



STANDARD TERMS AND CONDITIONS OF SALE

GOVERNING PROVISIONS

These Standard Terms and Conditions of Sale constitute the entire agreement (the "Agreement") between CPS Products Inc., a Florida corporation (hereinafter called "Seller") and its customer (hereinafter called "Buyer"). The Agreement shall exclusively govern the relationship between Seller and Buyer and the Agreement shall govern every proposal that Seller submits to Buyer or contract assignment received and accepted in writing by Seller. For the avoidance of doubt, no oral communication shall replace, supplement or supersede the Agreement.

The Agreement may not be replaced, supplemented or superseded by any different or additional terms the Customer proposes, and Seller expressly objects to and rejects any such terms. The Agreement may only be modified or amended by a written proposal or specification acknowledged in writing by a duly authorized officer of Seller, and Seller may only waive the terms and conditions of the Agreement in writing. In the event Seller waives a term or condition of the Agreement in accordance with the preceding sentence, such waiver shall in no circumstance be held to be a general waiver or a specific waiver of any other term or condition of the Agreement.

DEFINITIONS

"Products" means any goods that Seller sells to Buyer

"Seller's Quote" means Seller's price quotation for Products.

"Special Tooling" means tooling [unique to Buyer's Products], including jigs, fixtures and associated manufacturing equipment acquired or necessary to manufacture Products.

"Tax" means any tax, duty, levy, charge or fee imposed by a governmental or quasi-governmental authority, including without limitation, any sale, use, excise, import, export or similar taxes, duties, charges or fees.

PRICES; PAYMENT

The Products identified in Seller's Quote are offered for sale at the prices indicated in Seller's Quote. Unless otherwise expressly stated in Seller's Quote, prices are valid for thirty (30) days and do not include any Taxes.

The amount of any Tax shall be paid separately by Buyer, provided that, in the event Buyer provides Seller at the time the order is submitted a valid exemption certificate or other document acceptable to the authority imposing the Tax, Seller will not impose such Tax. For the avoidance of doubt, if the proper exemption certificate or other acceptable document is not submitted at the time of order or it is not on file with the Seller's tax department at the time of order, Buyer will be responsible for all applicable Taxes.

Seller reserves the right to change or withdrawal publicly listed prices at any time with or without notice for any reason, including, without limitation, changes in volume forecasts, economics or exchange rates. Payments shall be in United States currency, in cash, certified or bank check, without discounts, setoffs, or other deductions of any kind. All sales are contingent upon credit approval and payment for all purchases is due thirty (30) days from the date of invoice (or such date as may be specified in the Seller's Quote). Seller reserves the

right to alter or suspend credit terms, require C.O.D or advance payment, whenever Seller has reasonable doubt as to Buyer's credit worthiness. Accounts that are past due shall bear interest at a rate of 3% per annum above the prevailing prime rate as published by the Wall Street Journal or the maximum rate allowed by law, whichever is less. Buyer shall be liable for Purchaser's cost of collection for past due accounts, including reasonable attorney fees and expenses. Payment by credit card will be accepted only at time of purchase. Payments made by credit card 1 day or greater after order placement will be charged a 3.75% handling and discount fee.

Unless otherwise specified in Seller's Quote, all prices are F.O.B. (as commonly understood in U.S. domestic freight movement) Seller's facility. For export sales, terms are on demand against a Letter of Credit payable in the United States. The Letter of Credit must be irrevocable and confirmed by a United States bank acceptable to the Seller.

