

BE Services Company, Inc.

A Bourns Company

Terms & Conditions

The Terms & Conditions set forth below ("T&Cs"), together with the written information contained on the Purchase Order Acknowledgment to which these T&Cs are attached ("Order") shall apply to the purchase of the products described in the Order (collectively "Products") the terms of which are incorporated herein by reference to create an integrated agreement.

Unless Riedon, Inc. ("Seller") receives a writing to the contrary on or before its close of business that is three (3) business days after the date of the Order, the party indicated as being the purchaser of the Products in the Order ("Buyer") will be deemed to have accepted and agreed to these T&Cs.

1. DELIVERY

All prices quoted and goods shipped are EXW Seller's facility. Such prices do not include sales, use, excise or similar taxes. Accordingly, Buyer shall, in addition to prices specified by Seller, pay any sales, use, excise or similar tax attributable to the goods covered hereby, or in lieu thereof, provide Seller with tax exemption certificates acceptable to the taxing authorities. Title to and risk of loss of all goods shall pass upon Seller's delivery to carrier for shipment to Buyer. Buyer shall pay all freight, handling, delivery, and insurance charges for shipment of goods. Choice of carrier and shipping method and route shall be at the election of Buyer. Seller shall not be liable for delays in delivery or for failure to perform due to causes beyond the reasonable control of Seller, which causes shall include, without limitation, acts of God, acts or omissions of buyer or civil or military authorities, fire, strikes, epidemics, quarantine restriction, flood, earthquakes, riot, war, delays in transportation, or inability to obtain necessary labor, materials or supplies. In the event of any delay, the contractual date of delivery, if any, shall be extended for a period equal to the time lost as a consequence of such delay, without penalty to Seller. Seller shall be entitled to refuse or to delay shipments to Seller by Buyer to pay promptly any payments due Seller, whether pursuant to this Order, any other purchase of Products by Buyer, any other contract between Seller and Buyer or otherwise. Seller shall have the right to deliver all goods covered hereby at one time or in portions from time to time, within the time for delivery provided in such order. Seller reserves the right to ship and bill 5% more or less than the quantity ordered by Buyer.

2. PAYMENT TERMS

(a) Payment in full of the amount owing, without offset or deduction, is due on or before thirty (30) days after the date of the invoice (unless CIA, Credit card, or COD terms are agreed in advance in writing). If payment is not received within such 30 day period, interest will accrue at the rate of one percent (1%) per month on the unpaid balance or the maximum amount allowed by law, whichever is less.

(b) All checks are accepted subject to collection, and Buyer agrees to pay all costs of collection, including reasonable attorney's fees. Any check received from Buyer may be applied by Seller against any obligation of Buyer to Seller under this or any other agreement, notwithstanding any statement appearing on or referring to such check. Acceptance of any partial payment shall not constitute a waiver of Seller's right to payment in full of all amounts owing from Buyer to Seller or the waiver of any other breach of these T&Cs.

(c) Buyer hereby grants Seller a security interest in the goods shipped, including all accessions to and replacements of such goods and the proceeds thereof, to secure the payment of the purchase price of such goods and all other amounts owing under this agreement, all as described and set forth on the face of these T&Cs. Buyer hereby authorizes Seller to execute and file one or more financing statements or other documents in all locations required to perfect Seller's security interest in the goods and their proceeds. Buyer further agrees to cooperate fully with Seller in executing any documents, instruments, financing statements or amendments thereof as Seller may deem necessary or advisable to establish, maintain, continue, perfect

or enforce the security interest created by these T&Cs.

3. INSPECTION AND ACCEPTANCE OF GOODS

Buyer shall inspect and may reject all Products that are defective within fifteen (15) days after the date of Buyer's receipt thereof. If Buyer fails to effectively reject any Products in a written document delivered to Seller within such 15-day period, Buyer shall be deemed conclusively to have accepted such Products.

4. SELLER'S LIMITED WARRANTIES, REMEDIES AND POLICIES

(a) Seller warrants only to Buyer only that the Products will conform to Seller's written Specifications therefore (as set forth in the data sheet for the Products provided to Buyer prior to the date of the Order) and will be free from material defects in workmanship or materials for Twelve (12) months after the date of delivery of such Products to Buyer; provided that Buyer acknowledges and agrees that the Products will not strictly conform with the Specifications once they are soldered on or affixed to a circuit board or other materials and that such failure to conform shall not be deemed a breach of this warranty.

(b) No warranty from Seller of any kind shall apply to any Products which have been altered or repaired (except by Seller) or which have been subjected to misuse, negligence or accident.

