

## Terms and Conditions

The following Terms and Conditions are to be interpreted simply and fairly and not for or against either the BUYER or the SELLER.

### TERMS OF ORDER

BUYER shall be deemed to have accepted the offer of Controlled Motion Solutions, Inc. (hereinafter referred to as the "SELLER") when BUYER accepts delivery of the items shipped pursuant to BUYER'S order. After acceptance by BUYER, no cancellation, change in quantity, or modification of delivery schedule may be made without the written consent of SELLER.

### CLAIMS FOR DAMAGES

Claims for damages or shortages must be made within 10 days. We hereby certify that these goods were procured in compliance with all applicable requirements of section 6, 7, and 12 of the Fair Labor Standards Act as amended, and of regulations and orders of the United States Department of labor issued under section 14 thereof.

### PRICE

Prices do not include sales, gross receipts, excise or similar taxes or custom duties. Consequently, the amount of any present or future sales, use, gross receipts, excise, or other similar tax or custom duties applicable to the sale of the items hereunder shall be paid by the BUYER and he shall hold SELLER harmless therefrom. When applicable BUYER shall provide SELLER with a tax exemption certificate acceptable to the taxing authorities. Terms are not cash, F.O.B. our plant, or as modified by written agreement or exceptions noted on the face hereof.

### DELIVERY

Every reasonable effort will be made to deliver as promised. However, SELLER is not liable for nonperformance, delay, loss or damage to items, in whole or in part, caused by an act of God, or the public enemy, or by labor troubles, lockouts, strikes, riots, fires, storms, explosives, breakdowns of machinery, railroad embargoes, government interventions, acts of war or other causes affecting it or its sources of supply. In the event of a delay caused by any of the foregoing, BUYER agrees to extend the time of delivery for a period equal to the period of delay.

If the BUYER delays performance of shipment, the items shall be paid for when they are ready to be shipped.

### WARRANTY

Except insofar as items sold pursuant to this contract bear such warranties as their manufacturers allow, there are no warranties that extend beyond the description on the face thereof or to anyone other than the original BUYER. This warranty does not apply to any damage or defect resulting from negligent or improper assembly or use of an item by the BUYER of his agent or from alteration or attempted repair by any person other than SELLER's authorized representative, SELLER disclaims any warranties, expressed, implied or statutory that the items are merchantable or that the items are delivered from of the rightful claim of any third person by way of infringement or the like or that items comply with federal or state OSHA or OSHA related regulations (which hold employers responsible for the health and safety of their employees and depend upon the conditions of use which dictate the application of OSHA regulations). All used, repaired, modified or altered items are purchased as is and with all faults. In no event shall SELLER be liable for consequential or incidental damages, the sole and exclusive remedy of BUYER for breach of any warranty of SELLER shall be repair or replacement of defective parts, or at the option of SELLER refund of the purchase price.

### SPECIFICATIONS

No specification or changes in specification pertaining to this order, which are made after the date of this order, will be considered binding on SELLER unless so agreed in writing. BUYER furnished designs, drawings, and/or specifications are adhered to where deemed material by SELLER and SELLER shall have no responsibility for the suitability of the same to the applications intended. The BUYER shall pay all additional costs as determined by SELLER arising from erroneous specifications and/or information supplied to SELLER. Preparation, submission and applicability of design and competent specifications are solely the buyer's responsibility.

### SECURITY INTEREST AND RETAKING

To secure the payment of the purchase price buyer hereby grants to SELLER a security interest in the items and all accessories, substitutions, additions or replacements. BUYER agrees to execute a UCC1 Form and/or any and all papers that may be desirable, by SELLER, to carry out the terms, intention or purpose of this agreement after the offer is accepted. In the event buyer fails to pay the purchase price SELLER shall be at liberty and is hereby authorized to enter upon any premises where the items may then be and take same either with or without legal process but without break of the peace. Upon any such retaking, SELLER shall have the right to resell, for the account of BUYER, at a private sale or otherwise, without notice to BUYER and may, upon such resale, become the purchaser of such goods. Upon such resale, the proceeds shall be applied first to the payment of expenses or retaking and resale and then to the payment of the purchase price remaining due from BUYER. In the event that after such application of proceeds of resale a deficiency arises shall pay such deficiency. In the event that after applying the proceeds of sales to the expenses of retaking and resale and balance due a surplus exists, such surplus shall be paid to the BUYER.

### NONCONFORMING GOODS

If nonconforming goods are shipped they shall be sent merely for the accommodation of the BUYER.

### WAIVER OF DEFENSES

Buyer hereby waives the right to assert against SELLER's assignee, any defense, counterclaim, set-off or claim, known or unknown, which BUYER could assert against SELLER in action brought by SELLER upon the debt of BUYER.

### ATTORNEY FEES

In the event that any proceeding shall be brought to enforce or to interpret this agreement, BUYER agrees to pay all of SELLER's court costs and actual attorney fees incurred including its actual attorney fees and court costs incurred in enforcing any judgment obtained. BUYER further agrees to pay SELLER's actual costs and expenses including actual attorney fees if SELLER refers BUYER's account to attorney for collection, whether or not suit is filed.

### ARBITRATION

Except for any proceeding brought by SELLER to collect any payment due from BUYER, any controversy or claim arising out of, or relating to the goods sold or service rendered hereunder, or any breach hereof, shall be settled by arbitration in Santa Ana, California, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Neither party shall be entitled to an award of attorney fees if the matter is arbitrated.

### AMENDMENT

Neither verbal agreement nor any change of amendment hereof will be considered binding on SELLER unless so agreed in writing.

### INTEREST CHARGE ON DELINQUENT ACCOUNTS

A charge of 1½ % per month will be charged on all delinquent accounts.