

## PURCHASE ORDER – STANDARD TERMS AND CONDITIONS

1. **General.** The terms and conditions contained herein apply to all quotations made and contracts of sale entered into by ALT Systems, Inc. ("ALT"). Any term, provision, or condition in conflict with, or in addition to, or in modification of, any of these terms and conditions of sale shall not be binding upon ALT unless such term, provision, or condition is in writing and signed by ALT.
2. **Payment Terms.** Unless otherwise agreed in writing, payment for goods shall be made within ten days (10) following the date of ALT's Invoice. Time of payment is of the essence. All payments shall be in U.S. funds. Late payments shall bear interest at the lower of 1% per month or the maximum rate permitted by law. If in ALT's judgment, the financial condition of Buyer at any time does not justify the commencement or continuance of delivery on the terms of payment specified herein, ALT may, in addition to all other remedies it may have at law or equity, require full or partial payment in advance, suspend performance until that payment is made, or cancel Buyer's order. If Buyer fails to pay any charges when due and payable, Buyer shall pay all costs, including reasonable attorneys' fees, expended in collecting overdue charges.
3. **Taxes.** All prices are exclusive of all federal, state, municipal, and local excise, sales, use and similar taxes. Such taxes are the responsibility of the Buyer and shall be in addition to the purchase price of the goods. A valid Resale Certificate must be submitted to ALT in order to receive an exemption from taxes.
4. **Security Interest.** ALT retains title to the goods until ALT receives payment in full. Buyer hereby grants ALT a security interest in all goods shipped to Buyer and the proceeds thereof to secure full payment of the purchase price of the goods. Buyer agrees that ALT may file a UCC-1 Financing Statement in order to perfect ALT's security interest. In the event Buyer does not pay for the goods in full, ALT has all rights and remedies under the California Commercial Code, including, without limitation, the right to repossess the goods. Such remedy shall be in addition to all other rights and remedies under California law.
5. **Delivery.** Shipping dates are approximate. ALT reserves the right to make deliveries of goods in installments. ALT shall not be liable for delay in delivery or non-delivery due to causes beyond ALT's' reasonable control, including but not limited to, acts of God, acts of Buyer, acts of civil or military authority, war, terrorism, riots, floods, earthquakes, strikes, lockouts, delays in or lack of transportation, and failure of performance of supplier for similar reasons. In the event of any such delay the date of delivery shall automatically be extended for a period equal to the time lost by reason of such delay. Failure of ALT to perform for the aforesaid reasons shall not be grounds for Buyer's cancellation of its order.
6. **Inspection; Returns.** Buyer shall have the right to inspect the goods upon delivery of the goods. If Buyer receives the goods without inspection, this shall constitute a waiver of Buyer's right to inspect. Buyer's failure to give ALT written notice of rejection of any of the

goods, or for shortages, defective, or incorrect goods at the time of delivery shall constitute an irrevocable acceptance of all goods. All goods sold hereunder are sold without return privileges except for items which Buyer notifies ALT have been damaged in transit, or shipped in error by ALT. Any such items shall be returned to ALT, transportation prepaid by Buyer.

7. Warranty. The goods are covered by the manufacturer's warranty, if any, and ALT makes no express or implied warranties of any kind. ALT DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

8. Limitation of Liability. ALT has no liability for damage or injury resulting or arising from the use of the goods. The maximum liability of ALT to Buyer based on the claim of any person arising from the delivery or non-delivery of any of the goods shall in no case exceed the actual cost of the goods delivered pursuant to the purchase order and paid to ALT by Buyer. BUYER AGREES THAT ALT SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, THE COST OF PROCUREMENT OF SUBSTITUTE PRODUCTS OR SERVICES, OR FOR THE LOSS OF PROPERTY OR REVENUE UNDER ANY THEORY OF LIABILITY, EVEN IF THE LOSS OR DAMAGE IS CAUSED BY THE NEGLIGENCE OR OTHER FAULT OF ALT. Buyer acknowledges and agrees that the amounts payable hereunder by Buyer are based in part upon these limitations, notwithstanding

any failure of essential purpose of any limited remedy.

9. Defaults. In the event of any default by Buyer in the payment of the purchase price, ALT may decline to make further deliveries without in any way affecting its rights under the order. If despite any default by Buyer, ALT elects to continue to make deliveries, ALT's action shall not constitute a waiver of any default by Buyer or in any way affect ALT's legal or equitable remedies with respect to any such default. In the event of default by Buyer, ALT shall have all rights and remedies under California law.

10. Controlling Law. The validity, construction, and performance of these terms and conditions of sale shall be governed by and construed in accordance with the laws of the State of California. In the event that any provision hereof or the application of any such provision shall be held by a court of law to be contrary to the law, the remaining provisions shall remain in full force and effect. The parties agree that the exclusive jurisdiction and venue of any action with respect to this purchase order shall be in the Superior Court of California for the County of Los Angeles. If legal proceedings arise based on goods ordered under this purchase order, the losing party shall pay the cost and reasonable attorneys' fees of the prevailing party, in addition to any other relief to which such party may be entitled by virtue of this contract and applicable law.

11. Entire Agreement. This purchase order sets forth the entire agreement of the parties and supersedes all prior written or oral proposals or negotiations for the purchase of the goods.