(c) SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR BASED ON COURSE OF CONDUCT OR TRADE CUSTOM USAGE. SELLER NEITHER ASSUMES NOR AUTHORIZES BUYER OR ANY OTHER PERSON TO ASSUME ON BEHALF OF SELLER ANY OTHER WARRANTY OR LIABILITIES IN CONNECTION WITH THE PRODUCTS.

(e) Seller shall, at its sole option, credit the account of Buyer, repair or replace without charge to Buyer all Products which, within the warranty period, fail to meet the warranty set forth in subsection (a) above in any material respect, but only if: (i) Buyer obtains a "return material authorization" number from Seller and has such number displayed in plain view on the shipping documents and (ii) Buyer returns such allegedly defective or non-conforming Product (postage prepaid) within 30 days from day of delivery, in original packaging and in good condition, without their serial number or any part thereof altered, defaced or removed, to Seller's facility in Alhambra, California, accompanied by a written itemization and description of the defects or non-conforming aspects alleged. Seller's sole liability shall be as provided herein, which shall be the sole and exclusive remedy of Buyer.

(f) In no event shall Seller be liable to Buyer or its customers, distributors, retailers, vendors or related/affiliated parties of any of the foregoing (collectively, "End Users"), whether in contract, tort, strict liability or otherwise for incidental, consequential, indirect, special or punitive damages of any type, including but not limited to downtime, loss of use or loss of profits. The limitations contained herein shall apply to all claims, losses or damages suffered by any of the End Users, including those based on or arising from, in whole or in part, any act or omission of a party, without regard to the theory of liability under which recovery is sought, including but not limited to claims based on breach of contract, breach of warranty (implied or express), negligence, gross negligence or strict liability.

(g) SELLER'S SOLE LIABILITY FOR CLAIMS ARISING OUT OF OR RELATED TO THE PRODUCTS OR THESE T&CS IS EXPRESSLY LIMITED TO THE REMEDIES OF REPAIR OR REPLACEMENT OF ANY PRODUCTS THAT FAIL TO MATERIALLY CONFORM TO THE WARRANTY SET FORTH IN SECTION 6(A) AND SHALL IN NO EVENT EXCEED THE FUNDS ACTUALLY RECEIVED BY SELLER FROM BUYER RELATIVE TO SUCH DEFECTIVE OR NON-CONFORMING PRODUCT. THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT ENLARGE OR EXTEND THIS MAXIMUM LIMITATION. BUYER HEREBY WAIVES ANY AND ALL RIGHTS, OBLIGATIONS, LIABILITY, CLAIMS OR DAMAGES AGAINST SELLER IN EXCESS OF SAID MAXIMUM LIMITATION.

(h) The Products are made under typical industrial conditions, which may not conform to the standards applicable to a "medical, life-saving, or life-sustaining device" (as defined by U.S. law). The Product has not been designed, made, tested, or qualified for use in, with or as a medical, life-saving, or life-sustaining device or any other high-risk application. Seller has not sought or obtained any rulings from any governmental entity on the appropriateness of the use of one or more of the Products in, with, or as a medical device or any other high-risk application. Seller makes no representations or warranties relative to the use of the Products in any medical device or high-risk application.

5. INDEMNITY

Buyer hereby agrees to protect, indemnify and save Seller and its parents, subsidiaries, affiliates and their respective shareholders, officers, directors, employees and agents (collectively an "Indemnitee") harmless from and against any and all claims, liabilities, demands, damages, actions, or causes of action, and all losses, costs and expenses (including related litigation costs and attorney's fees) relating thereto, asserted by any person or persons for: (a) any damage to persons or property resulting from an End User's manufacture, testing, packaging, handling, shipment, sale or use of the Products or of products that utilize the Products or other items purchased from Seller; (b) any legal action or proceeding and/or damages for personal injury, bodily injury, death or relative to property arising from (i) negligence or misconduct of an End User or their respective employees, agents and servants, or any person or entity acting on their behalf or (ii) products manufactured by or for an End User; (c) all obligations, liability, claims or damages sustained by Seller in excess of the limitation set forth in Section 6, whether as a result of one or more claims by an End User and/or third parties; (d) an End User's alteration or modification of a Product; or (e) an End User's negligence or misconduct. In addition, Buyer agrees to reimburse each Indemnitee within 30 days after receipt of written request or make payment directly for all of Indemnitee's attorney's fees and costs arising out of or related to the items set forth above.

