

TERMS & CONDITIONS of SALE

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Terms & Conditions of Sale and Warranties

Purpose: Defines Macro-Blue Inc. Terms and Condition of Sale and Warranties. These terms may be reproduced for buyers at their request; additionally these terms shall be referenced in all quotes, proposals, and acknowledgement of Purchase Orders. **Scope**: Applies to all Macro-Blue Inc. products, services and repairs.

. Applicability

Any purchase order covering the sale of Macro-Blue Inc. products or services shall be governed solely by these Condition of Sale and other written provisions mutually agreed upon in writing. Any oral understandings are expressly excluded. Any Conditions appearing on, incorporated by reference in, or attached to Buyer Requests for Quotes or Purchase Order Forms are hereby expressly rejected. Seller shall not be deemed to have waived these Conditions of Sale if it fails to object to provisions appearing on, incorporated by reference in, or attached to Buyer Requests for Quotes or Purchase Order forms unless agreed to in writing and signed by an authorized representative of Buyer and Seller. Buyer's silence or acceptance or use of products or services constitutes acceptance to these Conditions of Sale. Any catalog, price lists, or outdated quotes do not constitute an offer. Seller reserves the right to reject any Order submitted for its acceptance.

2. Pricing and Payments

Price Quotes are believed to be accurate; however, Seller reserves the right to correct inadvertent errors in prices prior to acceptance of an Order. Purchase prices are stated in United States dollars (USD), and payment shall be made in United States currency (USD). In the event payments are not made in a timely manner for any Order, Seller may, in addition to all other remedies provided at law, either: (1) declare Buyer's performance in breach and terminate the Oder for default; (2) withhold future shipments under the Order until delinquent payments are made; (3) deliver future shipments under the Order on a cash with Order or cash in advance basis even after the delinquency is cured; (4) charge interest on the delinquency at a rate of 1.5 % per month or the maximum rate permitted by law, if lower, for each month or part thereof of delinquency in payment plus applicable storage charges, or inventory carrying charges; or (5) recover all costs of collection including reasonable attorney's fees; and (6) at Sellers option combine any of the above rights and remedies as provided by law.

Setoff

All amounts Buyer owes Seller under an Order shall be due and payable according to the terms of an Order. Buyer is prohibited from and shall not set off such amounts or any portion thereof, whether or not liquidated, against sums which Buyer asserts due it, its parent affiliates, subsidiaries or other divisions or units under transactions with Seller, its parents, affiliates, subsidiaries or other divisions or units.

4. Purchase Order Acceptance and Acknowledgement

An "Order Acknowledgement" document will advise Buyer of forecasted delivery dates. The Order Acknowledgement shall override proposed schedule. In instances where quantities ordered prohibit total shipment within specified lead times, orders will be scheduled for earliest available delivery thereafter.

5. Changes

Seller at all times reserves the right to alter prices or designs without notice due to policy of continued improvement. Seller is entitled in its sole discretion without the consent of Buyer to make changes, additions or improvements to products being delivered under an Order without liability or obligation to incorporate such changes, additions or improvements in any item manufactured, sold or delivered prior to incorporation of the change, addition or improvement.

6. Delivery and Title

Delivery shall be in accordance with delivery schedule noted in Order Acknowledgement. Delivery of goods to common carrier or licensed trucker shall constitute delivery to Buyer and all risk of loss or damage in transit will be borne by Buyer. Seller reserves the right to make deliveries in installments. All such installments shall be separately invoiced and paid when due, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve Buyer of its obligation to accept remaining deliveries. Preservation, packing and packaging will be to standard commercial practices for domestic shipment. In the event a shipment is received damaged, notify delivery carrier at once and file a claim. Buyer agrees that title to the purchased product(s) shall be vested to Seller until such time that Buyer pays to Seller the full amount as per invoice(s) rendered. Delivery dates are estimates only and Seller is not liable for delays in delivery or for failure to perform due to causes beyond the reasonable control of the Seller. A delayed delivery of any part of an Order does not entitle the Buyer to cancel other deliveries.

Excusable Delay

The Seller shall be excused from delays in delivery and performance of other contractual obligations under an Order caused by acts or omissions that are beyond reasonable control and without fail or negligence of Seller including but not limited to Government embargoes, blockades, seizure or freeze of assets, delays or refusals to grant an export license or suspension or revocation thereof, or any other acts of any Government, fires, floods, severe weather conditions, or any other acts of God, quarantines, labor strikes, or lockouts, riots, strife, insurrection, civil disobedience, ware, material shortages or delays in deliveries to Seller by third parties. If excusable delay circumstances extend for six months, either party may, at its option, terminate order without penalty or liability and without being deemed in default or breach thereof.

