

UGM Standard Terms & Conditions for RFQ Quotations and Manufacturing Sales

Please read carefully, as your acceptance of a UGM Quotation for Goods or Service is evidence that you have consented to these terms.

Due to continuing changes in the legal, practical, and technical aspects of contract manufacturing, this policy will be updated periodically. Please check here from time to time, especially before accepting additional RFQs, Quotes, OEM and Manufacturing Goods or Services, so that you are always up to date on this important issue.

UGM STANDARD TERMS & CONDITIONS FOR RFQ QUOTATIONS and MANUFACTURING SALES

TERMS & CONDITIONS OF QUOTATIONS:

BUYER'S OFFER RESULTING FROM UGM'S QUOTATION IS EXPRESSLY CONDITIONED UPON BUYER'S ASSENT TO UGM'S STANDARD TERMS AND CONDITIONS PRINTED BELOW. ALL ORDERS WILL BE SUBJECT TO ACCEPTANCE ON UGM'S ORDER ACKNOWLEDGEMENT FORM.

TERMS & CONDITIONS OF MANUFACTURING SALES:

ACCEPTANCE OF BUYER'S ORDER IS CONDITIONAL ON BUYER'S CONSENT TO THE TERMS AND CONDITIONS PRINTED BELOW. IF BUYER OBJECTS TO ANY TERMS BELOW, SUCH OBJECTION MUST BE IN WRITING AND DELIVERED TO UGM WITHIN A REASONABLE TIME, NOT TO EXCEED TEN (10) DAYS OF RECEIPT OF THIS DOCUMENT. FAILURE TO MAKE SUCH A TIMELY EXCEPTION, OR ACCEPTANCE BY BUYER OF ANY GOODS DELIVERED BY UGM HEREUNDER, SHALL BE CONCLUSIVELY DEEMED ASSENT TO THE TERMS AND CONDITIONS BELOW. UGM'S FAILURE TO OBJECT TO PROVISIONS CONTAINED IN ANY COMMUNICATION FROM BUYER WILL NOT BE A WAIVER OF THE PROVISIONS HEREOF.

