

## TERMS AND CONDITIONS OF SALE

1. **CONTRACT:** The terms of this invoice constitute a contract for sale between The Fastron Company ("Fastron") and Buyer (designated on the face hereof) which shall be made in and governed by the laws of the State of Illinois without regard to choice of law provisions of that state. Buyer agrees that this document shall constitute the entire contract between Fastron and Buyer. Fastron's goods are commercial goods; these terms shall be construed to be between merchants. **Except as agreed in writing, these terms contain the entire agreement between Fastron and Buyer concerning Fastron's sale of goods, and no representation, affirmation of fact, course of prior dealings, promise, condition or usage of the trade shall be binding on either party.** No change, modification, rescission, discharge, abandonment or waiver of these terms shall be binding upon Fastron unless made in writing, and signed on its behalf by an authorized representative. Insofar as any of these terms are not enforceable in any particular jurisdiction, such unenforceable provision shall be deemed not to apply. **These terms apply to all sales of products by Fastron except as modified by Fastron's written agreement, quotes or confirmations. No additions or modifications are effective unless accepted by Fastron in writing. All other terms are expressly rejected.**

2. **DELIVERY, SHIPMENT RISK OR LOSS:** Unless otherwise agreed to in writing by Fastron, all shipments of goods are in accordance with Fastron standard shipping policies and shall be F.O.B. Fastron factory for delivery to all U.S. locations and ex works Seller's point of shipment for all other shipments. Buyer agrees to assume all risk for loss of, or damage to, the goods from the time of delivery to a carrier at Fastron factory, or if the shipment is delayed or deferred by an act or omission of Buyer, then from the time the goods are completed and ready for shipment. Identification of the goods shall occur as each shipment is placed in the hands of the carrier. In the event that the goods are destroyed, in whole or in part, prior to the time the risk of pass passes to Buyer, this agreement shall be voided and Fastron excused from all obligations hereunder. If the loss is partial, Buyer shall have no right to accept that portion of the goods which conform hereto. Fastron shall not be liable for either delays in deliveries or total failure to deliver due to any cause or event beyond Fastron's control, including, but not limited to, acts of God, acts of Buyer, acts of civil or military authority, fires or other casualty, labor disputes, floods, war, earthquakes, delays in transportation; inability beyond Fastron's reasonable control to obtain necessary labor, materials, components or manufacturing facilities; or any other commercial impracticability or cause beyond Seller's reasonable control. strikes, labor difficulties, delay or defaults of common carriers, or failure or curtailment in Fastron's source of supply, and in addition, Fastron shall have the right, in the event of the happening of any of the above or other Force Majeure contingencies, to cancel this agreement or any part thereof without any resulting liability. Shipments made within thirty (30) days after specified date of delivery shall constitute a timely delivery of goods. Orders for goods shall be considered complete upon shipment of a reasonable quantity over or under the amount specified when it is impractical to produce the exact quantity order. During regular business hours and pursuant to Fastron's policies regarding same, Buyer shall have the right and shall be given the opportunity to inspect the goods at Fastron factory upon tender by Fastron. If Buyer receives the goods or takes possession of them without inspecting, then such acts on the part of Buyer shall constitute a waiver of his right to inspect, and Buyer shall be deemed to have accepted the goods and shall have no right to revoke such acceptance. Any costs incurred in the inspection of goods shall be borne by Buyer. Furthermore, Buyer shall have no right to reject the goods, and in the event Buyer refuses to receive goods, Fastron shall hold them for Buyer's account; however, Fastron shall have no obligation to resell goods for Buyer's benefit, but may take whatever steps necessary (including without limitation the resale of said goods) to preserve their value and recover the full price from Buyer. Buyer agrees that the quantity of goods actually provided to it by Fastron may vary up to ten percent (10%) from the quantity of such goods actually ordered by Buyer.