SHIPMENTS; DELIVERY; TITLE AND RISK OF LOSS

All delivery dates are approximate. Seller is not responsible for damages resulting from any delay. Regardless of the manner of shipment, delivery occurs and title and risk of loss or damage pass to Buyer, when the goods are complete and at the disposal of the Buyer at the factory or warehouse of Seller. Unless otherwise expressly set forth in Seller's Quote, Seller may exercise its discretion in choosing the carrier and means of delivery, the cost of which will be invoiced to Buyer. No deferment of shipment at Buyers' request beyond the respective indicated shipping date will be made except on terms where Buyer will be responsible for warehousing, insurance, premium shipping charges and risk of loss for any such Products. Buyer shall be responsible for any additional shipping charges incurred by Seller due to Buyer's breach of the Agreement, including failure to timely accept shipment as set forth herein.

Seller reserves the right to make delivery in installments, unless otherwise expressly stipulated herein, all such installments to be separately invoiced and paid when due per invoice, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve Buyer of its obligation to accept remaining deliveries. If Products are received in a damaged condition, Buyer should contact transportation agent and immediately file a claim.

Claims for shortages or other errors in delivery must be made in writing to Seller within ten (10) days after receipt of shipment and failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by Buyer.

PACKING

Prices in Seller's Quote include standard domestic packing for shipment in the Continental United States. If special domestic packing or export packing is required it will be furnished only if Buyer specifies such requirement in advance and Seller's Quote expressly includes such packing.

RETURNS

Seller does not generally accept returns and Buyer must secure Seller's prior written permission to return Products before returning any Products to Seller, which written permission must include an R.M.A (Return Material Authorization) number. In the rare instance that Seller agrees in writing, in its discretion, to accept a return of Products, a restocking fee of up to 25% will be charged and invoiced to Buyer. All authorized return shipments must be returned to Seller with a valid R.M.A., with shipping charges prepaid to point of origin of shipment unless instructed otherwise. Shipments of Products returned without authorization, without an R.M.A. or not prepaid, are subject to refusal and immediate return to Buyer. Seller does not accept C.O.D. shipments.

In no event will Seller issue a R.M.A. for Products that are obsolete, shipped to the Buyer more than twelve months prior to the requested date of return, or made to special order. Buyer shall not initiate deductions from payment to Seller for Products returned to Seller. Upon Seller's receipt of returned Products with a valid R.M.A. in accordance with the Agreement, and after deducting applicable restocking fees, Seller will initiate a credit to Buyer.

ACCEPTANCE

- (a) Seller shall not be subject to any contractual obligations whatsoever until a formal written purchase order is received by Seller at Miramar, Florida, and a formal written acceptance thereof is sent by Seller.
- (b) Unless withdrawn sooner, this proposal is open as the basis of any offer to be made for a period of thirty (30) days from the date of issuance of such proposal, unless otherwise indicated in this proposal, and will automatically become invalid at the end of such period.
- (c) Any offer made upon this proposal shall be deemed to incorporate these Standard Terms and Conditions of Sale as if they were expressly made a part of such offer, and any contract made by Seller by accepting such offer shall be deemed to include these Standard Terms and Conditions of Sale as fully and completely as if said Standard Terms and Conditions of Sale were expressly made a part thereof
- (d) Orders are Seller's performance under the Agreement are subject to Events of Force Majeure (as hereinafter defined).
- (e) Seller's acceptance of Buyer's order is expressly limited to and conditioned upon Buyer's acceptance of the terms and conditions of the Agreement.

CHANGES, IMPROVEMENTS AND SUBSTITUTES

Buyer may not change an order accepted in accordance with the Agreement except (a) after Buyer submits a detailed description of the requested change to Seller in writing, and (b) Seller provides its prior written consent, which may be withheld in its discretion. Buyer agrees to be liable for any costs, expenses and price increase associated with an accepted change order. Notwithstanding the foregoing, Seller may furnish suitable substitutes for materials unattainable because of unavailability of materials from supplier, improvements in design or performance, and priorities or regulations established by government authority.

