

# Inertia Engineering - Terms & Conditions of Sale and Warranties

1. **ACCEPTANCE OF ORDERS.** All orders are subject to acceptance by Inertia Engineering Inc., Stockton, California (Seller). Seller agrees to sell, and Buyer agrees to buy, products (the "Goods") in accordance with the terms and conditions of this Contract. Acceptance of the goods shipped shall constitute assent to seller's conditions of sale. This document may be superseded by any inconsistencies involving formal bid and award contracts signed by an officer of the Company.
2. **PAYMENT.** Payment shall be made to Inertia Engineering, 6665 Hardaway Road, Stockton, California 95215. Payment terms are net 30 days or one-quarter of one percent (0.25%) cash discount if paid within 10 days from the date of invoice. The seller retains a security interest in the goods until full payment has been received. Seller reserves the right to modify the payment terms at its sole discretion, and is entitled to cancel or defer shipment on outstanding orders without obligation by either purchaser or seller. If any invoice is not paid when due, interest will be added to and payable on all overdue amounts at 18.00 percent per annum, or the maximum percentage allowed under applicable laws, whichever is greater. Buyer shall pay all costs of collection, including without limitation, reasonable attorney fees.
3. **DELIVERY.** United States except Alaska and Hawaii (contiguous states). Seller will arrange for delivery by carrier chosen by Seller. Prices are F.O.B. common carrier shipment point, with transportation prepaid and add unless otherwise specified in writing in buyer's purchase order, or seller's acceptance.
4. **TITLE/RISK OF LOSS UNDER F.O.B.** The Goods shall be delivered F.O.B. shipping point. Risk of loss shall pass to the purchaser upon delivery to the common carrier at point of shipment. Seller will assist purchaser in resolving any claims for loss or damage.
5. **PAYMENT OF TAXES.** Buyer agrees to pay all taxes of every description, federal, state, and municipal, that arise as a result of this sale, excluding income taxes. It is the buyers' responsibility to provide seller with valid sales tax exemption certification for purchases exempt from sales taxes. All applicable taxes will be added to the invoice as a separate item.
6. **WARRANTIES.** Seller warrants to Buyer that the Goods will conform substantially to the applicable drawings or design standards. The seller warrants that Goods shall comply with industry standards, and will be fit for the ordinary purpose for which the goods are used: will be free of material and workmanship defects under proper use for a period of two years from the date of shipment. Upon confirmation that the equipment has been stored, operated and maintained in accordance to seller's recommendations and industry standard practice the seller agrees to correct any nonconformity that may arise during the 2 year period either by repairing or (at seller's option) by replacement of the nonconforming equipment. The foregoing shall constitute purchaser's exclusive remedy and a fulfillment of seller's liability with respect to this equipment. NO OTHER WARRANTY, WHETHER EXPRESS OR ARISING BY OPERATION BY LAW, COURSE OF DEALING USE OF TRADE OR OTHERWISE IMPLIED, SHALL EXIST IN CONNECTION WITH THE COMPANY'S PRODUCTS OR ANY SALE OR USE THEREOF. Seller's liability, if any, for defective Goods, is limited to replacement, repair or refund of the defective Goods, at Seller's option. The Seller's warranty does not apply to major components not of Inertia Engineering's manufacture. Seller will assign to purchaser all warranties of other manufacturers' major components. In addition, any "non-INERTIA branded" components or non-INERTIA authorized components affixed to an INERTIA switch expressly voids the switch warranty.
7. **INSPECTION.** The Buyer, upon receiving possession of the Goods, shall have a reasonable opportunity to inspect the Goods to determine if the Goods conform to the requirements of this Contract. If the Buyer, in good faith, determines that all or a portion of the Goods are nonconforming, the Buyer may return the Goods to the Seller at the Seller's sole discretion. The Buyer must provide written notice to the Seller of the reason for rejecting the Goods within 15 days of receipt of the Goods. The Seller will have 60 days from the return of the Goods to remedy such defects under the terms of this Contract.
8. **REMEDIES ON DEFAULT.** In addition to any and all other rights available according to law, if either party defaults by failing to substantially perform any material provision, term or condition of this Agreement (including without limitation the failure to make a monetary payment when due), the other party may elect to terminate this Agreement if the default is not cured within 30 days after providing written notice to the defaulting party. The notice shall describe with sufficient detail the nature of the default.
9. **FORCE MAJEURE.** Seller will not be liable for any delay in shipment or performance or any obligation which is prevented, restricted, or interfered with by causes beyond either party's reasonable control ("Force Majeure"), and if the party unable to carry out its obligations gives the other party prompt written notice of such event, then the obligations of the party invoking this provision shall be suspended to the extent necessary by such event. The term

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Force Majeure shall include, without limitation, acts of God, fire, explosion, vandalism, storm or other similar occurrence, orders or acts of military or civil authority, or by national emergencies, insurrections, riots, wars, strikes, lockouts, work stoppages, other labor disputes, or supplier failures. The excused party shall use reasonable efforts under the circumstances to avoid or remove such causes of nonperformance and shall proceed to perform with reasonable dispatch whenever such causes are removed or ceased. An act or omission shall be deemed within the reasonable control of a party if committed, omitted, or caused by such party, or its employees, officers, agents, or affiliates.

10. **CONFIDENTIALITY.** Both parties acknowledge that each may obtain confidential information regarding the other party's business. Both parties agree to treat all such information and the terms as confidential and to take all reasonable precautions against disclosure of such information to unauthorized third parties. Upon request by an owner, all documents relating to the confidential information will be returned to such owner.
11. **NOTICES.** Any notice or communication required or permitted under this Agreement shall be sufficiently given if delivered in person or by certified mail, return receipt requested, to the addresses listed above or to such other address as one party may have furnished to the other in writing. The notice shall be deemed received when delivered or signed for, or on the third day after mailing if not signed for.
12. **ASSIGNMENT.** Neither party may assign or transfer the rights of the first purchaser the Goods without prior written consent of the other party, which consent shall not be unreasonably withheld.
13. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties regarding the subject matter of this Agreement, and there are no other promises or conditions in any other agreement whether oral or written.
14. **SEVERABILITY.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.
15. **APPLICABLE LAW.** The laws of the State of California shall govern this Agreement.

Effective: January 01, 2014