pays the debt in full.

**4. Shipment:** All shipments will be made F.O.B. Pacific Rim Electronics's shipping point. In the absence of specific instructions, Pacific Rim Electronics will select the carrier. Title to the material shall pass to the Buyer upon delivery thereof by PACIFIC RIM ELECTRONICS to the carrier or delivery service. Thereupon the Buyer shall be responsible therefore. Products held for the Buyer, or stored for the Buyer, shall be at the risk and expense of the Buyer. Claims against PACIFIC RIM ELECTRONICS for shortages must be made in writing within ten days after the arrival of the shipment. Pacific Rim Electronics is not required to notify the Buyer of the shipment.

**5. Delivery:** Shipping dates are approximate.

**6. Packing:** Unless otherwise specified, prices quoted herein include normal Pacific Rim Electronics packaging. If special packaging is required by the Buyer, an additional charge will be made.

**7. Inspection:** Unless the Buyer notifies Pacific Rim Electronics in writing within ten days from the date of receipt of any products that says the products are rejected, they will be deemed to have been accepted by the Buyer. In order for the notice of rejection to be effective, it must also specify the reasons why the products are being rejected. Any rejected products must be returned to Pacific Rim Electronics within thirty days of rejection or the rejection shall be void and of no effect. Notwithstanding the preceding sentence, no returned goods will be accepted for credit unless written permission is first obtained from Pacific Rim Electronics.

**8. Limitation of Liability:** Pacific Rim Electronics shall not be liable for any loss, damage, cost of repairs, or incidental or consequential damages of any kind whether or not based upon express or implied warranty, negligence, or strict liability arising out of or in connection with the design, manufacture, sale, use, repair, or delivery of the product, or the engineering designs supplied to the Buyer. Without limiting the generality of the foregoing: if conditions arise which prevent compliance with delivery schedules, Pacific Rim Electronics shall not be liable for any damage or penalty for delay in delivery, or for failure to give notice of delay, and such delay shall not constitute grounds for cancellation or price adjustment: in addition, Pacific Rim Electronics shall not be liable for delay in delivery without regard to the cause of the delay, and delivery dates shall be deemed extended for a period equal to such delay.

**9. Fair Labor Standards Act:** Pacific Rim Electronics certifies that products furnished hereunder have been or will be produced in compliance with the Fair Labor Standards Act, as amended and regulations and orders of the U.S. Department of Labor issued there under, Pacific Rim Electronics agrees that this statement may be considered as the written assurance contemplated by the October 26, 1949 amendment to said Act.

**10. Modifications:** Unless otherwise provided, Pacific Rim Electronics reserves the right to modify the specifications of products ordered by the Buyer providing that the modifications do not materially affect the performance.

**11. Termination:** In the event of the complete or partial termination or cancellation of this order for the convenience of the Government, settlement shall be made by negotiations in accordance with the Termination Clause for Subcontractors set forth in Armed Services Procurement Regulation 8-706. If the Buyer attempts to terminate or cancel this order, entirely or partially, other than for the convenience of the Government, it shall constitute a material breach of contract unless consent to said termination is obtained by the Buyer from Pacific Rim Electronics in writing. In any event, the prices of all items delivered, and all items which have been furnished but not yet delivered, will be adjusted upward to the applicable price for the lesser quantities thereby purchased. Pacific Rim Electronics may terminate or cancel this order in whole or in part at any time prior to the completion of performance by written notice to the Buyer without incurring any liability to the Buyer for breach of contract or otherwise.

**12. Indemnity and Waiver of Subrogation:** Buyer agrees to indemnify and hold Pacific Rim Electronics harmless from any cost, liability or expense, including attorney's fees, which arises from or relates to any third party claim for personal injury (or death), property damages, or other loss allegedly based upon defective design, material, or workmanship of any product sold or furnished by Pacific Rim Electronics, or allegedly based on any breach by Pacific Rim Electronics of any of its contractual or other obligations. The Buyer represents that any liability insurance policies which the Buyer may have shall provide that subrogation rights against supplies such as Pacific Rim Electronics are waived.

**13. Governing Law:** The terms of this agreement and all rights and obligations under it shall be governed by the laws of the State of California.

**14. Errors:** Pacific Rim Electronics reserves the right to correct clerical or stenographic errors or omissions.

**15. Entire Contract:** The provisions of the Agreement and any accompanying documents constitute all the terms and conditions agreed upon by the parties and replace and supercede any inconsistent provisions on the face and the reverse side of the Purchase Order, Invoice, and Packing Slip. No modifications of this Agreement shall be valid unless in writing and duly signed by a person authorized by Pacific Rim Electronics. The provisions of this Agreement shall not be modified by any usage of trade, or any course of prior dealing or acquiescence in the course of performance.

**16. Disputes:** Disputes between Pacific Rim Electronics and the Buyer shall be resolved in accordance with the laws of the State of California without resort to said state's Conflict of Law rules. Pending final resolution of a dispute, Pacific Rim Electronics shall proceed diligently with the performance of an order in accordance with Pacific Rim Electronics's decision. In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this agreement, the prevailing party shall be entitled to reasonable attorneys' fees and any other costs incurred in that proceeding in addition to any other relief to which it is entitled.