WARRANTY AND LIABILITY – LIMITATION

Seller warrants the products manufactured by it, or by an affiliated company and sold by it, to be free from defects of materials or workmanship under normal proper use and service. The period of warranty coverage is specified in Seller's standard limited warranty for each product, but shall not be less than one (1) year from the date of shipment by Seller. Items expendable in normal use, including but not limited to, seals, gaskets, filters and sensors, are not covered by this warranty. Seller's liability under this warranty is limited to such of the above products or parts thereof as are returned, transportation prepaid, to Seller's plant, not later than thirty (30) days after the expiration of the period of warranty coverage in respect thereof and are found by Seller's examinations to have failed to function properly because of defective workmanship or materials and not because of improper installation or misuse and is limited to, at Seller's election, either (a) repairing and returning the product or part thereof, or (b) furnishing a replacement product or part thereof, transportation prepaid by Seller in either case.

In the event Buyer discovers or learns that a product does not conform to the foregoing warranty, Buyer shall immediately notify Seller in writing of such breach, specifying in reasonable detail the nature of such breach. If Seller does not provide such written notification, Seller shall not be liable for any further damages which could have been avoided if Seller had

been provided with immediate written notification.

THIS WARRANTY IS MADE AND ACCEPTED IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY AND NONINFRINGEMENT, WHICH WARRANTIES ARE EXPRESSLY DISCLAIMED, AS BUYER'S EXCLUSIVE REMEDY FOR ANY DEFECTS IN THE PRODUCTS TO BE SOLD HEREUNDER. THE REMEDIES SET FORTH IN THIS SECTION REPRESENT BUYER'S SOLE AND EXCLUSIVE REMEDIES FOR ANY SELLER'S BREACH OF WARRANTY.

All other obligations and liabilities of Seller, whether in contract or tort (including negligence) or otherwise, are expressly EXCLUDED. In no event shall Seller be liable for any costs, expenses or damages, whether direct or indirect, special, punitive, incidental, consequential, including but not limited to loss of profits or revenue, or other, on any claim of any defective product, in excess of the price paid by Buyer for the product plus return transportation charges prepaid. No warranty is made by Seller of any Seller product which has been installed, used or operated contrary to Seller's written instruction manual or which has been subjected to misuse, negligence or accident or has been repaired or altered by anyone other than Seller or which has been used in a manner or for a purpose for which the Seller's product was not designed nor against any defects due to plans or instructions supplied to Seller by or for Buyer. All causes of action against Seller arising out of or relating to the breach of Seller's obligations under the Agreement or breach of the warranty set forth herein shall expire unless brought within one (1) year of the time of the act or omission resulting in breach. For international transactions, the parties expressly agree that the United Nations Convention on Contracts for the Sale of Goods does not apply. No person, agent, manufacturer, distributor, dealer, installer, or company, including Buyer, is authorized to change, modify, or extend the terms of Seller's warranty in any manner whatsoever. In no event shall Seller be responsible for liability arising out of Buyer's violation of any state, local or federal law, rule, regulation, order or ordinance ("Law"), including applicable workplace safety and environmental Laws, relating to or caused by Buyer's design, location, operation, or maintenance of the Products. Buyer is solely responsible for compliance with all Laws related to the installation and use of the Products.

FORCE MAJEURE

Seller does not assume the risk and is not liable for delay or failure to perform any of Seller's obligations under the Agreement by reason of war, fire, flood, acts of God, acts of third parties, acts of governmental authority or any agency or commission thereof, accident, breakdown of equipment, strikes, differences with employees or similar or dissimilar causes beyond Seller's reasonable control, including but not limited to, those acts interfering with Seller's production, supply or transportation ("Events of Force Majeure").

SPECIAL TOOLING

A tooling charge may be imposed for any Special Tooling. Such Special Tooling shall be and remain Seller's property notwithstanding payment of any charges by Buyer. In no event will Buyer acquire any interest in Special Tooling belonging to Seller that is utilized in the manufacture of the Products, even if such Special Tooling has been specially converted or adapted for such manufacture and notwithstanding any charges paid by Buyer. Unless otherwise agreed, Seller has the right to alter, discard or otherwise dispose of any Special Tooling or other property in its sole discretion at any time.

