

# GENERAL TERMS AND CONDITIONS

1. **General.** The terms and conditions on this form constitute the entire agreement between the parties. All sales by Silmar Electronics, Inc. (Silmar) are expressly conditioned upon the terms and conditions set forth below (the Terms), which are the Terms of this sale and supersede all prior negotiations, correspondence and statements. These Terms may in some instances conflict with those affixed to Buyer's purchase order or other order. If so, such terms not in conformance with these Terms are rejected and Silmar's Terms shall govern. Acceptance of Buyer's order is expressly conditioned upon Buyer's acceptance of or assent to Silmar's Terms which shall be established by a written acknowledgment, by implication or by acceptance or payment for products ordered hereunder. Silmar's failure to object to provisions contained in any communication from Buyer shall not be deemed a waiver of these Terms. Any changes in these Terms must specifically be agreed to in writing and signed by a Silmar officer before becoming binding. Acceptance of delivery by Buyer of any products sold hereunder shall be conclusively deemed acceptance of these Terms.

2. **Shipment.** For orders requiring shipment, all shipments are made F.O.B. Silmar's shipping point unless otherwise specified. In the absence of specific instructions, Silmar selects the carrier. Title to products and risk of loss pass to Buyer upon delivery thereof by Silmar to the carrier or delivery service. Buyer assumes all risk of loss in shipping and all liability for loss or damages, whether direct, indirect, consequential or otherwise, due to delays once the products have been delivered to the carrier. Buyer agrees to purchase any and all insurance it deems necessary to protect itself against any loss in shipping. If Silmar is requested to purchase insurance for risk of loss in shipping, Buyer agrees to reimburse Silmar for any such insurance costs immediately upon receiving an invoice thereof.

3. **Delivery.** Silmar shall not be responsible for loss, damage, delay or failure with respect to the products if due to or arising from shortage of raw materials, fires, labor troubles of any kind, accidents, breakdown of machinery, government acts of any kind, failure of manufactures, subcontractors or suppliers to deliver materials or supplies or to provide services as agreed to contemplated by past dealings, transportation difficulties of any kind, acts of God, acts of Buyer of any other contingencies reasonably beyond Silmar's control, whether or not presently occurring or contemplated by either party. Silmar shall not be liable for damages, general, consequential or otherwise, or for failure to give notice to any delay until it shall have such additional time within which to deliver the products as may be reasonably necessary under the circumstances and shall have the right to apportion its inventory among its customers in such a manner as it considers acceptable. Silmar shall also have the right to deliver the products in installments.

4. **Force Majeure.** Silmar's performance hereunder will be excused if it is made impractical by the occurrence of an unforeseen event such as strikes, labor disturbances, fires, floods, acts of God or any other cause beyond Silmar's control.

5. **Limited Warranty.** Except as otherwise provided below, Silmar warrants its products to be in conformance with their specifications and to be free from defects in materials and workmanship under normal use and service for 90 days from the date of original purchase unless the installation instructions or catalog sets forth a shorter period, in which case the shorter period shall apply. Silmar's obligation shall be limited to repairing or replacing, at its option, free of charge for materials or labor, any part which is proved not in compliance with its specifications or proves defective in materials or workmanship under normal use and service. Where Silmar acts as distributor on behalf of a manufacturer, the manufacturer's warranty shall be the only warranty on the product and Silmar extends no separate warranty of its own. Any warranty hereunder is void if the product is altered or improperly repaired or serviced by anyone other than an approved factory service facility or if the product was not stored suitably, misused, abused or used for a purpose other than for which it was designed. For warranty service, return product transportation prepaid, to the Silmar office from which it was purchased.

The foregoing warranty extends to Buyer and not to purchasers from Buyer, except that if Buyer is an authorized re-seller of a product sold by Silmar, the foregoing warranty (and no other) subject to the terms and conditions thereof, may be extended to purchasers from such distributor of the goods covered hereby. Buyer shall defend and indemnify Silmar from any claim made under any warranty or representation made by Buyer to any third party.

THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. IN NO CASE SHALL SILMAR BE LIABLE TO ANYONE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR BREACH OF THIS OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED, OR UPON ANY OTHER BASIS OF LIABILITY WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, STRICT LIABILITY EVEN IF THE LOSS OR DAMAGE IS CAUSED BY SILMAR'S OWN NEGLIGENCE, INTENTIONAL ACTIONS, GROSS NEGLIGENCE, DELAY IN PERFORMANCE, NON-PERFORMANCE, BREACH OF CONTRACT OR FAULT.