3. **TERMS:** All prices, whether herein named or heretofore quoted or proposed, shall, at Fastron option, be effective at time of shipment. Unless otherwise agreed in writing, payment terms are cash, certified check, C.O.D., or irrevocable Letter of Credit (L/C), U.S. dollars, without right of setoff. No discounts are authorized. **Subject to Seller's approval of Buyer's credit, payment is due thirty (30) days from date of invoice.** All sales are subject to prior approval of Fastron's Credit Department. The amount of credit or terms of payment may be changed by Fastron at any time for any reason. Pro rata invoices will issue with respect to partial shipments. If shipment is delayed by Buyer, payment is due on the date Fastron is prepared to make shipment, and goods held for Buyer shall be at the risk and expense of Buyer. Failure to make payment within ten (10) days of demand by Fastron shall, at Fastron's option, constitute repudiation of any outstanding orders, in which event Fastron shall be entitled to assert cancellation charges. **Unless otherwise specified on the front of the invoice, all payments not made within 30 days of the invoice date accrue interest at the monthly rate of 1.5%.** Buyer agrees to execute either prior or subsequent to delivery upon Fastron's request, a security agreement, financing statement, and any and all other documents or agreement necessary to give Fastron a perfected security interest with respect to all goods and proceeds thereof, and to pay the cost of filing the same in any public office. Furthermore any other terms to the contrary herein notwithstanding, Fastron reserves the right to require payment in advance of shipment in cash. Buyer represents, on entering into this agreement for sale, that it is not insolvent, as defined in Section 1-201(23) of the Uniform Commercial Code. In the event that Buyer becomes insolvent before delivery of the goods, he will notify Fastron. Failure to notify Fastron shall be construed as a reaffirmation of Buyer's solvency at time of delivery. Buyer acknowledges and agrees that: (i) certain goods offered by Fastron are subject to minimum buy quantities; (ii) the quantity of goods actually provided to it by Fastron may vary up to ten percent (10%) from the quantity of such goods actually ordered by Buyer; (iii) the price of the goods quoted by Fastron in connection with a blanket purchase order shall only be valid if Buyer actually purchases and pays Fastron for the quantity of goods stated therein within the calendar dates specified by the blanket purchase order; and (iv) the price charged for such goods may be unilaterally increased by Fastron in the event there is an increase of more than [ ] percent ( %) in the procurement cost of any raw material necessary to produce such goods.

4. **WARRANTY, REMEDIES:** All units are guaranteed against defective design, material or workmanship for one (1) year from date of shipment. Defective units are to be returned to the factory. If factory inspection and test confirm the unit defective, Fastron will repair or replace the defective unit. Credit will then be issued to compensate for freight charges incurred because the unit was defective and the repaired or replacement unit will be returned prepaid. This warranty shall not apply to any good which has been repaired, altered or which has been damaged such that Fastron is unable to verify the defect with its normal test equipment, or which has been subjected to abuse or improper (i) handling, (ii) installation, (iii) maintenance, (iv) removal, (v) modification or (vi) use. Fastron's warranty shall not be enlarged, and no obligation or liability shall arise out of Fastron's rendering of technical advice, facilities or service in connection with Buyer's order or the goods furnished. **EXCEPT FOR THE WARRANTIES SPECIFICALLY SET FORTH HEREIN, THERE SHALL BE NO EXPRESS WARRANTIES, NOR SHALL THERE BE A WARRANTY OF MERCHANTABILITY WITH RESPECT TO THE GOODS, FURTHERMORE, FASTRON MAKES NO WARRANTY THAT THE GOODS ARE FIT FOR ANY PARTICULAR PURPOSE. FURTHER AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, THESE WARRANTIES ARE IN LIEU OF ANY WARRANTIES OF NON-INFRINGEMENT, AS WELL AS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND IT IS EXPRESSLY AGREED BY BUYER, IN PURCHASING THE GOODS, THAT THE LIABILITY OF FASTRON, IF ANY, SHALL BE LIMITED SOLELY TO THE REPLACEMENT AND REPAIR OF THE GOODS IN ACCORDANCE WITH THE WARRANTIES SPECIFICALLY AND EXPRESSLY SET FORTH HEREIN AND TO THE EXTENT PERMITTED BY APPLICABLE LAW. THE LIABILITY OF FASTRON, WHETHER UNDER CLAIMS OF WARRANTY, NEGLIGENCE OR OTHERWISE, SHALL NOT EXCEED THE PRICE PAID FOR THE LIABLE GOODS. THE REMEDIES OF THE BUYER ARE THE EXCLUSIVE AND SOLE REMEDIES AVAILABLE AND IN THE EVENT IF A BREACH OR REPUDIATION OF ANY PROVISION OF THIS AGREEMENT BY FASTRON, UPON EXPIRATION OF THE WARRANTY PERIOD ALL LIABILITY SHALL TERMINATE. FASTRON AND ITS SUPPLIERS SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, REMOTE CONSEQUENTIAL OR PUNITIVE DAMAGES, SUCH AS, BUT NOT LIMITED TO, LOST PROFITS, SAVINGS, OR REVENUES, HOWEVER ARISING FROM OR CAUSED, DIRECTLY OR INDIRECTLY, BY THE USE OF GOODS BY BUYER, OR BY THE PERFORMANCE OR FAILURE OF THE SELLER TO PERFORM UNDER THIS AGREEMENT, OR BY ANY OTHER ACT OR OMISSION OF FASTRON, OR BY ANY OTHER CAUSE.**

