

# AVA Technology General Sales Terms and Conditions

The following terms and conditions apply to the sale of AVA Technology, Inc. LED products, related components, accessories, manuals and other items delivered with this order (hereafter collectively referred as "AVA's products") to Customer. By placing an order with AVA Technology, Inc., Customer agrees to and accepts these Sales Terms and Conditions, which can only be modified in writing and signed by an authorized officer of AVA Technology, Inc. Contrary terms and conditions, if any, contained in Customer's purchase order are inapplicable.

1. Defects, discrepancies in quantity, in-transit damages, or similar incidents to AVA LED products must be reported to AVA Technology, Inc. in writing within **72 hours** after Customer receives AVA's products or it will be conclusively presumed that the AVA's products was as ordered, was received in good condition and is accepted. AVA Technology, Inc.'s sole responsibility shall be to repair or replace product which was defective when returned to AVA Technology, Inc.'s facility. Refer to AVA Technology, Inc.'s Warranty.

2. Terms are stated in each AVA Technology, Inc.'s Invoice. Payments are deemed delinquent if customer fails to pay **10 days** after the stated terms and are subject to **interest charges of 10% per annum** but not exceeding the maximum legal rate. AVA Technology, Inc. reserves the right to change the credit terms extended to customers at any time, when in AVA Technology, Inc.'s opinion, Customer's financial condition or previous payment record so warrants.

3. Customer shall pay delivery and handling charges and all taxes and governmental charges in connection with the purchase, possession or use of AVA's products (other than taxes on AVA Technology, Inc.'s net income) including, without limitation, sales, use property, franchise and excise taxes.

4. AVA Technology, Inc. will make reasonable effort to meet the agreed delivery schedule as quoted; but shall not be responsible for failure to meet such delivery. AVA Technology, Inc. will ship according to Customer's shipping instructions, if appropriate; otherwise by an appropriate method determined by AVA Technology, Inc. Customer is responsible for freight and insurance.

5. AVA Technology, Inc. reserves the right, without notice, to make design modifications or improvements of the products without altering the specifications as given in the Sales Order or contract. In the case such design modifications cause changes of the specifications, it shall be approved in writing by Customer before such modifications are made by AVA Technology, Inc.. AVA Technology, Inc. also reserves the right, at any time and without notice, to change the published rates, prices, discounts, terms and product availability for future orders.

6. If Customer issues a change order after the date stated on AVA Technology, Inc.'s Sales Order, AVA Technology, Inc. reserves the right to accept or deny Customer's change order. All additional costs incurred as a result of the change order, if AVA Technology, Inc. accepts the change order, shall be the obligation of the Customer.

7. If Customer is in breach any of Customer's obligations hereunder or any of the terms of the sale, Customer shall pay AVA Technology, Inc. for all costs, expenses and legal fees incurred in recovering AVA's products, collecting monies due and/or in enforcing its rights hereunder, whether or not formal legal action is instituted.

8. No U.S. government procurement regulation shall be deemed a part of this agreement or be applicable to AVA Technology, Inc. unless specifically agreed to in writing and incorporated herein.

9. All notices to AVA Technology, Inc. shall be in writing. Any stenographic, typographic and/or clerical errors in AVA Technology, Inc.'s documents related to the Sales Order are subject to correction without penalty. AVA Technology, Inc.'s failure to exercise any rights hereunder shall not constitute a waiver or forfeiture of the same or any other right in the future. Customer may not transfer or encumber any rights hereunder without the prior written consent of AVA Technology, Inc.. In no event shall AVA Technology, Inc. be responsible for any consequential damage or punitive damage asserted by Customer or a third party. This agreement shall be governed by the laws of the State of California. All litigation arising from this agreement shall be in a State or Federal court located in Los Angeles County, California. Customer agrees to be subject to the jurisdiction of the State of California, Los Angeles.

10. The following provisions apply to all software, if any, provided to customer:

- a) Any AVA Technology, Inc. software may be used only on AVA Technology, Inc.'s AVA's products and shall not be copied (except for archive purposes to replace a defective copy) and may not be assigned or transferred by Customer without AVA Technology, Inc.'s prior written consent.
- b) AVA Technology, Inc. will, upon timely and proper request, replace any diskette or media found to be defective in its/their normal use.
- c) AVA Technology, Inc. hereby grants to Customer a license to use the designated software solely to be used in conjunction with the Product sold by AVA Technology, Inc. and under the terms of the conditions stated herein. Any improper or unauthorized use shall void the license granting and terminate the authority to use such software.

11. Title to the AVA's products remains with and is retained by AVA Technology, Inc. until the purchase price is paid in full. AVA Technology, Inc. has the right to refuse service or provide warranty if the AVA's products is not paid in full. Further, any warranty

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provided by AVA Technology, Inc. does not extend or transfer to non-original purchaser of the AVA's products unless otherwise agreed to by AVA Technology, Inc. in writing.

12. No cancellations for Custom-Made orders without the written consent from an authorized officer from AVA Technology, Inc. Customer will lose its deposit and be charged all cost of product. Customer agrees to compensate AVA Technology, Inc. for all cost including materials, parts, equipment, services, and any other costs incurred with the cancellation of the order. In the event AVA Technology, Inc. cancels an order due to unavailability of goods or factors beyond AVA Technology, Inc.'s control, Customer's remedy is the refund of the goods price which has been paid to AVA Technology, Inc.