

TERMS AND CONDITIONS OF SALE

1. PRELIMINARY

1.1 Definitions:

"Buyer" means the person who accepts a quotation of the Seller for the sale of the Goods or whose order for the Goods is accepted by the Seller.

"Goods" means the Goods which the Seller is to supply in accordance with these Conditions and as specified on the order form appearing on the face hereof. "Seller" means RH Electronics, having its principal place of business in San Diego County California, U.S.A. "Conditions" means the standard terms and conditions of sale set out in this document and includes any special terms and conditions agreed in writing between the Buyer and Seller. "Contract" means the Contract for the purchase and sale of Goods.

1.2 Acceptance:

Acceptance by Seller of Buyer's purchase order for all Goods to be sold by Seller to Buyer is conditioned on Buyer's agreement to the following terms and conditions. Buyer's receipt of the Goods shall be deemed an acceptance of these terms and conditions. All orders are subject to acceptance by an authorized representative of Seller evidenced by Seller's written order acknowledgement addressed to Buyer. If such terms and conditions are not acceptable, Buyer must notify Seller within five (5) days from the date hereof, otherwise, Buyer agrees that the following terms and conditions shall be the exclusive terms and conditions of sale except as otherwise expressly agreed to in writing by Seller.

1.3 Headings:

The headings in these Conditions are for convenience only and shall not affect their interpretation.

2. QUOTATIONS See: www.rhelectronics.com/documents/termsofsale.pdf

2.1 Compliance

This Order may contain licensable technical data covered under the International Traffic in Arms Treaty (ITAR). Prior to any export or release to any non-U.S. person or entity of licensable data, you must obtain export approval from the U.S. Dept. of State, Office of Defense Trade Controls. If exporting it is the Buyer's sole responsibility to determine the status of Goods for export compliance.

3. Prices; Terms of Payment

3.1 Prices: See: www.rhelectronics.com/documents/termsofsale.pdf

3.2 Terms of Payment:

RH Electronics offers the following payment methods: check, MasterCard, VISA, C.O.D. and prepaid by wire transfer, as well as Net Terms to qualified Buyers, as determined by RH Electronics, in writing. Payment must be made in U.S. dollars. RH Electronics reserves the right to require payment in advance of a requested C.O.D. payment request and shall have the right to otherwise modify credit terms. When partial shipments are made, payments for such partial shipments shall become due in accordance with designated terms upon issuance of RH Electronics invoices for such partial shipment. If the shipment of Goods is delayed for any cause, payment shall become due from the date on which the Seller is prepared to make a shipment of the Goods, and storage thereof shall be at Buyer's risk and expense. If, in the sole judgment of the Seller, the financial condition of the Buyer at any time does not justify the continuance of shipment of the Goods on the terms of payment specified herein, the Seller may require full or partial payment in advance of the delivery of the Goods. If such circumstances occur, the Seller may unilaterally elect to cancel this Contract and all other contracts then existing between the Buyer and the Seller, and the Seller shall have the right to cause all amounts owed to the Seller from the Buyer to become immediately due and payable unless the Buyer shall promptly supply the Seller with adequate collateral security for such amounts due which security is reasonably satisfactory to the Seller. Payments not made when due shall be subject to a service charge of 1.5% per month, "18% per annum," to compensate for loss due to delay in receiving payment. Buyer agrees to pay all fees (i.e., collection fees, reasonable attorneys' fees, court costs, or any other associated costs, etc.) incurred by RH Electronics as a result of Buyer's failure to pay RH Electronics invoice within the terms set forth therein.

4. DELIVERY

4.1 Force Majeure: See: www.rhelectronics.com/documents/termsofsale.pdf

4.2 Delays:

Where a specific shipping date is not designated on the face hereof or in a subsequent writing signed by the Seller, the Seller shall not be responsible for any delay in filling those orders, nor shall he be liable for any loss or damages resulting from such delays.

5. DUTIES AND TAXES See: www.rhelectronics.com/documents/termsofsale.pdf

6. RISK OF LOSS AND PASSAGE OF TITLE

6.1 Risk of Loss: See: www.rhelectronics.com/documents/termsofsale.pdf

6.2 Passage of Title:

See: www.rhelectronics.com/documents/termsofsale.pdf

7. WARRANTIES

THE SELLER GIVES NO WARRANTY, EXPRESS OR IMPLIED AS TO DESCRIPTION, QUALITY, MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE, PRODUCTIVENESS, OR ANY OTHER MATTER, WHICH EXTENDS BEYOND THE DESCRIPTION OF THE GOODS STATED ON THE FACE HEREOF. CLAIMS THAT THE GOODS ARE NON-CONFORMING SHALL BE DEEMED WAIVED AND RELEASED BY THE BUYER UNLESS MADE IN WRITING WITHIN TEN (10) DAYS AFTER ARRIVAL OF THE GOODS AT THE POINT OF DESTINATION TO WHICH THE GOODS ARE TO BE SHIPPED. THE SELLER MAY CURE ANY DEFECT AS TO THE CONFORMITY OF THE GOODS BY REPLACEMENT THEREOF WITH CONFORMING GOODS.