5. **TAXES:** The amount of the present or future sales, revenue, excise, and all other taxes, whether city, state or federal city, applicable to the goods, shall be added to the purchase price and shall be the responsibility of Buyer.

6. **RETURN OF GOODS:** Buyer agrees not to return goods for any reason, except upon the written consent of Fastron obtained in advance of such return, which consent, if given, shall specify the terms and conditions upon which any such return may be made. Buyer shall request and obtain Fastron's written Return Material Authorization ("RMA") before returning goods of any type, including warranty repair returns: all return documentation must contain Fastron's return authorization identification number. Fastron will refuse returned shipments not approved by Fastron, or not properly identified. The request for return approval must include serial number, part number, lot number and date code, when possible, full identification of goods to be returned and explanation for the return request. Proper handling procedures must be used in the packing and shipping of all returned goods, goods must be returned in the same or equivalent container in which they were shipped with the RMA number clearly visible on the package. Buyer retains title to goods returned for repair.

7. **SPECIAL TOOLS:** All the tools, dies, patterns, jigs and fixtures, if any required for the manufacture of the goods shall remain the sole property of Fastron, and shall be retained in Fastron possession, whether or not Buyer has paid Fastron for such items.

8. **PATENTS:** Buyer shall defend, settle, indemnify and hold Fastron harmless from, and release and not make claim or suit against Fastron because of any suits, claims, losses, or other liability (referred to herein as a "Claim"), made against or suffered by, Buyer arising from any claim of, or infringement of patent, copyright, trademark, or other proprietary right at common law, or claim of unfair trade or of unfair competition however such Claim arises, resulting from, or occasioned by, Buyer's use, possession, sale, or delivery of the goods sold to Buyer by Fastron.

9. **INFORMATION DISCLOSED:** No information or knowledge heretofore or hereafter disclosed to Fastron in the performance of or in connection with the terms, hereof, shall be deemed to be confidential or proprietary, unless otherwise expressly agreed to in writing by Fastron, and any such information or knowledge shall be free from restrictions, other than a Claim for patent infringement for which Buyer shall defend, settle, and fully indemnify Fastron, as part of the consideration hereof.

10. **INDEMNIFICATION:** To the extent that Buyer's agents, employees or subcontractors enter upon premises occupied by or under the control of Fastron, or any of its customers or suppliers, in the course of performance hereunder, Buyer shall take all necessary precautions to prevent the occurrence of the injury, including death, to any person, or any damage to any property, arising out of any acts or omissions of Buyer, its agents, employees or subcontractors. Except to the extent that any such injury or damage is due solely and directly to Fastron gross negligence, Buyer shall indemnify and hold Fastron harmless against all losses, claims liabilities, and expenses, including reasonable attorneys fees, arising out of any act or omission of Buyer, its agents, employees or subcontractors, and Buyer shall maintain such Public Liability, Property Damage and Employee's Liability and Compensation Insurance as will protect Fastron from any claims under any applicable Occupational Health and Safety, Workmen's Compensation and Occupational Disease Acts.