8. <u>Material Shortages and Allocations</u>

In the event Seller is unable to obtain in a timely manner material sufficient to fulfill all of its orders on hand, Seller shall have the right as a result of said material shortages to equitably allocate lesser quantities of products to be delivered to all Buyers on a proportionate basis and contract price shall be equitably adjusted, taking into consideration, among other things, reduced quantity of items to be delivered and increased productions costs, if any to Seller are a result of manufacturing lesser quantities.

9. Inspection

The Buyer shall inspect and accept or reject products delivered pursuant to an Order immediately after Buyer takes custody of such products. In the even products do not comply with applicable Seller drawings, Buyer shall notify Seller of such noncompliance and give Seller reasonable opportunity to correct any noncompliance. Buyer shall be deemed to have accepted any products delivered hereunder and to have wavered any such noncompliance in the event Seller do not receive written notification products delivered hereunder do not comply with Seller's drawings, within thirty (30) calendar days after Buyer takes custody of products delivered hereunder.

10. LCD Display Pixel Policy

During the LCD Monitor manufacturing process, it is not uncommon for one or more pixels to become fixed in an unchanging state. The visible result is a fixed pixel that appears as an extremely tiny dark or bright discolored dot. When the pixel remains permanently lit, it is known as a "bright dot". When the pixel remains black, it is known as a "dark dot". Your LCD display is subject to replacement if it meets the criteria outlined in the following

Macro-Blue Standard LCD Monitor Table Bright Dots = 2 or more Dark Dots = 6 or more

11. Order Cancellation

Purchase Orders that have been accepted by Seller may not be changed or canceled, in whole or in part, without written consent of Seller. If accepted, all changes must be included in a change order reflecting the purchase order number and submitted to the Seller, without exception. Changes may affect delivery dates. Expenses incurred because of changes shall be charged to Buyer. Buyer will be liable for Seller's costs incurred, plus a reasonable profit, for the portion of the work terminated, in accordance with generally accepted accounting principles, together with cancellation charges. In no event can any aspect of the order be changed after product shipment has occurred.

12. Custom Products Policy

Custom items are not returnable. Custom products, by their nature, are products and materials, which have been altered, modified, cut, amended and customized to your order, and are not resalable or returnable. Orders for custom product are subject to a cancellation fee of up to 100% of the order, depending on the stage of completion of the order at the date the cancellation is accepted by the Seller. Buyer agrees to pay Seller for completed work allocated to Buyer's order at the time of termination of the work at the unit selling price and all costs, direct and indirect for work-in-progress as well as costs resulting from cancellation and a reasonable profit therein. Specific cancellation charges will be dependent on the type of custom product ordered; a schedule detailing these charges will be forwarded to Buyer when Buyer's cancellation is acknowledged.

13. Returns

The return of Products without a written authorization by Seller will not be accepted. Returns are accepted only with a valid Return Material Authorization (RMA) number for items to be returned. To receive authorization for Product return, contact Customer Service at 800-824-3181 or 805-532-1391, or email support@macro-blue.com. RMAs are valid for 30 days from the date issued. There may be a 30% re-stocking fee assessed on items returned for credit. All returned products must be unused, and in original condition. No refund or credit shall be given for damaged products. Buyer may not return custom products. Any product returned by Buyer due to Buyer's error may be subject to a restocking charge equivalent to 100% of the value of such Product as specified in Seller's invoice to Buyer. We do not accept return packages without a valid RMA number printed on the package, and we do not accept postage-due or C.O.D. packages at any time for any reason. Buyer is responsible for shipping charges to Macro-Blue for repairs. Seller will ship in the most economical way possible and will absorb shipping costs back to the buyer for repairs deemed to be "In Warranty" only. International shipping costs, taxes, duty, and tariffs beyond domestic shipping charges are the responsibility of the Buyer. Buyer is responsible for the cost of insurance if desired.

14. Special Tooling and Data

Unless otherwise agreed to in writing, all material, software, data processes, equipment and special tooling, which term includes but is not limited to jigs, fixtures, molds, patterns, special taps, special gages, special test equipment, other special equipment and manufacturing aids and replacements thereof, used in manufacture of products covered by an Order shall be and remain the property of Seller. Seller retains all rights, title and interest in drawings, engineering instructions, specifications, and all other written data, if any, furnished with the products.

