

Sales Agreement



ENTIRE AGREEMENT

This contract does not constitute the entire agreement but the terms and conditions specified herein shall prevail notwithstanding any conflicting terms and conditions which may appear on any order submitted by Buyer. Any other agreement cannot conflict with what is written within, and supersedes all previous proposals oral and written, and all previous negotiations and communications between parties with respect to the subject matter herein.

ACCEPTANCE & CANCELLATION

All orders herein whether oral or written ("Orders") are subject to a written acceptance by Falco Electronics ("Seller"). Orders, which are canceled by Buyer that fall within the Liability Window, are subject to cancellation charges. In such instances, Buyer shall pay Seller, as a condition precedent to obtaining of such consent, an amount equal to the full value of goods in transit, finished, and Work-In-Process. Unique Raw Materials are paid fully for the amount that Seller has in its possession and is liable for. Buyer is responsible to pay a 20% re-stocking charge for all common material. The Liability Window is stated on the quotation and order.

DELIVERY

Delivery of goods herein shall be made as stated on the Customer Confirmation.

PAYMENT AND TAXES

Invoices will reflect the net prices plus any applicable sales, use, excise or similar taxes. Buyer will pay each invoice in U.S. Dollars drawn on and payable by a U.S. bank on or before the due date stated on each invoice by the terms set forth on the face hereof. Bank collection or processing fees are for buyers account.

CREDIT TERMS

Seller may at any time, at its sole discretion, limit or cancel Buyers credit as to either time or amount or both and as a consequence Seller may require full or partial payment in cash before delivery. If so, Seller will notify Buyer in writing of the payment (s) required and Buyers failure to make any such payment (s) on/or before the due date shall constitute a repudiation of this Agreement. Bankruptcy or insolvency proceeding by or against Buyer shall also constitute a repudiation of this Agreement. If Seller reasonably doubts Buyers financial condition or ability to pay, or if Buyer is delinquent in payment of any invoice, Seller may without liability and without prejudice to any other remedy; suspend performance, decline to ship, stop any goods in transit or take any other action which Seller is legally entitled to take until Seller receives full cash payment in advance or adequate security for full payment.

TERMS OF SALE

Seller's standard terms are Net 30 days. Failure to adhere to the terms may result as a hold on future orders. The net due date is calculated from the date of the invoice which is the same as the date of shipment. Should Buyer default in the payment of the outstanding account for moneys that are deemed legitimately owed, then Seller shall be entitled to incur expenses for the cost of collection and reasonable attorney's fees. These amounts shall be added to the unpaid balance of Buyers account and shall be due and owing from Buyer to Seller.

QUANTITIES

Seller may ship and Buyer will accept in full performance of this Agreement any quantity within the limits specified below. Invoicing will be based on actual quantities shipped.

ORDER QUANTITY % TOLERANCE

0-10,000	5%
10,000 & Up	2%

SHIPMENT DATES

Scheduled shipping dates shown on the face herein are only estimates only and are subject to delays resulting from causes beyond our reasonable control, including without limitation; acts of God, labor disputes, inability to obtain materials, transportation or commercial impracticality. Seller will not be liable for any damages resulting from failure to make shipments as estimated for causes beyond its control.

WARRANTIES

Seller shall not be liable for incidental or consequential losses, damages or expenses, directly or indirectly arising from the sale, handling, use of the goods or from any other cause relating thereto. The Seller provides a lifetime warranty which is expressly limited to the replacement (in the form originally shipped) of goods not complying with this agreement or at Seller's election, Seller may credit Buyer with an amount equal to the purchase price of such goods, whether such claims are for breach of warranty or negligence. The Seller warrants having a quality level (AQL) of 0.25 for major and 4.0 for minor defects, in accordance with ANSI/ASQC standard Z1.4-1993, General Inspection Level II, Table II-A (Single Sampling Plans For Normal Inspection). A minor fault is one that does not impair the functionality of the part.

RETURNS

No goods sold and delivered may be returned to Seller without prior written authorization through a Return Material Authorization (RMA) number.