



Calmont Wire & Cable, Inc.

STANDARD TERMS & CONDITIONS OF SALE

1. Terms and Conditions. These Terms and Conditions apply to all purchases of products from Calmont Wire and Cable, Inc. ("Seller"), 420 E. Alton Ave., Santa Ana, CA 92707. "Products" refers to all goods or services sold to Buyer.

2. Agreement of Buyer. Buyer, through placing an order with Seller agrees to be bound by these Terms and Conditions. Buyer's order is accepted subject to Seller being able to obtain the necessary raw materials and subject to Seller's production schedule, Government priorities and other Government regulations that may be issued from time to time. Buyer further acknowledges and understands that these Terms may only be amended or modified by express written consent by the President of the Seller. Seller objects to, and is not bound by, any terms or conditions on Buyer's order which attempt to impose upon Seller any terms or conditions at variance with Seller's terms and conditions herein set forth. No representative of Seller is authorized to make any warranties, promises or representations as to any product, and none shall be binding upon the Seller.

Buyer agrees that Product quantities will be +/- 10% of the ordered quantity as is industry standard practice unless indicated on the Order Acknowledgement.

Cancellation by Buyer cannot be effective except on terms which will indemnify Seller from loss of the order. Buyer's proposed terms as to such indemnity and not as to other matters relating to cancellation are accepted, if they fulfill this condition. Orders for custom product are not subject to cancellation. No material (except defective material) will be taken back and credited or replaced except upon consent and upon terms and conditions agreed upon by the Seller in writing.

3. Payments, costs, credit, default, and disputed amounts. Payment is due, without any set-off or deduction by the credit terms stated on the Order Acknowledgement and the Invoice. In the event of a dispute or claim, Buyer agrees to pay the undisputed portion of any invoice that becomes due. Seller's agreement to ship without payment is an extension of credit that is a financial accommodation to Buyer that may withheld at any time at the sole discretion of the Seller. Buyer shall remit to Seller all taxes (including excise taxes) and other governmental charges that are required to be collected as a result of the sale of any Products unless it has provided the Seller with a valid exemption certificate from the appropriate governmental agency at the time of order placement

Purchaser agrees to pay a service charge of 1.5% per month (18% per annum) which will be added to all delinquent invoices and will continue to accrue until paid in full. Furthermore, should it be necessary to assign the account balance with a collection agency or attorney for legal action, all collection charges and legal fees shall be paid by Buyer.

4. Shipping; risk of loss. All Products shipped will be F.O.B. Seller's location, with title and risk of loss or damage to the Products passing to Buyer upon shipment.

5. Delivery. Any shipment date indicated on Order Acknowledgement is not a guaranteed shipment date. Quoted shipment dates will vary depending on manufacturing, product availability and other conditions, and are only estimates. Delay in shipment or delivery shall not relieve Buyer of its obligations to accept shipment.

6. Exclusive remedy & Buyer's Inspection Obligations. Seller's only obligation shall be to replace such quantity of product proved to be defective. Seller shall not be liable for any injury, loss of profits, loss or damage, direct or consequential, arising from the use of or inability to use the product. Before using, Buyer shall determine the suitability of the Product for its intended use, and Buyer assumes all risk and liability whatsoever in connection therewith.

7. Warranty. Seller makes no warranty in regard to merchantability or fitness for a particular purpose. Seller makes no warranty either express or implied. However, should any material furnished by Seller prove defective due to defects in manufacture or not as ordered, Seller will, in lieu of other claims against it, upon due notice within a period of three (3) months after date of shipment, replace it F.O.B. original point of delivery, on return to Seller's plant of the defective material, but Seller will not be liable for any damages, losses or expenses arising in connection with, or by reason of the use of, or inability to use, such material for any purpose whatsoever. The determination of the suitability or fitness of the Products for the use contemplated by Buyer is Buyer's sole responsibility.

8. Returns. Material may not be returned without prior authorization. Within three (3) months of receipt of the Products, Seller must be notified in writing by Buyer of any Products claimed to be defective or nonconforming in any respect. Return of defective or nonconforming Products may be made only with Seller's written approval and issuance of an RMA number assigned by Seller's Quality Dept. and in accordance with Seller's specific shipping instructions. Return Products must be safely repackaged in proper containers. Abused Products are subject to return to Buyer by Seller. All returns must be made within thirty (30) days of Seller's authorization. In cases of return of Products by Buyer where the Products are defective or nonconforming (as determined solely by Seller,) full credit for the amount paid by Buyer will be issued upon receipt and inspection of the Products by Seller. Buyer shall protect against and be responsible for any loss or damage while the Products are in its possession and shall be responsible for risk of loss or damage to the Products in return transit.

9. Buyer's Exclusive Remedies; Exclusion of Remedies. Seller's liability for breach of warranty shall be limited to the furnishing of a like quantity of the same Products free from defects or, at Seller's option, to the issuance of a credit memo for the purchase price of the defective product. Seller is not liable for incidental or consequential damages.

10. Limitation of Actions. No action or claim may be brought by Buyer against Seller or its affiliates more than one (1) year after the cause of action or claim arises.

11. Compliance with laws. Buyer shall comply with all state and federal laws or regulations affecting the transportation, storage, or use, sale or disposal of the Products, and shall indemnify Seller against and hold Seller harmless from all violations of such laws after risk of loss of the Products passes to Buyer.

12. Force majeure. Seller shall not be liable to Buyer for any delay in shipment reasonably beyond Seller's control, including raw materials shortages (including power and fuel shortages); computer failures or defects; unavailability of transportation; fire, floods, and other acts of God; strikes, lockouts and other work stoppages; wars; sabotage; accidents; plant shut down; equipment failure and voluntary or involuntary compliance with any law. During the period of delay, Seller will be excused from delivery of Products or may allocate available Products among all Buyers as Seller determines appropriate.

13. Intellectual Property. Seller maintains ownership of all intellectual property rights relating to products designed by Seller, including product designs, drawings, trade secrets, specifications, processes and know-how.

14. Successors and assigns. These Terms shall be binding upon and inure to the benefit of the respective successors and assigns of Seller and Buyer. Buyer may not assign these Terms without the prior written consent of Seller.

15. Governing law. These Terms and all rights and obligations of the parties shall be governed by the laws of the State of California without giving effect to principals of conflicts or choice of law and enforceable by a court of competent jurisdiction in the County of Orange, California.

16. Warranty of solvency. Buyer warrants that it is solvent, not contemplating bankruptcy and is able to pay its debts, including its obligations under these Terms, before they become past due. Acceptance of each shipment of Products constitutes a reaffirmation of this warranty.

17. Fair Labor Standards Act. Seller warrants that the products have been manufactured in compliance with the Fair Labor Standards Act. Calmont Wire and Cable, Inc. is an Equal Opportunity Employer.

18. Invalidity. If any provision of these terms and conditions is held to be invalid or unenforceable by any court of competent jurisdiction, all other provisions hereof shall continue in full force and effect. Stenographic and clerical errors are subject to correction.

Customer Copy