SECURITY INTEREST

Seller shall retain a security interest, title, and right of possession in the Products until the Seller's invoices for such Products have been paid in full by the Buyer. Buyer agrees to all acts necessary to protect and maintain such right and title with Seller and to protect the interest of Seller by adequately insuring the Products against loss or damage from any

external cause with Seller named as insured or co-insured. Buyer and Seller agree that this document shall serve as a security agreement in order to perfect and secure Seller's security interest in the Products. The responsibility of filing such security interest shall be that of Seller. Buyer explicitly agrees that Seller may file financing statement(s) and other instruments necessary to perfect and maintain a security interest in the Products for their purchase price. At the request of Seller, Buyer will join with Seller in executing one or more financing statement or other documentation deemed by Seller to be filed pursuant to the Uniform Commercial Code which shall be in form and substance satisfactory to Seller, and Buyer hereby appoints Seller its attorney in fact to execute such financing statements on its behalf, so that the statements will be signed by Buyer as debtor, said power being one coupled with an interest and not revocable.

INTELLECTUAL PROPERTY

In the event the Products are made substantially in accordance with drawings, samples, specifications or manufacturing processes designated by Buyer, Buyer agrees to indemnify, defend and hold harmless Seller and its affiliates from any and all damages, costs, liabilities, and expenses (including attorneys', other professionals' fees and court costs) relating to any claims, suits, or proceedings alleging that such Products and any related documentation or communication (including the aforementioned drawings, samples, specifications or manufacturing processes) constitute an infringement or misappropriation of any right of any third party, including any copyrights, mask work rights, patent rights, trademark rights, trade secret rights, trade dress rights, confidentiality rights or other property rights. If Seller so elects, Buyer agrees at its own expense to undertake the defense of any claim, suit or proceeding against Seller brought upon such claim or claims, provided upon such election Seller shall have the right to participate at Seller's expense and Seller must consent to any compromise or negotiation where judgement is entered against Seller or its affiliates.

In addition to the foregoing, Buyer agrees to indemnify, save harmless and defend Seller or its affiliates from and against any and all liabilities, claims, penalties, suits, and the costs and expenses incident thereto (including costs of defense, settlement, and reasonable attorneys' fees), which Seller or its affiliates may hereafter incur, become responsible for or pay out as a result of: (a) Buyer's breach of this Agreement; or (b) the death or bodily injuries to any person, destruction or damage to any property, or any violation of governmental laws, regulations or ordinances due to the negligence of the Buyer, its affiliates, or agents. The duty to defend stated herein is independent and separate from the duty to indemnify, and the duty to defend exists regardless of any ultimate liability of Buyer, Seller and any indemnified party. Their duty to defend arises immediately upon presentation of a claim by any party and written notice of such claim being provided to Buyer. Buyer's obligation to indemnify and defend hereunder will survive until it is determined by final judgment that an action against the Seller or an indemnified party for the matter indemnified hereunder is fully and finally barred by the applicable statute of limitations.

CONFIDENTIAL INFORMATION

Any and all information concerning Seller, the Products or the transaction covered hereunder which Seller discloses to Buyer, or which Buyer otherwise obtains knowledge of hereunder, remains the exclusive property of Seller and shall not be disclosed by Buyer to third parties without Seller's express written consent. Buyer agrees to safeguard the confidential and proprietary information of Seller by using reasonable efforts, consistent with those used in the protection of its own proprietary information of a similar nature, to prevent its disclosure to third parties. Buyer shall have no right whatsoever to such information other than to use it for evaluation for the purpose of the transaction covered hereunder. Seller will not disclose information submitted to it by Buyer which is confidential and proprietary to Buyer and clearly designated as such without Buyer's consent. The restrictions and obligations of this shall not apply to information that: (a) is already publicly known at the time of its disclosure by Seller; (b) after disclosure by Seller becomes publicly known through no fault of Buyer; (c) Buyer can

establish by written documentation was properly in its possession prior to disclosure by Seller or was independently developed by Buyer without use of or reference to any of Seller's information or (d) is required to be disclosed pursuant to law, regulation or lawful order or process, however in such event Buyer shall promptly notify Seller of the disclosure requirement to permit Seller to oppose or limit such disclosure.

