

RUSSTECH TERMS & CONDITIONS OF SALE ACKNOWLEDGEMENT & WARRANTY

1. **APPLICABLE TERMS AND CONDITIONS** : The acknowledgment of any order by Russtech Engineering Co., Inc., hereinafter referred to as "Russtech" or any performance by Russtech pursuant to any order shall constitute this purchaser's acceptance of Russtech's terms and conditions and the prices set forth by Russtech and any order is expressly conditioned upon the applicability of Russtech's terms and conditions exclusively. No terms or conditions stated by the purchaser shall be binding on Russtech unless such terms or conditions are expressly accepted in writing by Russtech prior to commencement of performance under this order.

-The failure of Russtech to specifically object to any or all terms and conditions suggested by the purchaser shall not be deemed an acceptance of any such terms and conditions which are in conflict with, inconsistent with or in addition to the terms and conditions set forth herein and the purchaser, upon Russtech's commencement of performance under any order, shall be deemed to have withdrawn any such terms and conditions which conflict with, are inconsistent with or are in addition to the terms and conditions set forth herein.

2. **CHANGES** : If the purchaser at any time changes within the general scope of any order and if any such changes cause an increase or decrease in the cost of, or the time required for the performance of any purchase order or any other order affected by such change, an equitable adjustment in the price, the delivery schedule or both shall be made and such order shall be modified accordingly.

3. **SHIPMENT** : Shipment generally will be accomplished F.O.B. Russtech's plant. Notwithstanding this, if Russtech prepays the transportation charges purchaser will be obligated to reimburse Russtech upon receipt of invoice for the prepaid transportation charges. Any Special or abnormal packaging required will be included in the unit price of the item to be delivered or as a separate line item.

4. **DELIVERY** : Delivery will be accomplished within the time specified on the face of the acknowledgment or if no time is specified within the normal lead time necessary for Russtech to deliver its products in question. Anything to the contrary notwithstanding, Russtech shall not be liable to any reasonable delay in production or delivery. In the event a delay in production or delivery occurs beyond a reasonable period of time, which delay is occasioned by fire, strikes, civil or military authority, war, hostility, riots, government action, energy crises, parental leave, the failure of date or dates of delivery of the products ordered hereunder shall be extended for a period of time lost by reason of any such delay.

5. **PAYMENTS** : In the event any payments of purchaser under any order are not made in a timely manner Russtech may either: (1) declare purchaser's performance in breach and terminate any other order for default, (2) withhold future shipments under any order until delinquent payments are made, (3) deliver future shipments under any order on a C.O.D. or cash in advance basis even after the delinquency is cured, (4) change interest on the delinquency at a rate of 2% per month or the maximum rate permitted by law, if lower, for each month or part thereof the delinquency in payment plus applicable storage charges or inventory carrying charges, if any, or (5) combine any of the above rights and remedies as a practicable and permitted by law. Nothing herein shall waive any other rights or remedies of Russtech permitted by law or set forth in this or any other order between purchaser and Russtech and all rights and remedies set forth herein shall be considered cumulative with all other available rights and remedies.

6. **MATERIAL SHORTAGES AND ALLOCATIONS** : In the event Russtech is unable to obtain in a timely manner material sufficient to fulfill all of its orders on hand, Russtech shall have the right as a result of said material shortages to equitably allocate lesser quantities of the products to be delivered to all purchasers on the proportionate basis. Unless specifically agreed in writing to the contrary, purchaser agrees to accept partial shipments.

7. **INSPECTIONS** : The purchaser shall inspect and accept any products delivered immediately after purchaser takes custody of such products. In the event the products do not meet the drawings, designs, and/or specifications, the purchaser shall notify Russtech of such noncompliance in writing and give Russtech a reasonable opportunity to correct any such noncompliance. The purchaser shall be deemed to have accepted any products delivered and to have waived any such noncompliance in the event a written notification that the products delivered do not comply with the drawings, design, and/or specifications, is not received by Russtech within 15 days after the purchaser takes custody of the products delivered.

