

**TERMS OF SALE AND CONDITIONS**

9/3/08

The following terms and conditions shall govern the sale of all goods between **BLILEY TECHNOLOGIES INC.** (“**Bliley**”) and **BUYER**.

- **Terms of Payment.** All quotes are subject to final credit approval in the sole discretion of Bliley. Unless otherwise agreed in writing, payment terms shall be net thirty (30) days, and Buyer shall not be entitled to offset any sum owed it by Bliley against any Bliley invoice. All quotes, invoices and payments will be in U.S. Dollars.
- **Electrical Performance Measurement.** All electrical measurements are based on industry proven methods and techniques used by Bliley Technologies Inc. Special measurement techniques must be specified when an order is placed.
- **Taxes/Duty/Import Licenses.** Unless otherwise agreed in writing, all taxes, import or export duties, and import or export licenses shall be the sole responsibility of the Buyer.
- **Transportation/Title.** All product shall be shipped pre-paid with charges to the Buyer on a nationally recognized carrier. Terms of all shipments shall be F.O.B. Bliley, and title shall pass upon shipment.
- **Packaging.** Bliley shall package all product in accordance with good commercial practice. Any requests for special packaging shall be performed at Buyer’s expense. Buyer hereby agrees to hold Bliley harmless for any damages caused in transit due to Bliley’s compliance with Buyer’s special instructions.
- **Delivery Schedules.** Bliley will make a reasonable effort to meet all proposed delivery schedules. Bliley will inform Buyer of any material deviations from the proposed delivery schedule, but shall not be held responsible for any delivery delays caused by circumstances beyond Bliley’s control, including, but not limited to, actions of Buyer.
- **Rescheduling.** Buyer request to reschedule delivery shall be effective only with the written acceptance of Bliley. Acceptance of such rescheduling request for delivery shall be in Bliley’s sole discretion.
- **Order Cancellation/Termination.** Bliley shall allow cancellation/termination of orders, upon written acceptance of same by Bliley. Buyer shall pay all material, labor, overhead and tooling incurred by Bliley at the time of cancellation/termination as well as any non-cancelable commitments for material or service made by Bliley to third parties with respect to the order. Any Bliley part number identified as “NCNR” shall be non-cancelable and non-returnable.
- **Warranty.** Bliley warrants that products sold by it pursuant hereto are free from defects in material and workmanship for a period of one (1) year from date of shipment.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL OR IMPLIED. NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE SHALL APPLY.

- **Warranty Claims Process.** Buyer shall obtain authorization from Bliley to return the subject product to Bliley (freight pre-paid) prior to initiating any warranty claim. All warranty claims shall be in writing and must contain a full description of the defect and the product involved.

Upon approval of a warranty claim, Bliley reserves the right, at its sole discretion, to resolve the warranty claim by (a) repairing the returned product; (b) replacing the returned product with additional product of Bliley; or (c) crediting the Buyer for the value of the product.

- **Limitation of Liability.** In the event of any breach of the warranties or terms set forth herein, Buyer’s remedies set forth elsewhere are the sole and exclusive remedy of Buyer. In no event shall Bliley’s liability for direct, incidental, consequential or any other damages exceed the original purchase price of the product
- **Assignment.** This Agreement may not be assigned by Bliley or Buyer without the written consent of the non-assigning party.
- **Confidentiality.** Buyer agrees to take any and all reasonable steps necessary to protect the confidentiality of any Bliley engineering drawings, specifications or other material marked as “Confidential”.

Bliley shall be entitled to all remedies of law or equity to enforce this Confidentiality clause including, but not limited to, injunctive relief.

- **Severability.** If any provision of this Agreement is determined by a court to be invalid or unenforceable, such determination shall not affect any other provision hereof, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. Such invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision shall be deemed to be effective, operative and entered into in the manner and to the full extent permitted by applicable law.
- **Force Majeure.** Bliley shall have no liability to Buyer or Buyer’s customers or end-users, and shall have the right to suspend shipments hereunder in the event of war, riot, flood, acts of God, fire, court order, strike, work stoppage, act of governmental authority, shortages or allocations of materials or component parts, or other causes beyond Bliley’s control.
- **Entire Agreement/Amendment.** The contract evidenced by this acknowledgement constitutes the entire agreement between Bliley and Buyer and may not be modified except by a writing signed by the authorized representatives of both parties. Bliley shall be obligated to perform only in accordance with the terms of this acknowledgement, and any terms and conditions proposed in Buyer’s request for quote, purchase order, acceptance, acknowledgement, transmittal or elsewhere which are different from, conflict with, or add to the provisions of this contract shall be deemed to materially alter them and are hereby objected to and rejected by Bliley. Buyer is hereby notified that Bliley has commenced performance under this contract and intends to deliver or ship the product identified herein to Buyer.
- **Applicable Law.** This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. Bliley and Buyer hereby consent to venue in either the Erie County Court of Common Pleas or the United States District Court for the Western District of Pennsylvania.