Silmar does not represent that its security products may not be compromised or circumvented, that such a product will prevent any personal injury or property loss, burglary, robbery, fire or otherwise, or that the product will in all cases provide adequate warning or protection. Buyer understands that a properly installed and maintained security system may only reduce the risk of a burglary, robbery or fire without warning, but there is no assurance or guarantee that such will not occur or that there will be non personal injury or property loss as a result. CONSEQUENTLY, SILMAR SHALL HAVE NO LIABILITY FOR ANY PERSONAL INJURY, PROPERTY DAMAGE OR OTHER LOSS BASED ON A CLAIM THE

PRODUCT FAILED TO GIVE WARNING OR FAILED TO DETECT AND/OR WARN OF A DANGER OR FAILED TO PERFORM PROPERLY. However, if Silmar is held liable, whether directly or indirectly, for any loss or damage arising under this Limited Warranty or otherwise, regardless of cause or origin, Silmar's maximum liability shall not in any case exceed the purchase price of the product which shall be fixed as liquidated damages and not as a penalty, and shall be the complete and exclusive remedy against Silmar. This Limited Warranty replaces all previous warranties and is the only warranty made by Silmar on its products. No increase or alteration, written or verbal, in this Limited Warranty is authorized.

6. **Warranty Revocation.** In the event the Buyer fails to make proper prompt payment under the terms of any agreement with Silmar, the buyer hereby waives any and all claims against Silmar, its agents, officers and directors, for any breach of any warranty, express or implied in any dispute with Silmar. Buyer shall make full payments and give written reservation of claim.

7. **Patent, Trademark and Copyright Indemnity.** Subject to the limitation contained below, Silmar shall indemnify Buyer from any damages and costs finally awarded for infringement of any existing United States patent, trademark or copyright in any suit by reason of the sale or Silmar's recommended use of any product sold to Buyer hereunder where Silmar is an infringer with respect to its sale hereunder, and from reasonable expenses incurred by Buyer in defense of such suit if Silmar does not undertake the defense thereof, provided that Silmar is promptly notified of any such suit and, except for suits against the United States government. Silmar's liability for damages hereunder, however, is limited to Silmar's sales profit on any infringing product sold to Buyer hereunder. In no event shall Silmar be liable for consequential damages or costs applicable thereto. The above is in lieu of any other indemnity or warranty, express or implied, with respect to patents, trademark or copyrights affecting any product sold by Silmar.

8. **Returns.** Products will not be accepted for return without Silmar's Return Authorization (RA). Contact Silmar for RA. Returns must be received within 30 days of issuance of RA. Merchandise must be shipped, transportation prepaid, to the Silmar sales office from which the product was purchased, in its original carton along with invoice number and date of purchase. Returns for credit are accepted only for new, unused products in original cartons and are subject to a restocking charge. Unauthorized returns: products previously altered, repaired or serviced other than by an authorized factory repair station; products aged more than 3 months from date of invoice; or discontinued products will not be accepted for credit, and return costs on such merchandise will be Buyer's responsibility. Only account credits - no money refunds. All special orders are subject to pending credit authorization from the vendor. These returns are subject to a stocking fee + shipping and handling.

9. **Taxes.** Prices do not include any municipal, state or federal sales, use, excise or similar taxes. Consequently, in addition to prices specified, the amount of any present or future tax that may be imposed shall be paid by Buyer, or in lieu thereof Buyer will provide Silmar with a tax exemption certificate acceptable to the taxing authorities.

10. **Purchase on Credit.** This purchase, or prior purchases of buyer from Silmar, may have given rise to the extension of credit to Buyer by Silmar. Silmar reserves the right at any time to revoke any credit extended to Buyer because of buyer's failure to pay for any products when due or for any other reason deemed good and sufficient by Silmar, and in such event all subsequent shipments shall be paid for on delivery. If this invoice is not paid when due, Buyer agrees to pay all costs of the collection including agency and attorney's fees, whether incurred in or out of court, on appeal, in arbitration, in Bankruptcy Court or in any insolvency proceedings.

11. **Terms of Payments.** Unless otherwise agreed to in writing, all shipments shall be paid for within thirty (30) days of shipment. Any past due balance shall be subject to a finance charge of one and a half (1.5 %) percent per month (eighteen (18%) percent annual rate). Orders are subject to approval of Silmar's credit department at time of shipment. The Buyer shall pay to Silmar reasonable costs of collection including all expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising and selling the collateral, including twenty (20%) percent of balance as reasonable attorney's fees, for monies unpaid when due. Silmar reserves the right in its sole discretion to change the Buyer's category for pricing purposes.

12. **Waiver.** No waiver by Silmar of any of these Terms shall be deemed to constitute a waiver of any other Terms or a waiver of the same or any other provision with regard to portions of this transaction or future transactions.

13. **Error.** Stenographic and clerical errors and omissions in the invoice are subject to correction.

14. **Applicable Law.** This agreement shall be deemed entered into in the State of Florida and the laws of Florida shall govern its validity, performance and construction.