8. **INSOLVENCY** : Russtech may cancel the whole or any part of any order in the event of the suspension of purchaser's business, insolvency of purchaser, the institution, by the purchaser of others, of bankruptcy reorganization, arrangement of liquidation proceedings involving or affecting the purchaser or any assignment for the benefit of creditors of purchaser or receivership that purchaser places itself in or may be placed in. Such cancellation shall be deemed a cancellation for default of purchaser.
9. **RIGHT TO COMMUNICATE** : If purchaser is a reseller of Russtech products, Russtech shall have the absolute right to freely communicate with purchaser's customers concerning the reasons for delay or non-delivery of Russtech product. If purchaser is on credit hold for any reason, Russtech shall have the absolute right to furnish Russtech product directly to purchaser's customer. Purchaser waives all right to claim that such communications and actions are slanderous, libelous, defamatory or constitute interference in a business arrangement.
10. **SPECIAL TOOLING** : Title to dies, tools, jigs, fixtures, patterns or any other type of special tooling shall remain vested in Russtech, whether or not paid for or amortized over the products manufactured under any other purchaser.
11. **TAXES** : Unless otherwise specifically stated in writing by Russtech, prices quoted by Russtech do not include sums necessary to cover any taxes or duties including but not limited to Federal, State, Municipal excise, sales or use taxes or import duties upon the production, sale, distribution, or delivery of equipment or furnishing of service hereunder. Any taxes or duties that are due and owing shall be paid by the purchaser. Accordingly, Russtech reserves the right to revise any contract between itself and others to include any and all taxes or duties that may become due and Russtech may involve purchaser for said additional amount. This cause shall survive the acceptance and complete performance of any order.
12. **SET-OFF** : All moneys owed under any order shall be due and payable at Irvine, California and the purchaser is prohibited from setting off said sums due Russtech under this order form sums, whether liquidated or not, that are or may be due the purchaser which arise out of a different transaction with Russtech, its divisions, subsidiaries or affiliates.
13. **VENUE** : Orange County California shall be the proper venue for any actions arising out of or because the breach of any agreement entered into with Russtech.
14. **ATTORNEYS' FEES AND SUIT COSTS** : Should Russtech have to initiate legal action to collect any moneys owed arising out of any contract, or should Russtech be sued by a customer under any contract, then if Russtech prevails in whole or in part, customer agrees to pay Russtech's attorneys' fees, witness fees, and court costs.
15. **TITLE** : Title to the goods shall pass to the purchaser on identification of the goods to the contract. Purchaser grants Russtech a security interest in the goods identified on this document, to secure payment of the purchase price, including all amounts that come due under the Sale Document.
16. **NON-WAIVER** : No course of dealing or failure of Russtech to strictly enforce any term, right or condition of any contract shall be construed as a waiver of such term, right or condition.
17. **CHOICE OF LAW** : The construction, interpretation and performance of any agreements entered into and all transactions under such agreements shall be governed by the laws of the State of California.
18. **CANCELLATION COSTS** : In the event of cancellation of any order by purchaser, purchaser shall be liable for reasonable cancellation costs, including administrative charges, which shall not exceed the contract price for the items canceled.
19. **RISK OF LOSS** : Purchaser shall be liable for any loss which occurs after goods leave their F.O.B. point which shall be Irvine, California, unless otherwise stated on the reverse side of this document.
20. **ERRORS SUBJECT TO CORRECTION** : All typographical, stenographic and arithmetical errors are subject to correction.
21. **LIABILITY FOR PAYMENT INFRINGEMENT** : If goods are made to purchaser's specifications or design, purchaser assumes liability for patent and copyright infringement and agrees to hold Russtech harmless from any actions arising out of any alleged infringement.

22. **RESPONSIBILITY FOR SAFETY TRAINING** : Purchaser and end users stipulate and agree that tampering with, or the improper or unsafe operation of Russtech products, especially power actuated products, can cause severe bodily injury or death. Purchaser and end users agree to assume complete and sole responsibility for fully training and continually supervising each of their operators in the proper use and safe operation of all products from Russtech.

