

**TERMS AND CONDITIONS****1. ENTIRE AGREEMENT.**

This Quotation ("Quotation"), including all of the terms and provisions set forth hereof, constitutes the entire agreement between Buyer, as identified on the Quotation hereof, and A V Gauge & Fixture de México S. de R.L. de C.V. ("Company"). No change, modification, amendment or other agreement with regard to this Quotation shall be binding upon Company unless made in writing and signed by an authorized officer of Company. The terms and provisions of this Quotation shall govern and control the terms of any purchase order or confirmation form from Buyer. Any additional or different terms in Buyer's purchase order or confirmation will not be binding on Company unless otherwise agreed to in writing by Company. Buyer acknowledges that Company has not authorized any of its sales agents or representatives to make any representations, warranties or agreements on behalf of, or to bind Company in any way. This Quotation is subject to acceptance within thirty (30) days and is subject to withdrawal at any time before acceptance by Buyer, without notice.

**2. PRICES.**

The prices and charges for the goods and other items quoted in this Quotation are subject to increases and shall be increased to and invoiced at the prices and charges in effect at the time of shipment, notwithstanding the price quoted on this Quotation unless otherwise agreed to in writing by Company. The prices for the goods specified herein do not include any federal, provincial, state, and/or local taxes, whether presently existing or subsequently imposed in the future, regardless of how described, including, but not limited to, harmonized sales tax (HST), goods and services ("GST"), supply, sales, use, excise, consumption, processing, manufacturing, receipt, income, property, occupational, delivery, storage, transportation and related taxes ("Taxes"). Buyer shall pay all Taxes promptly when due. All prices are F.O.B. the location of Company unless expressly stated in the quote. Buyer shall pay all costs and charges for or relating to delivery, shipment, freight, transportation, duties, handling, storage, insurance, and related items with regard thereto.

**3. PAYMENT.**

Buyer shall pay this Quotation in full, without any offset, deduction, or delay within net 30 days or as per the terms indicated on the Quotation. Delinquent payments shall accrue interest at the rate of Twelve (12%) percent per annum of the total unpaid amount(s). In the event of a dispute hereunder, threatened or actual, between Company and Buyer, Buyer shall pay to Company all costs incurred by Company in enforcing the terms and provisions hereof, including, but not limited to, travel expenses, court costs, litigation costs and reasonable legal fees.

**4. DELIVERY.**

Delivery of the goods shall be to the carrier for Buyer at the location of Company. Company may select the carrier and routing. If delivery is delayed by Buyer or by reason of any contingency referred to herein, the storage of the goods for the account of Buyer shall constitute delivery and acceptance of the goods by Buyer. All deadlines and delivery dates are approximates and estimates. Shipment of the goods is specifically conditioned upon (a) prompt receipt of all necessary information and approvals from Buyer, (b) availability of the goods, labour, transportation, and capital, and (c) the payment to Company by Buyer of all monies otherwise due. Company may deliver or ship the goods in installments. All installments may be separately invoiced and paid as billed without regard to subsequent deliveries. Failure to pay for any installment when due shall excuse and release Company from making further deliveries to Buyer under any other agreement with Buyer and Company may bring a separate action to recover the contract price of each such shipment, delivery or installment. All deadlines and dates shall be adjusted and extended, and Company shall not be liable whatsoever for any delays in delivery or any failure to deliver the goods, due to causes beyond the control of

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Company, including but not limited to acts of God, war, mobilization, civil commotion, riots, embargoes, domestic or foreign governmental regulations or order, fires, floods, weather, strikes, lock outs, labour difficulties, machinery breakdowns, shortages or inability to obtain goods, labour, capital, shippers, or other related items with regard thereto. Company shall have such additional time to ship and/or deliver the goods as may be reasonable or appropriate under all circumstances. All risk of loss, damage, and other incidentals of ownership of and to the goods shall immediately pass to Buyer upon the earlier of the delivery of the goods to (a) the Shipper or (b) Buyer. Claims for damage in transit shall be processed solely by Buyer directly with the carrier and Company shall have no liability to Buyer with respect to any act or omission of the carrier.