1. **DEFINITIONS.** "The Supplier" or "UGM" means UNITED GEAR AND MACHINE COMPANY, INC. "The Buyer" means the person, firm or company that contracts with the Company for the purchase of goods or services. "Goods" means the products of any kind manufactured or sold by UGM. "Services" means work of any kind carried out by the UGM.
2. **SCOPE.** These conditions shall apply to all agreements and contracts for the sale of Goods or Services by UGM to Buyer to the exclusion of all other terms and conditions, including terms or conditions that the Buyer may purport to apply under any purchase order, confirmation order, or similar documents. All orders for Goods or Services shall be deemed to be an offer by Buyer to purchase Goods or Services pursuant to these conditions. Acceptance of delivery of the Goods or Services shall be deemed conclusive evidence of the Buyer's acceptance to these conditions. Any variation to these conditions (including any special terms or conditions agreed between the parties) shall be inapplicable unless agreed in writing by a manager or officer of UGM. In the event that information given by the Buyer to UGM differs from that on which the quotation was based and involves the alteration of the quotation, UGM may increase the price quoted therein to cover any increase in cost that the alteration may incur and amend the delivery date.
3. **QUOTATIONS.** Quoted prices are valid for three hundred sixty five (365) days or what is stated on the quotation. Prices apply only if the quantity ordered hereunder is released for shipment within six (6) months (or longer if mutually agreed to in writing) from the date of UGM's receipt of Buyer's order. Otherwise, UGM's standard price in effect at time of release shall apply to quantity shipped and Buyer shall pay the difference in price, if any, and UGM has the right to terminate this agreement.
4. **ACKNOWLEDGEMENT OF PURCHASE ORDER.** Allow three business days for reply and acknowledgement of Buyer's purchase orders before work begins. Any such acknowledgement or signing of Buyer's purchase order renders that document as incorporated into and remains subject to these UGM terms and conditions which are understood to take precedence over any conflicting terms in any documents furnished by the Buyer, unless explicitly waived in writing by a manager or officer of UGM.
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7. **CUSTOMER DRAWINGS.** All drawings and specifications must be clear and match requirements listed in UGM's quotation. UGM will modify or correct any terms, specifications, or certifications needed to fulfill scope of work in writing before work begins. Said changes will require Buyer approval and sign off to start or continue work. UGM accepts no responsibility for the accuracy of information or drawings supplied by the Buyer. The Buyer shall indemnify UGM from and against all actions, claims, costs and proceedings that arise due to the manufacture of components according to the drawings and specification of the Buyer where such drawings and specifications of the Buyer shall be erroneous.
8. **SAMPLES.** Quotations are preferably made on the basis of Buyer's prints. When quotations are made on the basis of samples or otherwise, the dimensions on which the quotation is based will be stated. USE OF, OR REFERENCE TO SAMPLES, SHALL NOT ENLARGE, AFFECT OR ALTER THE WARRANTIES OR REMEDIES HEREIN. Where Buyer requires samples from UGM to verify completion of fitting-up, Buyer will pay for such fitting-up within thirty (30) days after receipt of the samples, unless Buyer within such period gives UGM a detailed written description of any allowable variance from specifications, in which case Buyer will promptly pay upon correction of such variances. The dimensions for quoting and manufacturing are the mean specifications and are subject to the normal tolerances for variations.
9. **QUANTITY.** UGM reserves the right, regardless of any agreed upon delivery schedule, to produce the entire quantity of the Buyer's firm order at one time and Buyer will be obligated to pay for the entire order quantity produced. Buyer agrees that UGM may ship an aggregate quantity that varies (more or less) by not more than 10% of the aggregate quantity specified in Buyer's firm order ("Permitted Variation") in satisfaction of its obligations hereunder. The contract price will be ratably adjusted for the actual amount of Goods shipped, within the Permitted Variation.
10. **DELIVERY.** Deliveries shall be F.O.B. UGM's loading dock, with UGM responsible for loading onto the collecting vehicle, unless otherwise specified herein. Risk of loss shall pass to Buyer upon UGM's tender of the Goods to the initial carrier. If the Goods are to be exported from the United States, the Goods will be cleared for export but the Goods will not be cleared for import at the named port of destination and Buyer will be responsible for all formalities, duties, taxes and other charges upon importation. In the absence of specific shipping instructions from Buyer, UGM reserves the right to ship in any way UGM deems expedient without recourse for any additional transportation or handling costs incurred by Buyer. UGM reserves the right to make partial deliveries. Buyer agrees that variations of not more than 1% between the quantity indicated on UGM's shipping documents and the quantity counted by Buyer will not result in adjustments, either up or down, to the amount invoiced by UGM, which will be based upon UGM's count. Count discrepancies greater than this threshold must be substantiated by Buyer. In the event that UGM delivers goods to the customer, or uses a carrier to do so, thus customer must notify UGM within three (3) days of delivery of any damage, shortage, or loss. UGM shall not be liable for any loss or consequential loss arising from such damage or shortage. The carrier shall be deemed to be the Buyer's agent.
11. **CHANGES IN DELIVERY DATES.** If shipment is delayed at the request of Buyer or because of Buyer's carrier's inability to receive the Goods, such Goods shall be stored at Buyer's risk and expense and UGM shall have the right to bill Buyer the full contract price plus storage charges any time thereafter and Buyer shall pay such amounts within ten (10) days after the date of such invoice. Buyer may, at its discretion, change the delivery schedule up to a maximum of 2 times but always for delivery within 30 days of the original scheduled delivery date. In any event, the order must be completely shipped within 1 year from date of the original order, unless otherwise agreed upon.
12. **INSPECTION.** UGM will supply UGM First Article Inspection documents when submitting first articles to Buyer. Buyer shall make an examination and test of any Goods delivered hereunder promptly upon its receipt. Documents must be completed, signed off, and sent back to UGM before work can continue. Please give twenty four (24) hour turn around on first article inspections to keep jobs on schedule. If first article acceptance is not completed within 24 hours and any necessary gaging or tooling returned to UGM, Buyer will pay up to \$240/hr for idle machine time. UGM will notify Buyer's QC department one day ahead to allow for quick response. UGM will supply UGM Final Inspection documents and process certifications with completed job or with parcel deliveries to Buyer. Buyer's failure to give written notice of any claim or defect within ten (10) days after receipt of such Goods shall constitute Buyer's unqualified acceptance of such Goods and a waiver by Buyer of all claims with respect thereto including any right to revoke acceptance. If UGM accepts the Buyer's claim, UGM shall have the choice of remanufacturing the defect or crediting the Buyer with the amount given on the quotation. The Buyer may not charge UGM for any work the Buyer carries out for remanufacturing the defect without written agreement from UGM. UGM shall dispatch any remanufacturing Goods to the Buyer postage/carrier paid.



