



REVCO PRODUCTS

ELECTRONIC CONTRACT MANUFACTURER
PCB LAYOUT • ASSEMBLY • TEST

Terms & Conditions

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1. **APPLICABILITY.** These terms and conditions of sale (this "Agreement") apply to sales by Revco Products, Inc., hereinafter designated as "Seller". "Buyer" is the company so identified in the signature section at the end of this document. If there is any conflict between the provisions in these terms and conditions and Buyer's purchase order ("Purchase Order"), the provisions of these terms and conditions shall govern and prevail.
2. **DELIVERY.** All freight, insurance, and other shipping expenses, as well as any special packing expenses, shall be paid by Buyer from Seller's shipping point. Subject to Paragraph 6 below, title to all Goods as well as risk of loss or damage shall pass to Buyer upon either: (1) when the Goods are picked up from Seller's shipping point by a common carrier (such as UPS, FedEx or other) or (2) when the Goods are delivered to and accepted in writing by any representative of Buyer to the address stated on the Purchase Order, if such delivery is by Seller. The Seller selected common carrier shall not be the agent of Seller and Seller shall have no liability for any damage or delay incurred during the shipment to Buyer. In the event of any delay, the contractual date of delivery, if any, shall be extended for a period equal to the time lost as a consequence of such delay without penalty to Seller. Seller shall be entitled to refuse or to delay shipments for failure by Buyer to pay within terms for payments due Seller. Seller will ship the delivery by United Parcel Service (UPS) as the standard mode of delivery.
3. **CANCELLATION.** In the event of cancellation or other withdrawal of an order for any reason, the Buyer shall pay all costs incurred to that point. This includes, but is not limited to, cancellation costs for time and materials expended by Seller's personnel, expenses and/or restocking charges, and any costs associated with any commitments made by Seller on behalf of the Buyer, which shall include reasonable attorney's fees and costs. Seller will use commercially reasonable efforts to return non-used raw material for credits to the order. Any restocking charges or cost for material deemed non-returnable shall be paid by the Buyer. Upon receipt of payment of the cancellation costs, the Seller will deliver all raw material not returned and any manufactured product in as-is condition with no warranty.
4. **RETURN POLICY.** Approval must be obtained from Seller prior to return of any Goods. The Seller will not accept any Goods for return unless there is a material issue regarding warranty or workmanship. All Goods returned without an RMA (Return Material Authorization) number will be refused automatically. Repair work on material beyond the warranty period will be processed under a new purchase order/work order.
5. **TERMS.** Terms of payment are based on customer credit approval. In the event that payment is not received within the 30-day period, any unpaid balance shall commence to bear interest at the rate of 7 - 18% per annum, or such lower rate as is the maximum rate permitted by law, from the 31st day after the date of invoice, plus reasonable attorney fees and collection costs. Seller reserves the right to suspend or terminate, at any time and for any reason whatsoever, any credit terms previously extended to Buyer. Payments will be made to Revco Products, Inc., and remitted to 7221 Acacia Avenue, Garden Grove, California, 92841-3908. All credit memos issued by Revco Products Inc. are valid for 90 days; after which time a refund check will be sent to the customer.
6. **SELLER'S SECURITY INTEREST.** Seller retains, and Buyer hereby grants Seller, a security interest in the Goods, including all accessions to and replacements of them until Buyer has made payment in full in accordance with the terms hereof, and Buyer shall cooperate fully with Seller in executing such documents, including a Uniform Commercial Code financing statement, and accomplishing such filings and/or recording thereof as Seller may deem necessary for the perfection and protection of such security interest.
7. **INSPECTION AND ACCEPTANCE OF GOODS.** Final inspection and acceptance of the Goods shall be at Buyer's facility. Buyer shall be responsible for conducting the final acceptance tests, if necessary. These tests shall be completed promptly and in no event later than 90 days after delivery, at which time Buyer must either accept or reject Goods. Buyer must report any discrepancy in shipment quantity to Seller within 5 working days of common carrier delivery.
8. **TAXES AND SHIPPING COSTS.** Seller's prices do not include, and Buyer shall pay, any and all sales, use, excise or similar taxes or government charges attributable to the sale of Goods, and any shipping and handling costs (including insurance) incurred in transporting Goods to Buyer. Buyer agrees to execute the appropriate tax identification and exemption records as required by the State of California.
9. **EXCESS AND OBSOLETE MATERIAL.** Buyer assumes the responsibility for all material costs (plus mark-up of minimum 15%) of materials purchased to support open purchase orders. Because of industry requirements for materials to be purchased in minimum quantities for reels or set quantities, excess materials may be purchased to support an order. Seller will carry the excess material provided that demand orders are placed that continues to consume the excess material. Any excess or obsolete material with no demand in the prior 60 days will be billed to Buyer. The excess and obsolete material will then be, at the Buyer's option, moved to the Seller's consigned inventory stock and marked with the Buyer's part numbers, or shipped as a deliverable item to the Buyer. On the occasion that no new purchase orders are issued to the Seller within 60 days to continue consumption of material, the subject material will be considered obsolete for purposes of this contractual arrangement. Seller will invoice Buyer for the material costs, plus mark-up of minimum 15%.
10. **WARRANTIES AND REMEDIES.** Seller warrants that, at the time of delivery, the Goods are manufactured in accordance with good manufacturing practices and meet the requirements of IPC-A-610 (current revision), Class 2 (or Class 3 as specified in Statement of Work). The Seller agrees to rework all items that can be identified as workmanship related problems. The Seller does not warrant the performance of the end items being manufactured or the performance of any component used in the assembly other than that specifically passed through from the component manufacturer. The workmanship warranty is to be extended to any product found to be defective of workmanship within 90 days of the delivery. Seller elects the remedy to 1) credit the account of Buyer for the selling price of the defective item(s); 2) replace without charge to Buyer all Goods not in accordance with workmanship standards; 3) request return to Seller and reworked. In no circumstances is the Seller liable for any consequential, collateral or liquidated damages. Products must be returned in good condition, without their serial numbers or any part thereof altered, defaced or removed, and accompanied by a specification in writing of the defects involved. Buyer shall request of Seller an RMA number in accordance with paragraph 4 when Buyer must return Goods which Buyer believes are not manufactured in accordance with the acceptance criteria found in IPC-A-610. Final inspection and determination whether Goods are in accordance with IPC-A-610 shall be made by Seller, or other IPC-A-610 certified inspector. Other than the express warranty set forth above, Seller shall not be liable for any damage or loss due to delay in deliveries, delay in service, or use or interruption of use or business, or loss of profits, economic loss, or any other special, indirect, consequential or incidental damages arising out of or resulting from any breach by Seller of any of its obligations hereunder or Buyer's ordering, using, owning, or disposing of the Goods, even if Seller has been advised of the possibility of such damages.