**5. INSPECTION.**

Buyer agrees that it shall perform the first article inspection at Company's facility prior to Company's shipment of the goods in order to ensure compliance with the specifications. Buyer then agrees that it shall physically inspect and examine the goods at time of receipt. In the event Buyer is of the opinion that the goods do not comply with the terms of this Quotation, Buyer shall immediately notify Company in writing of any such alleged noncompliance. If Company has not received actual written notice within ten (10) days after receipt of a shipment, of the failure of the shipment to meet the specifications, then the shipment and the goods shall be conclusively presumed to fully satisfy the terms and specifications therefore, and full payment shall be due in accordance with the terms of this Quotation

**6. WARRANTY.**

Company warrants that, during the Ninety (90) days following the delivery of the goods to Buyer, (a) the goods shall conform with the description on the Quotation, and (b) Company's title to the goods shall be free from any lien, security interest, or other encumbrance, and (c) the goods shall be free from material defects. THIS PARAGRAPH SETS FORTH THE SOLE AND EXCLUSIVE WARRANTY GIVEN BY COMPANY TO BUYER. ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, ARE HEREBY DISCLAIMED UNLESS OTHERWISE AGREED TO IN WRITING BY COMPANY. The liability of Company and the exclusive remedy of Buyer are expressly limited to either of the following, as determined at the sole and exclusive discretion of Company, (a) replacement of the defective goods without cost to Buyer upon return of defective goods, or (b) the repayment of that portion of the purchase price paid upon the return of defective goods with regard thereto, less any applicable service, handling and related charges. The replacement or payment for the defective goods by Company shall be the exclusive remedies of Buyer and the limit of the liability of Company and in lieu of any other warranty, obligation, or liability whatsoever. In no event shall Company, or any of its agents, be liable for special, incidental, consequential damages, loss of profits, injury to goodwill, character, and/or reputation, and/or for any other damages, losses or other expenses whatsoever.

**7. WITHDRAWAL OF CREDIT.**

Company may change, modify, amend, suspend, discontinue, terminate and/or otherwise revoke any credit extended to Buyer (a) if Buyer fails to pay any monies due Company or (b) if in the judgement of Company there has been a materially adverse change in Buyer's financial condition and thereupon Company may demand payment or other assurance as Company may in its sole and absolute discretion require, before shipment of any further goods. Buyer represents and warrants to Company, and Company is relying on the fact that, Buyer is solvent, creditworthy, and has the financial ability to pay for the goods in accordance with the terms thereof.

**8. RETAIN SECURITY INTEREST.**

If Buyer (a) defaults under any agreement with Company, including this Quotation, or (b) becomes insolvent, is declared bankrupt, makes an assignment for the benefit of creditors, or is liquidated or dissolved, then Company may exercise all rights, and pursue all remedies available under law, concurrently, including the right to



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purchase goods at any public or private sale and take immediate physical possession of the goods. Buyer shall pay all expenses, including any purchase price, incurred by Company in retaking, holding, preparing for sale, or selling the goods, including reasonable legal fees.

#### **9. REPOSSESSION.**

If Buyer (a) defaults under any agreement with Company, including this Quotation, or (b) becomes insolvent, is declared bankrupt, makes an assignment for the benefit of creditors or is liquidated or dissolved, or misrepresents its financial condition prior to the delivery of the goods, then Company may immediately reclaim, repossess, and take actual physical possession of all or any part of the goods which have been transferred from Company to Buyer. Buyer shall grant unrestricted access to the goods to permit Company to physically reclaim, repossess, and retake the goods. Buyer understands and acknowledges that Company may not have an adequate remedy at law for the breach or threatened breach of this Quotation and Company may in addition to any other remedies which may be available hereunder, file a suit in equity to specifically enforce the terms and provisions hereof by obtaining the issuance of an ex-parte restraining order to enjoin and prohibit Buyer from transferring and/or altering, destroying or impairing the goods. Additionally, Company may obtain whatever other and additional equitable relief as is appropriate to compel Buyer to permit Company to physically reclaim, repossess and retake the goods.

#### **10. CORRECTION.**

Company may on written notice to Buyer unilaterally correct any arithmetic, typographical, clerical, or related errors contained herein, and the corrected copy hereof shall be binding upon the Buyer as if it was the original hereof and even if not signed by Buyer.

#### **11. WAIVER.**

The waiver by Company of any of the terms and conditions contained herein shall not constitute or be deemed a future waiver of the same or other terms or conditions of this Quotation, nor shall such waiver with respect to this or any other Quotation be deemed as a binding course of performance or conduct which is inconsistent with the terms of this Quotation.

#### **12. CONFORMITY.**

If any term or provision of this Quotation is held invalid by a court of law, then such term or provision shall be enforceable to such extent as the court may determine to be lawful, and Company and Buyer hereby attorn to the court for the purpose of the making of determination by the court. Furthermore, such invalidity shall not affect the other terms and provisions of this Quotation, which shall be given full effect as though the invalid term or provision were not, in the first instance, included herein.

