

STANDARD CONDITIONS OF SALE

Any acceptance contained herein is expressly made conditional on purchaser's assent to the additional or different terms contained in this acknowledgement form.

Acceptance of orders: All orders are subject to acceptance by authorized Arlon personnel at Division Headquarters.

Scheduling: Shipping dates are approximate and are based upon prompt receipt of all necessary information. The Purchaser shall furnish to Arlon written shipping instructions with sufficient time to permit Arlon to make shipment at Arlon's option within the time or times herein specified for shipment. In the event of a delay in delivery due to any reason described in force majeure below, the deliver date shall be deferred for a period equal to the time lost by reason of the delay. In the event such delay shall continue for more than two weeks, then, at Arlon's option, the order will be deemed cancelled without liability to Arlon.

Delivery and Transportation: Unless otherwise agreed to in writing by authorized Arlon personnel, delivery of the products hereunder shall be made FOB at the point of shipment, with delivery to the initial carrier to constitute delivery to the Purchaser. Title to products passes to the Purchaser and products are at risk of the Purchaser from and after delivery to the initial carrier. Transportation expenses will be paid by the Purchaser and risk of loss, shortage, delay or damage to products in transit shall fall upon the Purchaser, whose responsibility it shall be to file claims with the carrier.

Prices: Prices are subject to change without notice, unless expressly designated as firm for a specific period pursuant to a written quote or sales acceptance issued by Arlon.

Taxes: Prices do not include foreign or domestic sales, use, excise, or similar taxes. Consequently, in addition to the prices specified herein, the amount of any present or future sales, use, excise, or other general or specific tax, or imports, duties or penalties or other government charges fixed or imposed by any lawful authority(s) upon or applicable to the production, sale, shipment, delivery or use of the products sold hereunder shall be added to the price and be paid by the Purchaser or, in lieu thereof, the Purchaser shall provide Arlon with tax exemption certificate acceptable to the taxing authorities.

Warranty: Arlon further warrants that all products and services furnished hereunder have been produced in full compliance with all applicable laws and regulations, including the relevant requirements of Section 6, 7 and 12 of the Fair Labor Standards Act, as amended, and regulations and orders of the U.S. Department of Labor issued under Section 14 thereof; Arlon shall also be in compliance with pertinent requirements of Executive Order 11141 and 11246, as well as the Rehabilitation Act of 1973 as amended.

THE FOREGOING STATES THE SOLE AND EXCLUSIVE WARRANTIES BY ARLON. THE WARRANTIES STATED IN THIS PARAGRAPH ARE IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR VERBAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OR MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE.

This transaction is made upon the condition and agreement that, with respect to said products, there have been no representations or undertakings made by or on behalf of Arlon, and Arlon makes no guarantees or warranties, express or implied, in fact or in law, except as expressly stated above.

Limitation of Liability: Arlon shall not be responsible, obligated, or liable for any injury or damage resulting from an application or use of its products, either singly or in combination with other products.

Except as stated below regarding Patent, ARLON'S SOLE LIABILITY FOR BREACH OF WARRANTY OR ANY OTHER CLAIM SHALL BE LIMITED TO REPAIR OR REPLACEMENT OF THE PRODUCTS OR RETURN OF THE PURCHASE PRICE, AT ARLON'S SOLE OPTION. ARLON SHALL NOT BE LIABLE FOR DAMAGES, INCLUDING BUT NOT LIMITED TO CONSEQUENTIAL OR SPECIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE PRODUCTS OR ARISING OUT OF ACCEPTANCE OF THIS ORDER.

Acceptance of Products: Products will be deemed accepted without any claim by Purchaser unless written notice of non-acceptance is received by Arlon within 30 days of delivery if shipped FOB point of shipment, or 10 days of delivery if shipped FOB point of destination. Such written notice shall not be considered received by Arlon unless it is accompanied by all freight bills for such shipment, with Agent's notations as to damages, shortages and conditions of equipment, containers and seals. Non-accepted products are subject to the return policy stated below.

Return of Products: No product may be returned to Arlon without Arlon's prior written permission, which permission may be withheld by Arlon at its sole discretion. Returned products must show return authorization number clearly on exterior of shipping container. Return shipments not so marked or returned shipment lacking authorization may be refused delivery by Arlon, and the shipping party will remain liable for both products and all freight and storage charges. All returns are subject to a 20% restocking and handling charge. All returns are subject to acceptance testing by Arlon. Requests for permission to return product made more than sixty (60) days after the date of shipment by Seller will be denied; requests made necessary due to Seller's error in filling Purchaser's order may be made after sixty (60) days and approval for such a return rests solely with the Seller.

Limitation of Action: All claims or actions must be brought within one (1) year of date of tender of delivery, or 18 months of date of this order, if no tender of delivery is made notwithstanding any statutory period of limitation to the contrary.

Patents: Arlon shall defend any suit or proceeding brought against the Purchaser so far as based on a claim that the manufacture and sales of any product, or any part thereof, furnished under this contract, constitutes an infringement of any patent of the United States, if notified promptly in writing and given authority, information and assistance (at Arlon's expense) for defense of the same, and Arlon shall pay damages or costs awarded therein against the Purchaser. The use of such products by the Purchaser is beyond the control of Arlon, and Arlon shall have no obligation or liability whatsoever in connection with any suit claiming infringement by reason of the use of the products. In case the manufacture or sale of said product, or any part thereof, is in such suit held to constitute infringement, Arlon shall, at its own expense and at its option, either procure for the Purchaser the right to continue using said product or part, or refund the purchase price and the transportation costs. The foregoing states the entire liability of Arlon for patent infringement by said product or any part thereof. Arlon reserves the right to discontinue deliveries of any product the manufacture or sale of which in its opinion may involve patent infringement.