15. Limitation of Liability

Seller's liability on any claim for loss or damage arising out of, connected with, or resulting from an Order, or from performance or breach thereof, or from the manufacture, sale, delivery, resale or use of any product or services rendered covered by or furnished under an Order shall be limited to the price specified in the sale contract for the specific product or products that have caused the damages, or are directly or indirectly related to the cause of action. In no event shall Seller be liable for special, incidental or consequential damages. No obligation or liability of Seller will arise out of Seller rendering of technical advice in connection with Buyer's order or the products furnished hereunder. Goods are not specifically designed or manufactured for use in life support or safety equipment where malfunction can result in personal injury or death. This terms and Conditions supersede all previous policies and are subject to change without notice.

16. Export Control

Unless otherwise agreed in writing the Buyer shall be responsible for compliance with the export control laws and regulations of the U.S. Government, and when required by such laws and regulations shall obtain export and re-export licenses required for goods, services and technical data delivered under an Order. Seller shall not be liable to Buyer for any failure to provide goods, services or technical data as a result of the following U.S. Government Actions: (1) refusal to grant export or re-export license; (2) cancellation of export or re-export license; or (3) any subsequent interpretation of U.S. export laws and regulations, after the date of an Order, that limits or has a material adverse effect on the cost of Seller's performance on an Order.

Buyer certifies that it will be the recipient of the Products to be delivered by Seller. Buyer acknowledges that the Products are subject to the export/import control laws and regulations of various countries, including the Export Administration Laws of the United States and ITAR Regulations.

17. <u>Taxes</u>

The prices quoted do not include sums necessary to cover any taxes or duties including but not limited to Federal, State, Municipal excise, sales or use taxes or import duties upon the production, sales, distribution, or delivery of goods or furnishing of services hereunder. Any taxes or duties that are due and owing hereunder shall be paid by the Buyer. Accordingly, Seller reserves the right to revise its price after the execution of an Order between parties to include any and all taxes.

18. Warranty

Seller warrants products to be free from defects in materials and workmanship for one year from date of purchase. The Seller will, at its sole option, repair or replace any components which fail in normal use. Such repairs or replacement will be made at no charge to the Buyer for parts and labor. The Buyer is, however, responsible for any transportation cost to the Seller. The Seller will return the product to the Buyer at Seller's cost by the most economical method. Requests for overnight delivery will be at buyer's expense. This warranty does not cover failures due to abuse, misuse, accident or unauthorized Alterations or repairs. The warranties and remedies contained herein are exclusive and in lieu of all other warranties express or implied, including any liability arising under any warranty of merchantability or fitness for a particular purpose, statutory or otherwise. In no event shall the Seller be liable for any incidental, special, indirect or consequential damages, whether resulting from the use, misuse or inability to use this product or from defects in the product. Seller warrants repaired products to be free from defects in materials and workmanship for 90 days from date of repair. Repairs completed under warranty at no cost to the Buyer will not extend original warranty period on the product. Seller will, at its sole option, repair or replace any components which fail in normal use. Such repairs or replacement will be made at no charge to Buyer for parts and labor. The Buyer is, however, responsible for any transportation cost to Seller. Seller will return the product to the customer at the Seller's cost by the most economical method. The warranties and remedies contained herein are exclusive and in lieu of all other warranties express or implied, including any liability arising under any warranty of merchantability or fitness for a particular purpose, statutory or otherwise. In no event shall the Seller be liable for any incidental, special, indirect or consequential damages, whether resulting fr

19. <u>Assignment</u>

Buyer shall not assign any duties nor assign any order or any interest therein without the written consent of the Seller. Any such actual or attempted assignment shall entitle Seller to cancel the order upon written notice to Buyer.

20. Validity of Separate Clauses

If any provisions of this agreement shall be held invalid, illegal, or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected or impaired thereby.

21. Consent to Jurisdiction and Venue

Any suit, action or other legal proceeding arising out of this Agreement shall be brought in the Courts of the State of California. The parties to this Agreement hereby agree to, contract for and consent to the personal and subject matter of such court in any suit, action or proceeding and waive any objection which any of them may have to the laying of the venue of any such suit, action or proceeding in Ventura County, California. Except that, in

the event that any suit or legal proceeding arising out of the Agreement is based on a claim over which exclusive jurisdiction is vested in the Courts of the United States, such suit, action or legal proceedings shall be brought in the Courts of the United States for the State of California and venue shall any only in the United States District Court for the Central District of California.

22. <u>Headings and General Rights</u>

Headings are for matters of convenience for the reading of these terms and conditions. Macro-Blue Inc reserves the right to modify and change these Terms and Conditions without prior notice.

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