

TERMS AND CONDITIONS

All Alvarado Mfg. Co., Inc., ("Alvarado") quotations, invoices and acknowledgements are subject to these terms and conditions

1. Orders: **NEW CRITERIA AS OF FEBRUARY 1, 2009**

Minimum Order Amount - \$50 (Cash, or credit card only)

Minimum Order Amount for Which Credit Accepted - \$150

2. Limited Warranties and Disclaimers: Alvarado warrants products against defects in materials or faulty workmanship for one year from the date of invoice. Products returned (transportation prepaid) within one year from the date of shipment, which Alvarado determines to be faulty by reason of defective materials or faulty workmanship, will be replaced or repaired at Alvarado's discretion, free of charge provided that recommended installation and maintenance procedures have been followed. This warranty is void if damage is caused by improper installation, maintenance or use. This warranty is limited to parts only and does not cover labor charges incurred in connection with the removal or replacement of warranted products or parts. **THIS REMEDY IS THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO PURCHASER.** Returned items that show evidence of mishandling or misapplication or misuse may be returned by Alvarado at the Purchaser's expense. Alvarado **IS NOT TO BE HELD LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES CAUSED BY ITS PRODUCTS, INCLUDING, BUT NOT LIMITED TO: DAMAGES FOR LOSS OF USE, INCOME, PROFIT OR GOODWILL; LOSSES SUSTAINED AS A RESULT OF INJURY (INCLUDING DEATH) TO ANY PERSONS; AND/OR DAMAGES TO PROPERTY, OTHER THAN THE PRODUCT. IN NO CASE SHALL ALVARADO'S LIABILITY EXCEED THE PRICE PAID FOR THE PRODUCT.** When products are supplied, at the Purchaser's request, on a "best effort" basis for use under conditions that exceed design specifications, the products are shipped "as-is", with no warranty, stated or implied. **THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER EXPRESSED WARRANTY OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND OF ANY OTHER OBLIGATIONS OR LIABILITY ON THE PART OF ALVARADO, ITS EMPLOYEES OR AGENTS.**

3. Design Control: Alvarado reserves the right to make changes in the design and manufacture of any item without incurring any obligation to revise items manufactured for, or delivered to, the Purchaser prior to such change. The Purchaser is responsible for the validation of the product design and to determine that the product is suitable for use in the Purchaser's intended application. The Purchaser is deemed to have accepted and validated the product design upon acceptance of a shipment from Alvarado.

4. Designs and Specifications: Alvarado assumes no responsibility for the adequacy of any designs, specifications, requirements and/or instructions provided by Purchaser. Acceptance by the Purchaser of any custom or nonstandard products provided by Alvarado shall constitute an acknowledgement that the Purchaser has reviewed the designs for such products and is satisfied that the designs meet all specifications, requirements, and standards applicable to such products. Purchaser understands and agrees that **ALVARADO IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTY (INCLUDING ANY IMPLIED WARRANTY OF FITNESS FOR PARTICULAR PURPOSE) RELATIVE TO THE DESIGN OF SUCH CUSTOM OR NON-STANDARD PRODUCTS.** Purchaser agrees to indemnify and hold Alvarado harmless against any claims or suits alleging defective design of such products. Purchaser further agrees that, upon request by Alvarado, it will execute a design approval form confirming the matters contained in this paragraph, and that Alvarado may withhold shipment of such products pending execution of such form.

5. Technical Assistance, Samples, Demonstrations: Any technical advice, recommendations, samples, lab tests, and/or demonstrations provided by Alvarado (or its representatives) concerning the use, application or compatibility of any products or materials are provided by Alvarado solely for the purpose of assisting the Purchaser to evaluate, at its own risk, the suitability of Alvarado's products for the

Purchaser's intended use. Alvarado recommends that the Purchaser makes its own tests to determine such suitability. No such advice, recommendations, samples, lab tests and/or demonstrations **PROVIDED BY ALVARADO** shall be construed as an express or implied warranty.

6. Changes, Rescheduling, Cancellations: After ordering, Purchaser may request a change to the order, either in terms of options, specifications, quantities, delivery dates or Purchaser may request to cancel all or part of an order. No such modification or cancellation will become effective unless accepted in writing by Alvarado. Acceptance of such modification or cancellation will be at Alvarado's discretion and on terms Alvarado requires, including changes to price, surcharges, cancellation charges and delivery date changes, all as deemed appropriate by Alvarado.

7. Payment Terms, Prices, Taxes and Duties: Unless credit terms have been applied for an approved, terms are payment in advance and prices do not include any taxes, freight, handling, duty or other similar charges, payments of which will be the sole responsibility of Purchaser. Prices are conditioned upon timely payment and any past due balance will accrue interest at the monthly rate of one and one-half percent. Freight charges may not reflect actual transportation costs. All payments shall be in the legal currency designated on the invoice by Alvarado. Alvarado reserves the right to modify terms prior to shipment, require payment in advance, or delay or cancel any shipment or order by reason of Purchaser's creditworthiness or Purchaser's failure to fulfill any obligation when due.

8. Delivery, Risk of Loss, Delays: Unless otherwise stated on the face of the invoice, deliveries of product will be FOB Chino, CA. Risk of loss will pass to Purchaser at this point. Alvarado may indicate scheduled shipment dates for Purchaser's order. Such dates are estimates only and may be subject to change by Alvarado without liability. **ALVARADO SHALL HAVE NO LIABILITY FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES DUE TO FAILURE FOR ANY REASON TO MEET SCHEDULED SHIPMENT DATES.**

Alvarado shall not be liable for any damage to or loss of product following delivery to the FOB point, including any damage or loss in transit.

9. Cancellation: Buyer may not cancel an order due to delays in delivery.

10. Inspection, Acceptance, Returns: Purchaser will thoroughly inspect each shipment of products promptly upon receipt. All products will be deemed to have been accepted ten (10) days after receipt, except for products for which Purchaser makes a written claim of non-conformance within such time. All products made the subject of such a claim will be deemed to have been accepted ten (10) days after receipt by Purchaser of conforming goods. No products may be returned to Alvarado except by prior authorization by Alvarado. All such returns will be subject to Alvarado's then-current returned goods policies and procedures.

11. Entire Agreement: These Terms and Conditions constitute the entire agreement between the Purchaser and Alvarado. In the case of conflict, terms and conditions contained herein will supersede and control any contrary terms. Any purchase order, written confirmation, or other reasonable expression of acceptance by Purchaser will form an acceptance, which is expressly limited to the terms and conditions of this quotation, acknowledgment or invoice. Any different, additional, or inconsistent terms or conditions of Purchaser's purchase order or other documents will constitute a material alteration of Alvarado's offer, and unless specifically accepted in writing by an authorized representative of Alvarado, are objected to and will not be binding on or effective against Alvarado.

12. Force Majeure: Alvarado shall not be liable for any failure to perform its obligations where such failure is as a result of Acts of God (including fire and natural disaster), any civil or military action, or any other cause or event not reasonably within Alvarado's control.

13. Governing Law: This Agreement will be construed and governed by the laws of the State of California.