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11. **CREDIT APPLICATION.** Seller's acceptance of any Purchase Order is contingent upon receipt and approval of Buyers' credit application.
12. **INTEGRATION AND ASSIGNMENT.** This instrument contains the entire and the only agreement between the parties with respect to the Goods and any representation, promise or condition herewith not specifically incorporated herein in writing is hereby deemed invalid. The provisions of this Agreement shall not be changed or modified except by an instrument in writing signed by the parties hereto. Any assignment of this Agreement or any rights or obligations hereunder by Buyer shall be void without Seller's written consent. Seller reserves the right to transfer or assign any of its rights or obligations with Buyer to any wholly owned subsidiary, affiliates of Seller or third party financing source (which assignment will not release Seller or Buyer from its obligations).
13. **DISPUTES & GOVERNING LAW.** THIS AGREEMENT AND PERFORMANCE BY THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA. THE VENUE OF ANY DISPUTES SHALL BE ORANGE COUNTY, CALIFORNIA.
14. **INDEMNIFICATION.** Buyer agrees that Seller is not liable, in whole or in part, for any claims or damages arising from use of the Goods in products (a) life support systems, human implantation's or any other invasive medical devices, (b) in nuclear facilities, systems or weapons, (c) any other application where product failure could lead to possible injury to a person, loss of life or property damage from such use, or (d) any other claims, demands, causes of action, costs expenses or other losses, whether to person or property, that arise from the products in which the Goods are incorporated into unless due to Seller's gross negligence or willful misconduct. Buyer agrees to indemnify, defend and hold Seller harmless from any and all claims, causes of action, losses, costs, liability or damages arising out of, or in connection with, any of these uses or the products in which the Goods are incorporated into. This indemnification shall survive termination of this Agreement.
15. **INSURANCE.** Buyer has procured, or will procure, and keep in force (1) Commercial General Liability (CGL) with limits of Insurance not less than: \$1,000,000 Each Occurrence Limit, \$1,000,000 Personal & Advertising Injury Limit, \$2,000,000 Annual Aggregate Limit and \$2,000,000 Products-Completed Operations Limit. CGL coverage shall be written on ISO Occurrence form CG00011093 or a substitute form providing equivalent coverage and shall cover liability arising from premises, operations, independent contractors, products-completed operations, and personal and advertising injury; (2) Business Auto Liability with limits of at least \$1,000,000 each accident which coverage must include coverage for liability arising out of all owned, leased, hired and non-owned automobiles; (3) Commercial Umbrella with limits of at least \$5,000,000. Umbrella coverage must include all entities that are additional insured's on the CGL policies. Umbrella coverage for such additional insured's shall apply as primary before any other insurance, including any deductible, maintained by, or provided to, the additional insured other than the CGL, Auto Liability and Employers Liability coverage maintained by the Buyer; and (4) workers' compensation insurance with statutory limits and employer's liability insurance with limits of at least \$1,000,000 per occurrence covering all of Buyer's employees. Buyer shall name Seller as additional insured on such policies of insurance and timely furnish to Seller all certificates of insurance in a satisfactory form. Attached to each certificate of insurance shall be a copy of the Additional Insured Endorsement that is part of the Buyer's Commercial General Liability Policy, as well as a copy of the policy's endorsement providing coverage to the additional insured on a primary and non-contributing basis.
16. **LIMITATION OF LIABILITY.** Seller shall not be responsible or held liable to Buyer for any indirect, consequential, incidental, special or exemplary damages, including but not limited to, loss of revenue or anticipated profits, loss of investment, loss of product, business interruption or lost business, personal injuries or any payments due for personal injury, even if Seller has been advised of the possibility of such damages.
17. **NOTICES.** Any notice to Seller under this Agreement shall be in writing and shall be served upon Seller by personal services, or by leaving a copy for such notice at the address set forth below, whereupon service of the notice shall be deemed completed; or by mailing a copy of such notice by certified mail or registered mail, postage prepaid, with return receipt requested, addressed to Seller as follows: 7221 Acacia Avenue, Garden Grove, California, 92841-3908.

THIS AGREEMENT WILL BE IN FORCE FOR ALL FUTURE ORDERS PLACED BY BUYER UNLESS SPECIFICALLY SUPERSEDED BY A NEW AGREEMENT, DISSOLVED IN WRITING, OR ALTERED BY AN ADDENDUM.

REVCO PRODUCTS REPRESENTATIVE:

Signature

Print Name

Date

AUTHORIZED BUYER REPRESENTATIVE:

Company Name

Signature

Print Name

Date