



General

These Sales Terms & Conditions ("Terms"), shall be part of, apply to and govern each and every agreement between Clipper Controls Inc. ("Clipper Controls") and any buyer, purchaser or customer ("Buyer") from Clipper Controls of goods or services. Acceptance by Buyer of any offer reflected in this document is expressly limited to acceptance of the Terms set forth herein, and none others unless expressly assented to in writing by Clipper Controls. If your purchase order or other correspondence lists terms that are different from ours, we may process your order, but we do not accept the terms. This offer is limited to the quantities and items specifically mentioned therein and Clipper Controls can assume no responsibility for furnishing other equipment or material shown in any plan or specification. Buyer represents and acknowledges that any purchase from Clipper Controls is for business use, and is not for personal, family or household purposes. All orders are subject to acceptance by us at our company headquarters. We reserve the right to make changes to these Terms and the version as published at www.clippercontrols.com at the time of sale shall govern.

Safety

Products can and do fail. Sound engineering practice demands that whenever equipment failure may result in more than an inconvenience, a completely independent back up system be employed such that failure of either the system or the backup system will not permit a hazardous condition to occur. Buyer is responsible for the material compatibility and process limitations of Products with its use and service conditions. Buyer is responsible to follow all national and local codes that regulate the installation and operation of the Products.

Prices

All prices are based upon the quantity and type of goods ordered and subject to change without notice. Prices will be established at time of order acceptance by Clipper Controls, which occurs at time of shipment. Prices for backordered Products are not guaranteed. Clerical errors made by Clipper Controls are subject to correction. All sales are made F.O.B. the factory shipping point. Buyer will be responsible for all shipping, handling, and insurance charges, and will reimburse Clipper Controls for all shipping, handling, and insurance costs. Risk of loss for the Products shall pass to Buyer when the Products are delivered to a common carrier at the shipping point. If partial shipments are made, proportionate payments shall become due and payable on each such shipment. If Clipper Controls is not permitted to make shipment within three months by Buyer request, price escalation will apply. The escalated price will be based on the price in effect at time of shipment or on the percentage increase in the Consumer Price Index for the same period. Clipper Controls certifies that no price provided for under this order is unlawfully discriminatory.

Credit & Payment

We accept Cash. Our credit terms are NET due 30 days for customers with approved credit terms, and we invoice on the day of shipment. Buyer shall furnish to Clipper Controls all financial information reasonably requested by Clipper Controls from time to time for the purpose of establishing or continuing Buyers credit limit. Buyer agrees that Clipper Controls shall have the right to decline to extend credit to Buyer and to require that the applicable purchase price be paid prior to shipment. Buyer shall promptly notify Clipper Controls of all changes to Buyer's name, address, or of the sale of substantially all of its assets. If Buyer fails to comply with these Terms or if Clipper Controls has doubt of Buyer's financial responsibility, Clipper Controls may decline to make further shipments except against cash payment. Buyer shall not deduct any amounts owing from any Clipper Controls invoice without Clipper Controls express written approval. A service charge of the lesser of one and one-half percent (1.5%) per month or the maximum amount allowed by law will be charged on all past due balances commencing on the date payment is due. In the event our bank returns a check to us, a \$35 fee will be added to your account. Credit accounts may be suspended at any time. We also accept Credit Cards for payment with a 4% surcharge.

Security Interest

Without reference to the form of invoice, which may be used by Clipper Controls, a purchase money security interest in the Products shall remain in Clipper Controls as security until the purchase price (including any extensions of payment whether evidenced by note or otherwise) shall be fully paid. The Products shall remain personal property, whatever may be the mode of its attachment to realty or other property, until the purchase price shall be fully paid, and Buyer shall perform all acts that may be necessary to perfect and assure retention of such security interest in Clipper Controls.

If Buyer fails to make any payment of or an account of the purchase price when due, Clipper Controls may at its option take exclusive possession of the Equipment wherever found and remove the Products without legal process, and Buyer shall pay to Clipper Controls installation and removal costs plus a use charge equal to 5% of the purchase price per month, or fraction thereof, from the date of shipment, and any payments which have theretofore been made on account of the purchase price of the Products shall be retained by Clipper Controls and applied to such costs and charges, with any balance thereof being retained as liquidated damages, without prejudice to its right to recover any further damages which it may suffer from any cause.

Taxes

Liability for all taxes, licenses or other fees imposed by any municipal, state or governmental authority upon the production, sale, shipment and / or use of equipment or services covered by this proposal shall be assumed and paid for by the Buyer and the Buyer shall indemnify Clipper Controls against any such liability. Clipper Controls will bill applicable sales and / or use taxes unless Buyer furnishes suitable exemption certificate at time of placing order.

Delivery & Shipment

The scheduled shipping or delivery date represents the best estimate by Clipper Controls for the time the order will be shipped from the shipping point, and Clipper Controls assumes no liability for loss, damage, or incidental or consequential damages due to delays. Clipper Controls will only ship goods to an address or freight forwarding company within the United States. When special domestic or export packaging is specified, a charge will be made to cover any extra expense.

Installation

Unless otherwise agreed, the Buyer will install the Products. Clipper Controls shall not be liable for any injury to persons or damage to property occurring in the course of or as a result of the presence of its employees, agents or subcontractors on Buyers premises, with respect to installation or subsequent service.

Compliance with U.S Export Laws

All products contained in this proposal are controlled for export or use outside of the United States by the U.S. Department of Commerce. Buyer agrees that it will not export, re-export, or otherwise distribute Products, or direct products thereof, in violation of any export control laws or regulations of the United States. Buyer warrants that it will not export or re-export any Products with knowledge that they will be used in the design, development, production, or use of chemical, biological, nuclear, or ballistic weapons, or in a facility engaged in such activities, unless Buyer has obtained prior approval from the U.S Department of Commerce. Buyer further warrants that it will not export or re-export, directly or indirectly, any Products to embargoed countries or sell Products to companies or individuals listed on the Denied Persons List published by the U.S. Department of Commerce.

