

**DOCUMENT 101**  
**SALES TERMS AND CONDITIONS**

The following Terms and Conditions are incorporated in and are a part of the specific agreement between the parties to which these Terms and Conditions are attached. In the event of any conflict between these Terms and Conditions and the specific agreement, the provisions of the specific agreement shall control.

**1. Defined Terms.** When used in these Terms and Conditions, the term "Purchaser" shall mean the party to this Agreement which is agreeing to purchase hereunder, the term "Products" shall mean those items which the Purchaser is agreeing to purchase, and the term "Agreement" shall mean these Terms and Conditions and the specific agreement to which these are attached.

**2. Sales Taxes.** Purchaser shall pay to HiTech all sales taxes imposed by state or local government, if any, on the sale by HiTech to Purchaser of the Products.

**3. Payment.** HiTech shall bill Purchaser for Products when shipped. Payment for the amount shown on a billing invoice is due within thirty (30) days of the date of the invoice. Any amount not paid when due shall bear interest thereafter at the rate of one and one-half percent (1.5%) per month, of the unpaid balance, until paid.

**4. Delay.** Neither party shall be responsible for any loss resulting if the fulfillment of any of the terms of this Agreement is delayed or prevented by revolution or other civil disorder, or, acts of enemies, strike, fire, flood, act of God, or any other cause not within control of the party whose performance is interfered with.

**5. Adjustments and Reimbursements.** If more than one percent (1%) of the items in any shipment of Products do not meet performance standards for the Products (herein, "Non-Performing Products"), Purchaser may return such Non-Performing Products and receive a credit from HiTech for the quantity and respective purchase price invoiced for the Non-Performing Products. Any products returned or questioned must be available for inspection by HiTech personnel in the original packaging. In order to receive credit from HiTech for Non-Performing Product identification of the issue must be within 30 days of receiving those items.

**6. Warranty Disclaimer.** HiTech makes no warranty that the Products, or any one of them, are merchantable or fit for any particular purpose. The sole responsibility of HiTech is that it will manufacture the Products as set forth in the Specifications provided and the Agreement terms.

**7. Intellectual Property.** Purchaser covenants and warrants to HiTech that Purchaser owns all rights in the design of the Products and each element thereof. Purchaser shall indemnify, defend and hold harmless HiTech from and against any claim, demand, action or liability which arises, results from or relates to any claim or assertion by any person not a party to this Agreement of any patent, design or other intellectual property right of any kind whatsoever in the Products, any part thereof, or any element related thereto.

**8. Pricing.** All pricing is good for thirty (30) days from the date of quote, and may be modified by HiTech at any time thereafter. Pricing is FOB Chatsworth.

**9. Termination of Business.** If Purchaser substantially ceases to do business with HiTech and/or ceases to order an individual part, it shall purchase the amount of any inventory, held by HiTech for future sale, at the then current prices for each such item. Simultaneous to return of Molds owned by customer and shipment of inventory held on behalf of the customer payment must be received by HiTech for both. Molds will be returned in original configuration subject to wear.

**10. Miscellaneous.**

A. All notices and other communications given pursuant to this Agreement shall be in writing and shall be given by mailing the same by certified or registered mail, return receipt requested, postage prepaid or by United States express mail, by a commercially recognized courier service, or by electronic or facsimile transmission provided that a true copy of the transmission is sent on the same day by United States express mail or a commercially recognized courier service for delivery no later than the next business day. Any such notice or other communication shall be deemed to have been given on the earlier of (i) personal delivery, (ii) the date of delivery or refusal to accept delivery as shown on the return receipt, if given by certified or registered mail, or (iii) when received by the party to whom such notice or other communication is addressed if addressed as set forth in

the Agreement terms, or to such other address or addresses as a party may hereafter designate by notice to the other.

B. If any party to this Agreement brings any suit, arbitration, or other proceeding with respect to the subject matter or enforcement of this Agreement or with respect to a breach of representation, warranty or covenant under this Agreement, the prevailing party (as determined by the arbitrator, court, agency or other authority before which such suit or proceeding is adjudicated) shall, in addition to such other relief as may be awarded, be entitled to recover attorneys' fees, expenses and costs of investigation as actually incurred (including, without limitation, attorneys' fees, expenses and costs of investigation incurred in appellate proceedings, costs incurred in establishing the right to indemnification, or in any action or participation in, or in connection with any case or proceeding under, the Bankruptcy Code of the United States, or any successor statutes).

C. Time is of the essence in this Agreement and every provision contained in this Agreement. All references herein to a particular time of day shall be deemed to refer to Pacific Time. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, or legal holiday, in which case the period shall be deemed to run until the end of the next day which is not a Saturday, Sunday, or legal holiday. All time periods expiring on a specified date or period in this Agreement shall be deemed to expire at 5:00 p.m. on such specified date or period.

D. The titles and headings of the articles and sections in this Agreement are intended solely for reference and do not modify, explain, construe, define or limit any provision of this Agreement. All references to sections, recitals, and the preamble shall, unless otherwise stated, refer to the sections, recitals, and preamble of this Agreement.

E. This Agreement and all related documents referred to in this Agreement constitute the entire agreement between the parties. There are no oral or parol agreements which are not expressly set forth in this Agreement and the related documents being executed in connection with this Agreement. This Agreement may not be modified, amended, or otherwise changed except by a writing executed by the party to be charged.

F. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable under applicable law, the invalid or unenforceable term or provision shall be ineffective to the extent of such invalidity or unenforceability and shall have no effect on the remaining terms and provisions of this Agreement.

G. No waiver or breach of any provision shall be deemed, or constitute, a waiver of any other provision, whether or not similar, nor shall any be valid unless it is in writing and executed by the waiving party. No extension of time for performance of any obligation or act shall be deemed an extension of time for any other obligation or act.

H. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. The signature page of each counterpart may be detached from such counterpart and attached to a single document which shall for all purposes be treated as an original. The execution of this Agreement shall be deemed to have occurred, and this Agreement shall be enforceable and effective, only upon the complete execution of this Agreement by each of the parties.

I. This Agreement, all transfers and assignments pursuant to this Agreement, and all rights of the parties, shall be governed as to validity, construction, enforcement and in all other respects by the laws of the State of California (without regard to choice of law rules). Jurisdiction for any dispute is solely in the state courts of California or the federal courts located in California, and each party consents to such exclusive jurisdiction for all purposes hereunder.

J. The provisions of Sections 7 and 9 of these Terms and Conditions shall each survive the term of this Agreement and remain in effect at all times thereafter.

K. Order may be considered complete if shipments are within 10% of the ordered quantity unless otherwise specified by Purchaser. Exact purchase quantity will require higher pricing in order to assure the exact amount. This is the result of process variance inherent with production requiring that material be purchased in excess and that the production run exceeds order requirements to assure amount meets exact order quantity.