6. INTELLECTUAL PROPERTY/COMPLIANCE WITH LAW

(a) Buyer shall not, directly or indirectly, disassemble, decompile, reverse engineer, or analyze the physical construction of any of the Products for any purpose. Buyer shall use the trade secrets and proprietary information of Seller (collectively, "Confidential Information") that may come into Buyer's possession, whether through the Products or otherwise, only to properly fulfill its obligations hereunder and not for any other purpose.

(b) The sale of Products to Buyer does not convey to Buyer any intellectual property rights in such Products, including but not limited to any rights under any patent, trademark, copyright, or trade secret.

(c) Buyer agrees that it will not export or re-export any of the Products or the Confidential Information of Seller to any country or territory that is prohibited from receiving such materials under any applicable laws of the United States, including without limitation the United States export laws and regulations. With respect to Buyer's employees to whom it is permitted to disclose Confidential Information, Buyer will disclose such Confidential Information only to United States citizens or persons lawfully admitted for permanent residence such that such disclosure will not constitute an export. Buyer further agrees that the products purchased hereunder will be used in accordance with all applicable laws and regulations and in compliance with any regulatory or governmental agency that has jurisdiction over such matters.

(d) If Buyer fails to comply with any obligations under this Section 6, Seller will suffer immediate, irreparable harm for which monetary damages will provide inadequate compensation. Accordingly, Buyer agrees that Seller will be entitled, in addition to any other remedies available to it, at law or in equity, to injunctive relief to specifically enforce the terms of this Section 6.

7. DEFAULT

In the event of any default, Buyer shall pay all costs incurred by Seller in collecting any amounts due under this agreement, including reasonable attorney's fees and costs. The waiver by Seller of any breach hereof or default in any payment shall not be deemed to constitute a waiver of any succeeding breach or default. Seller shall have all remedies provided under the Uniform Commercial Code, which shall be cumulative with one another and with any other remedies, which Seller may have at law, in equity, under any agreement of any type or, without limitation otherwise. The exercise or failure to exercise any remedy shall not preclude the exercise of that remedy at another time or of any other remedy at any dispute between Buyer and Seller.

NO ACTION, REGARDLESS OF FORM, ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THE PRODUCTS FURNISHED OR SERVICES RENDERED BY SELLER, MAY BE BROUGHT BY AN END USER OR THEIR RESPECTIVE ASSIGNS MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.

8. INTEGRATION AND ASSIGNMENT

These T&Cs and the Order contain the entire agreement between the parties with respect to the Products, and any representation, promise or condition not specifically incorporated herein in writing shall not be binding on either party. Any modification of the terms hereof shall be effective only when embodied in a written agreement signed by both the Buyer and Seller. Any assignment of this agreement or any rights hereunder by Buyer shall be void without Seller's written consent.

9. GENERAL

This agreement and performance by the parties hereunder shall be construed in accordance with the laws of the State of California. All agreement, covenants, conditions and provisions contained herein shall apply to and bind the assignees and successors in interest of Buyer. If any provision or portion of this agreement is held to be invalid, illegal, unconscionable or unenforceable, the other provisions and portions hereof shall not be affected. The several captions used herein are for the convenience of the parties only and shall not affect the construction or the interpretation hereof. In the case of any conflict between the terms of these T&Cs and the Order, any purchase order or request for bid submitted by Buyer, any agreement between the parties or any course of conduct, the terms of these T&Cs shall control.

10. ARBITRATION OF DISPUTES.

Except for claims or controversies seeking injunctive relief to enforce the provisions of Section 6, any claim or controversy arising out of, relating to or concerning the Order, these T&Cs or the Products, including any statutory claims (including, without limitation, the arbitrability of any claim or controversy), shall be settled by final and binding arbitration before a single neutral arbitrator in Los Angeles County, California, in accordance with the JAMS/Endispute Rules and Procedures, which shall specifically include the right to discovery and the rules of evidence set forth in the California Evidence Code, and in conjunction with the applicable law governing this Agreement. In the event that Buyer and Seller cannot mutually agree upon the arbitrator, the then presiding judge of the Superior Court of the State of California located in the County of Los Angeles shall appoint the arbitrator. Except as set forth above, this arbitration includes all claims whether arising in tort or contract and whether arising under statute or common law. The arbitrator shall issue a written finding of fact and conclusions of law, which may be enforced in any court of competent jurisdiction. The arbitrator shall have the authority to grant all monetary or equitable relief, including, without limitation, fees and costs to the prevailing party where authorized by law. The fees of the arbitrator and all other costs that are unique to arbitration shall be paid by Seller if required in order to make this arbitration provision enforceable, otherwise they shall be split equally between the parties.