11. **FASTRON RIGHT OF POSSESSION:** Fastron shall have the right in addition to all others it may possess, at any time, for credit reasons or because of Buyer's defaults, to withhold shipments, in whole or in part, and to recall goods in transit, retake same, and repossess all goods which may be stored with Fastron for Buyers account, without the necessity of taking any other proceedings, and Buyer consents that all goods so recalled, retaken, or repossessed shall become the absolute property of Fastron without further liability to Fastron. Fastron retains a security interest in all goods until full payment for goods has been made; Buyer agrees to do all acts necessary to maintain Fastron's security interest. Buyer hereby appoints Fastron as its agent and Attorney-in-Fact to execute any financing statements under the Uniform Commercial Code and any appropriate amendments thereto on Buyer's behalf which Fastron deems necessary to protect Fastron's interest in the goods. In the event that Buyer defaults in the due performance of or compliance with any of the terms or condition hereof, or a proceeding in bankruptcy, assignment for benefit of creditors, insolvency, receivership or reorganization be instituted by or against Buyer or Buyers' property or business, Fastron may, at its option, terminate this agreement upon written notice and shall be relieved of all obligations hereunder. If the Buyer is in breach of the terms hereof, Fastron shall have a right to receive as damages the price for the goods as stated herein. Upon recovery of the price, the goods shall become the property of Buyer. The foregoing shall not be construed as limiting, in any manner, any of the rights or remedies available to Fastron, because of any default of the Buyer, under the Uniform Commercial Code or other law as in force and effect on the date hereof.

12. **CANCELLATION:** Buyer agrees that an order shall in no event be subject to cancellation except by prior written consent of Fastron, and then only when Fastron is fully reimbursed for work performed and material used.

13. **ASSIGNMENT:** Buyer shall not delegate any duties, nor assign any rights or claims hereunder, without prior written consent of Fastron, and any such attempted delegation or assignment shall be void. All claims for monies due or to become due from Fastron shall be subject to deduction by Fastron for any setoff or counterclaim arising out of this or any other transaction with Buyer, whether such setoff or counterclaim arise or after any such assignment by Buyer.

14. **NON-WAIVER REMEDIES: COST AND ATTORNEY'S FEES; JURISDICTION:** The remedies here reserved or created shall be cumulative and additional to any other or further remedies provided at law or in equity. Fastron may remedy any breach of the terms or conditions hereof and may waive any breach of the terms or conditions hereof without waiving the breach remedied or without waiving any other prior or subsequent breach. Buyer shall pay all of Fastron costs and expenses, including attorneys fees, incurred by Fastron in exercising any of its rights or remedies hereunder or enforcing any of the terms or conditions hereof. Buyer and Fastron each irrevocably submits to the exclusive jurisdiction of the state and federal courts with situs in Chicago, Illinois in connection with any claim relating to the interpretation or enforcement of these Terms and Conditions of Sale, and otherwise in respect to the transactions contemplated hereby and thereby, and hereby waives, and agrees not to assert, any objection to the jurisdiction of such court including, without limitation, any objection based on forum non conveniens.

15. **TRANSPORTATION/PACKAGING:** Fastron will ship goods using its established methods of packing and transportation, except as otherwise instructed by Buyer. If Buyer requires other packing or preparation, Buyer will pay the additional costs.

16. **WAIVER:** The waiver by either party of any term, provision, or condition must be in writing and shall not be construed to be a waiver of any other term, condition, or provision. No waiver or failure to enforce rights or remedies concerning a default shall constitute a waiver of any other or subsequent default.