Notwithstanding the provisions of the preceding paragraph, the Purchaser shall hold Arlon harmless against any expense or loss resulting from infringement of patents or trademarks arising from compliance with Purchaser's designs, specifications or instructions.

The sale of products, or parts thereof, by Arlon does not convey any license, by implication, estoppel, or otherwise, under patent claims covering combinations of said products or parts with other devices or elements.

Payments: All orders are subject to approval by Arlon's Credit Department who reserves the right to modify, change or reject credit terms without notice, and to delay or refuse to make deliveries except for cash, or upon guarantee, securities or advance payment by customer, wherever for any reason solely within Arlon's judgement, in such event Arlon shall not be liable for any claims, losses, or damages, in whole or in part, arising out of Arlon's delay or refusal to make delivery of any portion of all of the products ordered by Purchaser.

Except as noted below, payments shall become due based on the date the products are shipped. The net amount becomes due thirty (30) days after date of shipment. If shipments are delayed by the Purchaser, payments shall become due on the date when the Company is prepared to make shipment. Products held for the Purchaser shall be at the risk and expense of the Purchaser. Payments not received by Arlon by the due date are subject to a 2.0% service charge per month, 24% annually.

Financial Responsibility: In the event of a decrease in the market price, or if in the sole judgement of Arlon, the financial resources of Purchaser becomes impaired or unsatisfactory at any time during the term of the contract, then Arlon may require from Purchaser a deposit of suitable security or margin for performance by Purchaser in such amount or amounts from time to time as Arlon shall specify not exceeding the difference between the market price and the contract price. Upon requirement of deposit, Purchaser shall make such deposit not later than the close of Arlon's next business day. If Purchaser fails to make such deposit, then Arlon may at its option: (1) cancel this contract or the undelivered portion thereof, in which case Purchaser agrees to pay Arlon the difference between the market price on date of cancellation and the contract price; (2) resell at any time for Purchaser's account all or any undelivered portion thereof, in which case Purchaser agrees to pay Arlon the difference between the resale price and the contract price; or (3) otherwise change the terms of payment herein specified. In the event Purchaser shall be or becomes insolvent, or admits in writing Purchaser's inability to pay his debts as they mature, or if Purchaser shall make an assignment for the benefit of creditors or any general arrangement with creditors, or if there are instituted by or against Purchaser proceedings in bankruptcy or under insolvency law or for reorganization, receivership or dissolution, Arlon may terminate this Agreement at any time and without notice.

Force Majeure: In the event of war, fire, epidemic, quarantine restrictions, flood, earthquake, strike, labor trouble, breakage of equipment, riot, the imposition of any government price control, regulation of any other act of governmental authority, acts of God, or other contingencies (whether similar or dissimilar to the foregoing) beyond the reasonable control of Arlon, interfering with the production, supply, transportation, or consumption practice of Arlon at the time respecting the products covered by this contract, or in the event of inability to obtain on terms deemed by Arlon to be practicable any raw material (including energy source) used in conjunction therewith, quantities so affected shall be eliminated from the contract without liability, but the contract shall otherwise remain unaffected. Arlon may, during any period of shortage due to any of said causes, allocate its supply of such raw materials among its various uses therefore (e.g. manufacturing and sales) in such manner as Arlon deems practicable and allocate its supply of such products among such various users thereof in any manner which Arlon deems appropriate.

Reasonable Attorney's Fees: In the event suit or other proceeding shall be brought for the recovery of the purchase price, or any unpaid balance, or breach by Purchaser of any term herein contained, Purchaser shall pay to Arlon, in addition to any damages provided by law, attorney fees and costs of collection.

Security Title: Security title and right of possession to the products sold hereunder shall remain with Arlon until all payments hereunder (including deferred payments whether evidenced by notes or otherwise) shall have been made in cash, and the Purchaser agrees to do all acts necessary to perfect and maintain such security right and title with Arlon.

Cancellations: The Purchaser may cancel an order only upon written consent and upon payment to Arlon of cancellation charges, if any, which shall take into account, but not be limited to, expenses incurred, materials purchased and commitments made by Arlon.

General: This agreement and matter connected with the purchase thereof shall be construed in accordance with, and governed by, the law of the State of California. Further, it shall be construed to be between merchants.

Arlon will comply with all applicable Federal, State and local laws, and specifically represents that any products to be delivered hereunder will be produced in compliance with the requirements of the Fair Labor Standards Act of 1939, as amended.

Any assignment of this agreement, or any rights or obligations thereunder, by the Purchaser without written consent of Arlon shall be void.

Except as may be expressly provided to the contrary, in writing, the provisions of this contract are for the benefit of the parties hereto and not for any other person.

This agreement contains all the representations, stipulations, warranties, agreements and understandings with respect to the subject matter of this agreement, and its execution has not been induced by an representation, stipulation, warranty, agreement or understanding (including any course of prior dealings between the parties hereto) of any kind other than those herein expressed.

No amendment, addition to, alteration, modification or waiver of all or part of this agreement shall be of any force or effect unless in writing and signed by Arlon's Division President. If the terms and conditions of this agreement conflict with those of any purchase order of Purchaser written in connection with the sale of the products or any portion thereof, then the terms of this agreement shall govern.

Arbitration: Any controversy or claim arising out of or relating to the contract, or a breach, which cannot be settled by the parties thereto shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgement upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof, provided that no controversy or claim shall be so settled if the amount in controversy exceeds Ten Thousand Dollars (\$10,000).