23. **LIMITED WARRANTY** : Russtech warrants each new product sold by it to be free from defects in material and workmanship under normal use and service. Russtech's obligation under this warranty is limited to the free correction or, at Russtech 's option, the refund of the purchase price of any such product which proves defective in normal service within ninety (90) days after delivery to the first user, provided that the product is returned to Russtech with all transportation charges prepaid and which shall appear to Russtech 's satisfaction, after Russtech 's inspection, to have been defective in material or workmanship, it being understood that Russtech products are not consumer products. This warranty shall not cover any damage to any product which, in the opinion of Russtech, was caused by normal wear, misuse, improper operation, tampering, neglect, or accident. This warranty is in lieu of all other warranties express or implied. No warranty, express or implied, is made or authorized to be made or assumed with respect to products of Russtech Engineering Co., Inc. other than those herein set forth.

24. **LIMITATION OF LIABILITY** : RUSSTECH IS NOT LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES OF ANY NATURE OR KIND RESULTING FROM THE USE, OR MISUSE OF ANY OF ITS PRODUCTS. OWNERS AND USERS OF RUSSTECH PRODUCTS ASSUME FULL RESPONSIBILITY FOR INSTRUCTING THEIR EMPLOYEES IN THE PROPER AND SAFE USE OF SUCH PRODUCTS.

25. **SEVERABILITY** : If any provision herein is held to be in violation of any Federal, State or Local statute or regulation of illegal or unenforceable for any reason, said provision shall be self-deleting without affecting the validity of the remaining provisions.

26. **TOOLING OR TOOLING COMBINATIONS SUGGESTED BY RUSSTECH** may or may not cover a user's specific contract manufacturing requirements. It is the user's responsibility to conduct sufficient testing to validate the suitability of the Russtech product(s) selected for the specific requirements of each particular application. RUSSTECH DISCLAIMS ANY LIABILITY DIRECT OR CONSEQUENTIAL ARISING FROM USER'S FAILURE TO CARRY OUT SUCH VALIDATION TESTING.

WARRANTY INFORMATION / ADDITIONAL TERMS & CONDITIONS OF SALE

ELECTRONIC COMMUNICATIONS

When you send e-mails to us, you are communicating with us electronically. You consent to receive communications from us electronically and you further agree that all agreements, notices, disclosures and other communications that we provide to you electronically satisfy any legal requirement that such communications be in writing.

MODIFICATION TO TERMS AND CONDITIONS

Russtech may modify these Terms and Conditions at any time by modifying or updating this Document. Your use of this Document on or after the effective date of any such modification or update will constitute your acceptance of these Terms and Conditions as modified and/or updated.

SEVERABILITY

If any of these terms and conditions is deemed invalid, void or unenforceable for any reason, that provision shall be deemed severable and shall not affect the validity and enforceability of the remaining terms and conditions.

Limitation of Liability / Limited Warranty*

Russtech Engineering Co., Inc. is not liable for Consequential or Special Damages of any nature or kind resulting from the use of any of its products. Owners and users of Russtech products assume full responsibility for instructing their employees in the proper and safe use of such products.

-Russtech Engineering Co., Inc. warrants each new unit sold by it to be free from defects in material and workmanship under normal use and service. Its obligation under this warranty is limited to the free correction or, at its option, the refund of the purchase price of any such unit which proves defective within ninety (90) days after delivery to the first user, provided that the unit is returned to it with all transportation charges prepaid, and which shall appear to its satisfaction, upon inspection by it, to have been defective in material or workmanship. This warranty shall not cover any damage to such products, which in the opinion of Russtech Engineering Co., Inc., was caused by normal wear, misuse, improper operation or accident. This warranty is in lieu of all other warranties express or implied. No warranty express or implied, is made or authorized to be made or assumed with respect to products of Russtech Engineering Co., Inc., other than that herein set forth.