

PLETRONICS, INC.
SALES TERMS AND CONDITIONS

Buyer agrees to purchase and Pletronics agrees to sell the goods described on Buyer's purchase order per the specification agreed to by both parties subject to the following terms and conditions:

- 1. Acceptance of Purchase Orders:** Pletronics accepts purchase orders conditioned upon Buyer's assent to Pletronics' sales terms and conditions. Acceptance is subject to final credit approval at Pletronics' sole discretion.
- 2. Confirmation of Purchase Orders:** Buyer shall examine Pletronics' confirmation for discrepancies with Buyer's purchase order with respect to the following: merchandise specifications, quantity, price, delivery date and special requirements, if any. Pletronics will not be responsible for errors or discrepancies in any of the above if Pletronics is not notified by Buyer within fifteen days of the date of receipt of Pletronics' confirmation.
- 3. Delinquent Invoices:** Purchase orders will be held up for delivery if any delinquent invoices are outstanding.
- 4. Delivery:** Delivery dates indicated are Pletronics' best estimates of delivery time. Pletronics shall not be responsible for delays or defaults in deliveries due to causes beyond Pletronics' control.
- 5. Prices:** All prices are FOB point of shipment (Ex-Factory), unless otherwise specified, and do not include any taxes or imposts levied by any government or governmental agency. Any such taxes or imposts shall be paid by Buyer.
- 6. Shipment:** Shipments shall be made FOB Pletronics' factory in Lynnwood, WA. U.S.A. or one of Pletronics' factories outside the U.S.A. unless otherwise specified. Risk of loss passes to Buyer upon the transfer of the goods from Pletronics to the carrier at Pletronics' premises.
- 7. Payment Terms:** Net 30 days if credit is established. COD or credit card if credit is not established. Delinquent amounts bear interest at the rate of twelve percent per annum until paid. If any delinquent amount is placed in the hands of an attorney for collection, Buyer agrees to pay all costs of collection, including a reasonable attorney's fee.
- 8. Inspection/Acceptance:** Buyer shall inspect the goods promptly upon receipt. Failure to inspect within thirty days after receipt shall constitute a waiver of Buyer's right of inspection and shall constitute acceptance of the goods. Notice of any defects, damages, failure to meet specifications or of any shortage in goods delivered by Pletronics to Buyer must be given to Pletronics within five days of inspection by Buyer. Failure to give such notice within the prescribed period shall constitute acceptance of the goods.
- 9. Limited Warranty:** Pletronics warrants to the original purchaser that all goods shall be free from defects in material and workmanship at the time of shipment. If Buyer claims any goods

to be defective, Buyer must immediately, within five days after inspection, provide Pletronics with defect information and samples. If the defect is verified and the terms for returning defective parts are confirmed, Pletronics will issue an RMA number (Return Material Authorization). Buyer shall return parts within 30 days after RMA is issued (our RMA number needs to appear on all packaging and paperwork). Upon such return, Pletronics' sole obligation shall be to repair or replace (at Pletronics' option) all defective goods and return the new or repaired goods to Buyer at Pletronics' expense. This warranty does not extend to any of our goods, whether by themselves or as parts of other products, which have been subject to misuse, neglect, accident, improper application, improper installation or which have been implanted in the human body, nor shall it extend to goods, products or material which have been altered or repaired by anyone other than an authorized representative of Pletronics. Pletronics' products are not designed, intended, authorized or warranted to be suitable for use in life support applications, devices or systems or other critical applications that may involve potential risks of death, personal injury or severe property or environmental damage. Inclusion of Pletronics' products in such applications is understood to be fully at the risk of the customer. This warranty is in lieu of all other warranties expressed or implied, including warranties of merchantability or fitness for a particular purpose. **In no event shall Pletronics be liable to Buyer for consequential, incidental or punitive damages,** including but not limited to, loss of profit or revenue, loss of use of machinery or equipment, downtime costs, or claims of Buyer's customers or other third parties for damages. **In no event shall damages exceed the amount of the purchase price of the goods involved.**

10. Governing Law: The terms and conditions herein shall be governed and construed in accordance with the laws of the state of Washington. Buyer agrees to submit to the nonexclusive jurisdiction of the courts of the State of Washington and of the US Federal District Court for the Western District of Washington at Seattle.