13. **ACCEPTANCE OF GOODS OR SERVICE.** The Buyer is deemed to have accepted the parts, materials, quantity counts, good, or Service ten (10) days after delivery to the customer. After acceptance the customer shall not be entitled to reject the Goods or Service that are not in accordance with the agreement.
14. **RETURNS.** Returns of Goods following statistical inspections are acceptable, provided that the inspection parameters to be used by Buyer have been approved by UGM, Buyer has given UGM written notice detailing the reason for the return, and a written authorization of return has been issued by UGM to Buyer.
15. **CUSTOMER SERVICE.** Buyer shall be the primary customer service provider to purchasers of the Goods. Customer service shall include prompt response to inquiries concerning the Goods whether by phone or electronic transmission. Any inquiries which cannot be resolved by Buyer shall be promptly forwarded to UGM. All customer service inquiries addressed by UGM because of failure of Buyer to resolve the same may, at UGM's sole discretion be billed at a rate of up to \$240/hr., and invoiced to Buyer. Buyer shall notify purchasers on packaging and where applicable on advertising, of who, when, and how to contact Buyer concerning customer service inquiries.
16. **CONTRACT PRICE.** Unless otherwise specified herein, the contract price is stated in U.S. Dollars, F.O.B. UGM's loading dock, and does not include any charge for import clearance or transportation. Any sales, use, excise, property, duty and other taxes applicable to this transaction and the Goods and Services furnished hereunder are not included in the contract price therefor and shall be paid by Buyer when due. If UGM pays any such amounts, Buyer shall reimburse UGM therefor upon demand.
17. **ADDITIONAL SERVICES.** Buyer agrees to pay at UGM's then current standard rate for any Services that are requested by Buyer (that are not directly associated with production) such as engineering, research and development, secondary process research and development, etc.
18. **TOOLING.** Tooling charges, if any, are in addition to the contract price for the Goods. Tooling charges are to be paid with the first invoice. All tooling, broaches, jigs, dies, fixtures, molds, patterns and other equipment used or useful in connection with the production of the Goods remains the property of UGM and will remain at UGM's site notwithstanding Buyer's payment of a tooling charge.
19. **CHANGES IN PRICE.** The contract price will be adjusted to reflect any actual increase in UGM's costs of obtaining the Goods that are due to incomplete specifications being provided by Buyer or changes made by Buyer in drawings or specifications or Buyer's requested modifications to the terms contained herein.
20. **PAYMENT TERMS.** If Buyer's credit was previously approved by UGM in writing, terms of payment are net thirty (30) days of the invoice date, in U.S. Dollars. New accounts can simply contact UGM for credit approval consideration. Prepaid and COD terms apply otherwise. UGM also accepts major credit card payment. Apply 4% to gross order for credit card payments. Any balance unpaid after such time shall bear interest at the annual rate of 18% for each day the balance due remains unpaid. Buyer may not withhold payment of any invoice or other amount due to UGM by reason of any right or set-off or counterclaim that the customer may have or allege to have or for any reason. Should Buyer not make timely payment to UGM of any amount owed to UGM, UGM may decline to make any shipment or perform any work except upon receipt of payment or upon terms and conditions or security satisfactory to UGM or terminate the agreement without liability on its part. Should UGM need to resort to the use of a collection agency, attorney, or other service to facilitate collection of unpaid balances due to UGM from the Buyer, Buyer shall reimburse UGM for all such fees expended to collect such balance due from Buyer. Any orders that remain unpaid after 7 business days whether domestic or international, will be restocked and charged a 15% restock fee on a separate invoice. If the invoice remains unpaid, no further orders will be accepted until balance is paid in full.
21. **INSOLVENCY OR DEFAULT OF BUYER.** UGM shall be entitled to a general lien on all Goods of the Buyer in UGM's possession (including Goods of the Buyer that have been paid for) for the unpaid price of all Goods sold to the Buyer by UGM under this or any other contract. If the Buyer fails to make payment for the Goods in accordance with the contract of sale or commits any other breach, or makes arrangement with creditors pursuant to bankruptcy or other proceeding, all sums outstanding in respect of the Goods shall become payable immediately.
22. **TITLE AND RISK.** In spite of delivery being made, title to the Goods shall stay with UGM until UGM receives payment in full, including sales tax, for such Goods, and no other sums whatsoever shall be due from Buyer to UGM. The Goods shall be at the Buyer's risk from delivery or collection as the case may be. Until fully paid for, the Buyer holds the Goods on a fiduciary basis as Bailee for UGM, though the Buyer may sell or use the Goods in the ordinary course of business at full market value for the account of UGM, and the entire proceeds of sale of the Goods shall be held in trust for UGM. Until such time as title in the Goods passes from UGM, the Buyer shall upon request deliver up such of the Goods as have not ceased to be in existence or resold to UGM. If the Buyer fails to do so, UGM may enter upon any premises owned,