LAWS AND REGULATIONS; FOR EXPORT

Seller does not assume any responsibility for compliance with any Law except as expressly set forth herein, and compliance with all Laws relating to the operation or use of the Products is the sole responsibility of Buyer. Nothing contained herein shall be construed as imposing responsibility or liability upon Seller for obtaining any permits, licenses or approvals from any agency required in connection with the supply, installation or operation of the Products. Buyer agrees to comply with all applicable Laws, regulations or orders, including, if applicable all requirements of the International Traffic in Arms and/or the Export Administration Act, as may be amended. If the ultimate destination of the Products is outside of the United States, Buyer shall designate such country on its order. In the event that Buyer purchases Products for export without notifying Seller, Buyer shall have sole liability and shall defend and indemnify Seller for any loss or damage (including, without limitation, claims of governmental authorities) arising from the export from the United States or import into another country of such Products.

Buyer acknowledges and agrees that the Products may be subject to export or resale restrictions or regulations under applicable Law (including, without limitation, the U.S. Export Administration Regulations and any foreign equivalents). Any statement as to product country origin, Export Control Classification Number or compliance with applicable Law is provided to Seller by its suppliers or based on Seller's historical classifications and Seller does not warrant the accuracy of such classification and Buyer uses such information at its own risk. Buyer, on behalf of itself, its subsidiaries and affiliates, warrants and agrees to abide by all applicable Laws relating to the export and re-export of the Equipment and Services and Buyer further warrants that the Equipment and Services will not be sold, exported, or incorporated into products or services for use by military, police or intelligence entities or for any aerospace applications. Buyer agrees to defend, indemnify and hold Seller harmless for any actions that arise due to Buyer's breach of this Laws and Regulations; Exports section.

RELATIONSHIP OF THE PARTIES

Buyer and Seller are independent contracting parties. Nothing hereunder or in the course of performance of this agreement shall grant either party the authority to create or assume an obligation on behalf or in the name of the other party, or shall be deemed to create the relationship of joint venture, partnership, association or employment between the parties..

SEVERABILITY

In the event that any provision of this Agreement shall by a court be declared void or unenforceable, the validity of any other provisions and of the entire Agreement shall not be affected thereby.

ASSIGNMENT; THIRD PARTY BENEFICIARIES

Any assignment of this Agreement by Buyer or of any rights or obligations under the Agreement by Buyer without prior written consent of Seller shall be void. Buyer shall be deemed to have assigned its interest in this Agreement in the event Buyer experiences a change of control where an entity or person directly or indirectly acquires by merger, acquisition, operation of law or otherwise a controlling interest in Buyer. This Agreement is for the sole and exclusive benefit of the parties hereto and their permitted successors and assigns. Nothing expressed or referred to in the Agreement will be construed to give any other person any legal or equitable right, remedy or claim under or with respect to this Agreement.

GOVERNING LAW

These Terms and the sale and delivery of all Products are deemed to have taken place in, and shall be governed and construed in accordance with, the laws of the State of Florida, as applicable to contracts executed and wholly performed therein and without regard to conflicts of laws principles. Buyer irrevocable agrees and consents to the exclusive jurisdiction and venue of the courts of Dade County, Florida with respect to any dispute, controversy or claim arising out of or relating to the sale and delivery of the Products.