8. REMEDIES

In addition to all rights Seller may have with respect to the sale of Goods, the Seller shall have the right at any time for credit reasons, because of Buyer's default under, or in repudiation of, this Contract or any other Contract between the Seller and the Buyer, to withhold shipment of the Goods, in whole or in part, and to recall Goods in transit, retake the same and repossess all Goods which may be stored with the Seller for the Buyer's account, without the necessity of taking any other action. The Buyer agrees that all Goods so recalled, retaken, or repossessed shall become the absolute property of the Seller; provided that the Buyer is given full credit therefore and that the Seller may offset against any indebtedness owed by it to the Buyer any other amounts then owed by the Seller to the Buyer. The foregoing shall not be construed as limiting in any manner any of the rights or remedies of the Seller arising under the California Uniform Commercial Code or any other applicable law as in effect on the date hereof, which are available to the Seller upon any default by the Buyer of any of the terms or conditions of this Contract.

9. CONSEQUENTIAL DAMAGES

IN NO EVENT SHALL SELLER BE LIABLE TO THE BUYER FOR LOSS OF PROFITS, LOSS OF USE, OR DAMAGE OF ANY KIND BASED UPON A CLAIM FOR BREACH OF WARRANTY OR FOR BREACH OF CONTRACT, INCLUDING WITHOUT LIMITATION, CONSEQUENTIAL DAMAGES OR INCIDENTAL DAMAGES, EVEN IF SUCH LOSS OR DAMAGE IS CAUSED BY SELLER'S NEGLIGENCE OR OTHER FAULT.

10. CANCELLATION

Acceptance of an order by Seller shall be an irrevocable sale and is non-cancelable by Buyer. Any cancellation must be accepted by Seller in writing, and Seller shall have the right to retain all amounts paid to it by Buyer as a nonrefundable deposit against payment of the purchase price therefor without further liability of Seller to Buyer. Buyer will be responsible for all fees and expenses (including reasonable attorneys' fees and expenses) incurred by Seller as a result of the cancellation of any order.

11. CLAIMS; NOTICE OF DEFECTS

In the event the Goods to be delivered hereunder are claimed to be defective, the Seller shall be given reasonable notice of such defect and an opportunity for inspection of such Goods, or upon the request of Seller, it shall be given immediate access to such Goods or return the Goods to Seller for inspection at Buyer's expense. Buyer shall carefully inspect all goods promptly on receipt from the carrier and report any quality or quantity shortages or defects to the Buyer within ten (10) days of receipt thereof. In any event, all claims against the Seller arising out of the sale of the Goods shipped hereunder must be made within ten (10) days after receipt by the Buyer. The Seller represents the goods to meet the original manufacturers published specifications at the time of original manufacturing. The goods are not represented to function in ANY application that exceeds the original manufacturers published specifications. All claims for defect must be made in writing and shall be supported with commercially acceptable failure analysis. The Seller shall be obligated only to replace defective Goods or to allow credit for such Goods, at the Seller's sole option, and shall not be obligated to pay for any transportation or other fees, costs or expenses, or for any losses or damages of any kind. The Seller's total liability related to the sale of said Goods contained herein shall not exceed the stated value of the goods on this order. Pursuant to Paragraph (9) Seller shall not be liable for any additional costs. The terms of this order shall supersede any conflicting terms in the Buyers Terms and Conditions of Sale regarding cancellation return of the Goods or liability.

12. PATENTS

See: www.rhelectronics.com/documents/termsofsale.pdf

13. AMENDMENTS

None of the terms and conditions of the sale of the Goods may be amended in any respect unless consented to in writing and signed by an authorized representative of the Seller.

14. ASSIGNABILITY

The terms and conditions of this Contract shall be binding upon and inure to the benefit of the successors and assigns of Seller and Buyer, and may be assigned to any successor organization or affiliate of the Seller without written consent of the Buyer, but shall not be assignable by the Buyer without prior written consent of the Seller.

15. WAIVER

See: www.rhelectronics.com/documents/termsofsale.pdf

16. GOVERNING LAW

The respective rights and obligations of the Buyer and the Seller arising out of the sale of Goods hereunder shall be governed by and construed under the laws of the State of California.

17. SUBMISSION TO JURISDICTION

The Buyer irrevocably submits to the jurisdiction of San Diego County, California court of competent jurisdiction or federal court sitting in the State of California appoints the Secretary of State of the State of California as its authorized agent to accept and acknowledge on behalf of the Buyer service of process which must be served upon the Buyer by the Seller in any such suit, action or proceeding.

18. NOTICES; COMMUNICATIONS

All notices and other communications to be given to the Buyer or the Seller hereunder with respect to the Goods shall be given either in writing by certified mail, express courier (such as Federal Express) or hand delivered to an officer of either the Buyer or the Seller, as the case may be, at their respective addresses as stated on the reverse side hereof.

If any of this document appears not legible a full copy can be seen at: www.rhelectronics.com/documents/termsofsale.pdf