

Terms of Payment

Cash discount is to be calculated on the total amount of the invoice before additions for transportation. A 1.5% service charge per month will be added to past due balance.

Freight Policy

Freight charges will be prepaid on orders of \$1,600.00 net or more to one destination in the Continental United States. Otherwise, freight terms are F.O.B. Vernon, California.

Minimum Order

There are no minimum orders at Charman Manufacturing, Inc.

Order Acceptance

All orders are subject to acceptance by Charman Manufacturing, Inc. Possession of our catalog or price list by any person is not to be construed as an offer to sell to that person. All prices are subject to change without notice.

Governing Law The entering into, construction, interpretation, performance and discharge of the terms set forth herewith shall be governed in accordance with the laws of the state of California.

Limited One Year Warranty

Seller warrants the material to be free of defects in material and workmanship, under normal use, proper maintenance and proper operations, for a period of one year from date of delivery to a common carrier for shipment to buyer or his designated agent. The obligation of the seller is limited to (1) repair of the material, or (2) replacement of any component or components proven defective in material or workmanship, or (3) refund of the purchase price. Seller shall have no liability for the cost of removal or re-installation with respect to any replaced or repaired product. The election of said remedies shall be determined by seller in its sole discretion and shall be considered final disposition.

All implied warranties, including the implied warranties of merchantability and fitness for a particular purpose, are hereby disclaimed and excluded. This warranty is in lieu of all other warranties, guarantees, agreements and similar obligations or seller; in no event shall seller be liable for consequential or incidental damages.

Claims

No later than ten (10) days from receipt of material buyer will report, in writing, all claims for any damage, defects or shortages. All claims, including for alleged damaged or defective material shortage negligence or any other cause whatsoever "(defective performance)", shall be deemed waived unless made in writing within the ten (10) day period. However, any defective performance not discoverable within said ten (10) day period (including that discoverable only in processing or in further manufacturing) shall be deemed waived unless made in writing and received by seller in writing within ninety (90) days after receipt or within ten (10) days after buyer learns of the alleged defect, whichever occurs first. Seller's liability shall in no event exceed the purchase price of the material in respect to which the claim is made, or at the election of seller at its sole discretion, and to repair or replacement of such material. Seller shall not be liable for, and buyer assumes all personal injury and property damage resulting from handling, possession, use or resale of the material by buyer. In no event shall seller be liable for incidental or consequential damages, whether buyer's claim is in contract, negligence, or otherwise. If claim is made, buyer shall permit seller at seller's option to re-inspect the material at buyer's plant or if seller so directs, buyer shall return the material at buyer's expense to seller's facility for re-inspection. No material may be returned to seller without prior written permission from seller.

Terms and Conditions

Effective June 1, 2000

Force Majeure

Anything in this agreement to the contrary notwithstanding, it is expressly agreed that seller shall not be liable for any damages resulting from, and buyer shall not have the right to cancel this order because of any delays caused in whole or in part by fires, floods, windstorms, tornadoes, wars, riots, insurrections, strikes, lockouts sit-downs, slowdowns, or other labor trouble, causing cessation or interruption of operations or by accident, material shortages, labor or fuel shortages, or because any plant, plants or any portion thereof belonging to seller have been commandeered by the legally constituted public authority, or because of any priorities or preferences established for the manufacture, assembly or allotment of materials by order, decree, or to otherwise of the United States, or by any department, bureau, commission, committee, agent or administrator of any legally constituted public authority in any plant of seller, or any of its supplier, or resulting from any other cause beyond the control seller.