APPLICABLE LAW; ARBITRATION

This Agreement and all disputes between the parties arising out of or related to this Agreement shall be governed by the laws of the State of Florida. The parties agree to submit all such disputes to binding arbitration which shall be held in Dade County, Florida, in accordance with the rules of the American Arbitration Association ("AAA") pertaining to commercial arbitration. Within thirty (30) days after either party has notified the other in writing that it is submitting a dispute to arbitration, three (3) arbitrators shall be appointed in accordance with said rules. Neither party shall be allowed to object to an arbitrator appointed by the other party. The arbitrators shall have no authority to award punitive damages, or any other damages excluded herein. The arbitration award shall be final and binding, and it may be entered in and enforced by any court of competent jurisdiction. The party prevailing in the arbitration or any other legal proceedings shall be entitled to recover its costs including reasonable attorney's fees incurred due to the arbitration or other legal proceedings.

HEADINGS; INTERPRETATION

The headings contained in the Agreement are for convenience only and do not in any way interpret, limit or amplify the scope, extent or intent of any of the provisions. Masculine pronouns include the feminine as well as masculine gender and words used in the singular include the plural and vice-a-versa, as appropriate. The term including shall be understood to mean "including, without limitation". References to Seller's sole discretion shall be understood to mean Seller's discretion to be withheld or granted in Seller's sole and absolute discretion.

ACCESSIBILITY

CPS Products standard terms and conditions apply and can be downloaded at www.cpsproducts.com

U.S. AUTHORIZED DISTRIBUTORS

ORDERS: All orders are subject to acceptance by CPS Products Inc. Possession of this cost sheet does not necessarily entitle you to the distributor net prices on the purchase of products.

MINIMUM ORDER: \$100.00 net, excluding transportation. Orders totaling less than \$100.00 net are subject to a \$25.00 handling fee.

5-2-1 Product Category: 2 boxes

PRICES: Prices do not include sales or excise taxes. Prices are subject to change without notice. All shipments will be made at price in effect the date the order is received, providing immediate shipment is requested.

TERMS OF PAYMENT: Net 30 days with approved credit. Invoice date reflects date of order shipment. All invoices are considered past due on the day after the net due date and are subject to a service charge of 1.5% per month.

FREIGHT: F.O.B. Factory, Hialeah, Florida. Freight prepaid via the most economical way on shipments within the continental limits of the U.S.A. per the following criteria:

Equipment* Product Category: Net orders totaling \$6,000.00, or more, excluding freight cost. Shipments of one (1) unit will incur a flat shipping fee of \$175.00.

5-2-1* Product Category: Net orders of 2 cases or more.

All other Product Categories: Net orders totaling \$2,000.00, or more, excluding freight cost. Can be combined with 5-2-1 items to meet the freight allowed minimum.

SHORTAGE-DAMAGE CLAIMS: All claims for shortages or errors must be made within ten (10) days of receipt of shipments. Claims for in-transit damages must be made with the delivering carrier.

RETURNS: No merchandise will be accepted for return without prior authorization. Call our Customer Service Department to request permission to return goods. Instructions on method of return will be given to you at that time. All returns are subject to a 25% restocking fee.

WARRANTY AND REPAIR POLICY: CPS guarantees that all products are free of manufacturing and material defects for one year from the date of purchase. If a product should fail during the guarantee period due to defective material or workmanship, it will be repaired or replaced (at our option) at no charge. This guarantee does not apply to products that have been altered, misused or solely in need of field serviceable maintenance. All repaired products will carry an independent 90-day warranty.

IN/OUT OF WARRANTY SERVICE AND REPAIR: No merchandise will be accepted without first obtaining a valid Return Authorization (RA) number from CPS. To request an RA number, simply visit the CPS website (www.cpsproducts.com) and select the Return Authorization Request option located under the main Support heading. Online instruction is provided to assist with the completion and submission of the form, along with current pricing for common services. Some services require examination of the product before pricing can be provided. All returned items must be freight prepaid or the shipment will be refused. Service costs include return freight back to customer except where noted.