#### **13. TERMINATION.**

Company may delay or discontinue shipment of the goods and/ or terminate this Quotation without any liability or obligation whatsoever to Buyer if (a) Buyer defaults under any agreement with Company, (b) the business and/or operation of Company are disrupted or adversely affected due to causes beyond the control of Company, (c) goods, labour, transportation and/or capital are not readily available, and/or (d) Buyer is or becomes bankrupt, insolvent, makes an assignment for the benefit of its creditors, fails to pay its debts as due, and/or otherwise suspends its business operations. Buyer may not terminate this agreement. In the event Buyer terminates this Agreement, Buyer shall indemnify Company from any and all losses, costs and expenses associated therewith, including, but not limited to loss of profit, lost opportunities, direct, consequential, and incidental damages, injury to good will and reputation.

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If it is necessary for Company to reserve a portion of its manufacturing facilities to perform the terms of this Quotation and the cancellation of the Quotation by Buyer prior to Seller commencing performance results in substantial damage to Company, the exact amount of which is difficult to determine, then it is agreed that if Buyer cancels the contract before Company has commenced performance, Buyer shall pay Seller liquidated damages in the sum of ten (10%) percent of the contract price. However, if the quote includes Scanning Services, Seller requires at least 48 hours' cancellation notice prior to the scheduled date if Buyer wishes to cancel or postpone said services. If less than 48 hours' notice is given then Buyer will be charged 35% of the order regarding labor and materials and fully charged for any non-recoverable incidentals (such as, hotel, airfare, shuttle, shipping, etc.) that Seller has incurred.

**15. RETENTION OF TITLE.**

Company retains title to all tools, fixtures or other media incidental to Company's performance of this Quotation or developed by Company in connection herewith.

**16. APPLICABLE LAW.**

This Quotation shall be governed by and construed according to the substantive laws of the United Mexican States without regard to its otherwise applicable conflicts of laws rules and Company and Buyer attorn to the jurisdiction of the Courts of the United Mexican States and agree that any judicial proceeding with respect to these terms and conditions shall be held in Queretaro, Mexico.

**17. SCRAP.**

Company has the right to scrap without liability, prints submitted for quotations, patterns, models, special tools, and designs used in the manufacture of goods herein quoted unless notice is given to ship these items with the completed product or within thirty (30) days of completion of print.

**18. CONFIDENTIALITY AND NON-DISCLOSURE**

Buyer shall consider and treat all Information (as hereinafter defined) as confidential and shall not disclose any Information to any other person, or use any Information itself for any purpose other than pursuant to and as required by this Quotation, without Company's prior written consent. The Company retains all rights with respect to the Information, and Buyer shall not acquire, nor attempt to obtain, any patent, trademark, copyright, license or other rights in respect of the Information. Buyer shall not allow any Information to be reproduced, communicated or in any way used, in whole or in part, in connection with services or goods furnished to others, without Company's prior written consent. As used herein, "Information" means all drawings, reproductions, specifications, designs, engineering instructions, photographs, reproducible copy, parts, lists, plans, reports, working papers, computations and other information furnished by Company and shall include all terms and conditions and any other information relating to this Quotation.

Unless otherwise expressly stated in this Quotation and except as may be agreed in a prior written agreement between Company and Buyer, no commercial, financial or technical information furnished or disclosed in any manner or at any time by the Buyer to the Company shall be deemed to be secret or confidential, and Buyer shall have no rights against the Company or its suppliers with respect to any use or disclosure of such information.

**19. WEBSITE TERMS AND REQUIREMENTS**

The Company's internet website (or such other website as may be directed through links available on such website) as specified on this Quotation ("Company's Website") may contain specific additional requirements for certain items covered by this Quotation, including labeling, packaging, shipping, delivery and quality specifications, procedures, directions



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and/or instructions. Any such requirements shall be deemed to form part of the Terms and this Quotation. The Company may periodically update such requirements by posting revisions thereto on the Company's Website. In the event of any inconsistency between this Quotation and Company's Website, the terms of this Quotation shall prevail, unless the requirements specified on Company's Website expressly provide otherwise.

The Company may modify these Quotation general terms and conditions from time to time by posting revised Quotation terms and conditions to the Company's Website. Such revised Quotation terms and conditions shall apply to all Quotations and Quotation revisions issued on or after the effective date thereof. The Buyer shall review Company's Website periodically.

#### **20. ACKNOWLEDGEMENT.**

BUYER HEREBY ACKNOWLEDGES READING, UNDERSTANDING AND AGREEING TO ALL OF THE TERMS AND CONDITIONS, OF THE SALES QUOTATION.

#### **21. HEADINGS.**

Paragraph headings are for convenience only and do not form part of the Quotation.