Warranty

The manufacturer or publisher of the Products, if any, provides product warranties. Clipper Controls makes no warranties whatsoever. Clipper Controls sole obligation (and Buyer's sole remedy) in the event of breach of any warranty shall be the repair or replacement of defective Products. IN NO EVENT SHALL Clipper Controls BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES OR DAMAGES OF ANY KIND OR NATURE ALLEGED TO HAVE RESULTED FROM ANY BREACH OF WARRANTY. Clipper Controls DOES NOT WARRANT THE



MERCHANTABILITY OF THE PRODUCTS OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE. Clipper Controls MAKES NO WARRANTY, EXPRESS OR IMPLIED, OTHER THAN THOSE SPECIFICALLY SET FORTH HERIN.

Limitation of Liability

Clipper Controls, ITS EMPLOYEES, AGENTS OR SUBCONTRACTORS SHALL NOT BE LIABLE TO BUYER, BUYER'S CUSTOMERS, OR ANY OTHER PARTY FOR ANY LOSS, DAMAGE, OR INJURY THAT RESULTS FROM THE USE OR APPLICATION BY BUYER, BUYER'S CUSTOMERS, OR ANY OTHER PARTY, OF PRODUCTS DELIVERED TO BUYER. Clipper Controls SHALL NOT BE LIABLE FOR COSTS OF PROCUREMENT OF SUBSTITUTE PRODUCTS OR SERVICES, NOR FOR ANY LOSS OF BUSINESS, LOSS OF USE OR OF DATA, INTERRUPTION OF BUSINESS, LOST PROFITS OR GOODWILL, OR OTHER INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND ARISING OUT OF THIS AGREEMENT, EVEN IF Clipper Controls HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS, AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THIS EXCLUSION INCLUDES ANY LIABILITY THAT MAY ARISE OUT OF THIRD-PARTY CLAIMS AGAINST BUYER. CLIPPER CONTROLS' TOTAL LIABILITY UNDER THIS AGREEMENT WITH RESPECT TO ANY PRODUCT SOLD HEREUNDER SHALL IN NO EVENT EXCEED THE PRICE PAID BY BUYER FOR SUCH PRODUCT OR SERVICE ACTUALLY DELIVERED AND PAID FOR BY BUYER HEREUNDER. BUYER HEREBY EXPRESSLY WAIVES ANY AND ALL CLAIMS FOR SUCH DAMAGES.

Claims of Infringement

Clipper Controls shall have no duty to defend, indemnify, or hold harmless Buyer from and against any or all damages and cost incurred by Buyer arising from the infringement of patents or trademarks or the violation of copyrights by Products.

Catalog & Specification Illustrations

The illustrations and specifications in any document describing the Products are intended to show the general features of the Products, but Clipper Controls reserves the right to supply Products of latest design and construction. Specifications and designs are subject to change without notice.

Choice of Law / Forum

Any agreement between Clipper Controls and Buyer shall be deemed to be made and entered into the State of California and shall be interpreted in accordance with the laws of that state. Clipper Controls and Buyer consent to the jurisdiction of the courts of Sacramento County, California for adjudication of any dispute relating to or arising out of the sale or the agreement of the parties and agree that said courts shall be the exclusive forums for adjudication of any such dispute. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to these Terms.

Cancellation and Return Policy

Orders may be cancelled or changed only with Clipper Controls written consent and upon payment of reasonable and proper cancellation charges as determined solely by Clipper Controls. If the order, or any part thereof, has been shipped, the Products shall be returned only when specifically authorized. Clipper Controls shall determine credit for the returned Products after inspection. Buyer shall not return any products without obtaining a Returned Material Authorization number issued by Clipper Controls. Buyer shall complete and execute a Product Decontamination Certificate for any Products that have been removed from their original packaging.

Manufacturer, Publisher, and Supplier Restrictions

If the manufacturer or publisher of any Product requires authorization for resale, then Clipper Controls will not be obligated to sell such Product to Buyer unless Clipper Controls has received notification of such authorization from the manufacturer or publisher. All Products delivered to Buyer hereunder may have additional restrictions on their use required by the manufacturer or publisher. Buyer is solely responsible for ensuring its adherence to any and all such restrictions and requirements. If any supplier prohibits Clipper Controls from selling specific Products to Buyer, then Clipper Controls reserves the right not to sell such Products to Buyer.

**Labor Laws**

We certify that the goods furnished in performance of this purchase order were produced in compliance with all applicable labor laws.

Force Majeure

Deliveries may be suspended by either party in case of Act of God, war, riots, fire, explosion, flood, strike, lockout, injunction, or any cause beyond the control of such party, preventing the manufacture, shipment, acceptance, or consumption of a shipment of the goods or of the material upon which the manufacture of the goods is dependent. If because of any such circumstance, Clipper Controls is unable to supply the total demand for the goods, Clipper Controls may allocate its available supply among itself and all of its customers, including those not under contract, in an equitable manner. Such deliveries so suspended shall be canceled without liability, but the contract shall otherwise remain unaffected.

Confidentiality

All information and data included in this proposal quotation and any forthcoming purchase order is the exclusive property of Clipper Controls and is strictly confidential between Clipper Controls and Buyer and shall not be duplicated, used or disclosed – in whole or in part – for any purpose other than to evaluate this proposal or quotation.

Assignment

No rights or obligations arising under this contract may be assigned or transferred by the Buyer without the prior written consent of Clipper Controls.