

SALES TERMS AND CONDITIONS

CONDITIONS OF SALE – No additions, deletions and/or modifications of the Terms and Conditions as enumerate herein shall be effected by RCD's receipt of acknowledgement of a Purchase Order containing different conditions. Acceptance of this order is governed solely and exclusively by the conditions as stated herein. RCD acceptance of your order is conditioned upon your waiver of any terms and conditions of your order or of any documents incorporated therein that differ from or are in addition to those set forth herein. Failure of the Buyer to object to the foregoing upon receipt of this acknowledgment shall be deemed to be Buyer's consent to such waiver, unless Buyer objects in writing within 30 days of receipt.

PRICES – RCD prices are subject to change or cancellation without prior notification. Prices in effect at the time of ordering will be used unless otherwise agreed to in advance in writing by RCD. The prices stated do not include any sales use or similar taxes.

DELIVERIES – RCD will exercise every effort to meet the purchaser's request delivery schedules and/or promised delivery schedule. However, RCD does not assume any liability for failure to deliver on schedule for reasons due to causes beyond its control, including but not limited to, acts of God, acts of Buyer, acts of civil or military authority, priorities, fires, strikes, floods, epidemics, quarantine restrictions, war, delay in transportation, car shortages, and instability due to causes beyond its control to obtain necessary labor, materials, or manufacturing facilities. In no event shall Seller be liable to Buyer for any damages whatsoever, including loss of use, or profit or other collateral, special or consequential damages resulting from delays experienced by Buyer in production or delivery due to Seller's inability to deliver. In the event of any such delay, the date of delivery shall be deferred for a period equal to the time lost by reason of the delay.

TITLE TERMS – Title to items sold hereunder shall pass to the Buyer at time of acceptance by a public carrier and other agreed upon means of transportation. All risk or loss is to be borne by the Buyer from the time of delivery of the items by the seller to the carrier. Unless otherwise specified on the face of the acknowledgement, terms shall be net 30 days, FOB or EXW plant, subject to credit approval.

In the event RCD is obliged to sue for overdue payment, the Buyer becomes liable for the expenses of collection, including reasonable attorney's fees.

WARRANTY – RCD warrants its products against defects in workmanship and/or nonconforming materials. RCD liability under this clause is restricted to replacing, repairing, or issuing credit (at RCD's option) for any authorized returned products and only under the following conditions:

- (A) RCD must be notified in writing within 90 days from date of delivery.
 - (B) The defective merchandise is to be returned to RCD's warehouse, shipping charges prepaid by the customer.
 - (C) RCD's inspection of the returned units shall disclose to our satisfaction that the units were defective in workmanship or materials at the time of delivery.
- No other warranties, express, implied or statutory, as to MERCHANTABILITY, FITNESS, OR OTHERWISE, are made by RCD.

RETURNS AND ADJUSTMENTS – The Buyer shall be responsible for returned products until received by RCD, including all charges for packing, inspection, shipping or transportation or insurance associated with returning the product. In the event that credit for returned materials is granted, it shall be at the prices in effect as of the date of the original shipment.

TERMINATIONS AND HOLD ORDERS – Any order may be terminated by the purchaser only upon written notification to RCD and only under the following conditions:

- (A) The purchaser agrees to accept delivery of and pay for at the appropriate current prices all of the units completely manufactured by RCD through the work day on which the termination notice is received by RCD.
- (B) The purchaser agrees to pay to RCD all direct and indirect costs and expenses applicable to the portion of the order that is incomplete or which may be ready for shipment through the work day on which the termination notice is received by RCD.
- (C) The purchaser acknowledges the "Hold Orders" and "Stop Work Orders" are properly considered to be terminated orders and are subject to the above conditions at RCD's option.

CONSEQUENTIAL DAMAGE – Any liability of RCD arising out of the operation or non-operation of the items furnished under this agreement shall not exceed the purchase price. RCD shall not be liable for any consequential or indirect damages of any type or nature.

LOSS OR DAMAGE IN TRANSIT – No allowances will be made by RCD for loss, damage or destruction of units ordered after delivery to the carrier by RCD. Claims or losses for damages or destruction after such delivery shall be the responsibility of the purchaser.

PATENTS-PROPRIETARY RIGHTS – If any item or service as ordered by Buyer is manufactured or performed to designs or processes required by Buyer which designs or processes are not a part of Seller's standard items or in accordance with Seller's standard processes, Buyer agrees to indemnify and save Seller, its officers, agents and employees, harmless from any expense, loss, attorney's fees, cost, damage or liability which may be incurred on account of infringement or alleged infringement of any Patent rights (either U.S. or foreign) with respect to such items or processes. In case Buyer's order was issued under a Government prime contract, the ASPR Authorization and Consent provisions (ASPR 7-10322 and 9-102) contained in the prime contract shall apply in lieu of the indemnity provisions set forth hereinabove. Sale of items under this agreement does not convey a license, implied or otherwise, under any patent in which Seller has an interest, nor does it convey rights to any descriptive data, including Seller's manufacturing drawings, secrets, processes or tooling.

EXPERIMENTAL SALES – In the event the items or any portion thereof furnished pursuant to Buyer's order are identified on the acknowledgement as "prototypes", "samples", "for engineering approval", "on consignment", "for evaluation", or terms of similar import, the Buyer agrees that such material is confidential and experimental in nature, and that it will disclose same only to those of its employees as are necessary to carry out the testing and evaluation by Buyer, and to none others. It is expected that changes will be made in the construction of such items, based on such tests, and therefore Buyer agrees to communicate to Seller test and evaluation data accumulated during its testing of such material necessary to effect such changes.

All tooling or other equipment furnished by Seller as necessary to fulfill this order shall be the property of Seller.

TAXES – Buyer shall be responsible for payment of all applicable sales, use or other taxes whether local, State, or Federal, which are chargeable in connection with the sale of the items hereunder, unless specifically provided for otherwise on the face of the acknowledgement.

GOVERNMENT CONTRACTS – If the items purchased hereunder are to be used in fulfilling a contract with the United States Government, Seller will comply with mandatory provisions required by the Government to be applicable to Seller, provided that Buyer gives Seller written notice of such provisions in sufficient time to permit compliance. In addition, Seller may, at its option, adopt any provisions of ASPR or other federal statutes or regulations which are applicable or made available to subcontractors by the Government in its prime contract.

LIFE SUPPORT APPLICATIONS – RCD products are not designed for use in life support appliances, devices, or systems where malfunction of these products can reasonably be expected to result in personal injury. RCD customers using or selling these products for use in such applications do so at their own risk and agree to fully indemnify RCD, its owners, officers, and employees, for any damages resulting from such improper use or sale.

RCD'S SPECIFICATIONS ARE SUBJECT TO CHANGE WITHOUT NOTICE.

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