occupied, or controlled by Buyer where the Goods are situated and repossess the Goods. In the interim, the Buyer shall fully insure the Goods against reasonable risks, clearly identify and store the goods separately at no cost to UGM, and not pledge the Goods as security for any indebtedness. UGM shall be entitled to recover the price (plus sales tax) notwithstanding that title in any of the Goods has not passed from UGM. Buyer hereby recognizes that UGM retains all right, title and interest in (a) all processes, methods, formula, ingredients, designs, procedures and other practices used by UGM or relating to the manufacture and sale of the Goods, including all intellectual property rights therein; and (b) all of UGM's equipment and tooling used in the manufacture and sale of the Goods, including all intellectual property rights therein, (collectively "UGM Technology"). Buyer hereby assigns to UGM all right (including intellectual property rights), title and interest it may now or hereafter possess in and to the UGM Technology and in any derivative works of and improvements to the Goods and agrees to execute all documents, and take all actions, that may be necessary to effect such assignment. UGM is under no obligation to disclose any of the UGM Technology to Buyer for any reason.

23. **WARRANTIES.** UGM warrants that the Goods sold hereunder shall conform to the specifications that are incorporated into this agreement and in effect at the date of shipment.
24. **LIMITATIONS OF WARRANTIES.** Notwithstanding the foregoing, UGM will not be responsible for normal manufacturing defects nor for customary variations from specifications. UGM makes no warranty with respect to any engineering (or other) suggestions provided by or on behalf UGM with respect to the specifications for the product, raw materials or manufacturing processes, once those specifications are approved by Buyer prior to production. This warranty is terminated and UGM shall not be liable to Buyer or any other person for any damage, injury or loss arising out of the use of the Goods, whether by reason of any defect in the Goods or in the Services furnished hereunder or otherwise if, prior to such damage, injury or loss, the Goods are (a) damaged, misused, improperly tested, improperly stored or improperly processed following delivery; (b) altered or modified without UGM's written consent. Moreover, UGM takes no responsibility for defects of any sort which occur as a result of inexact or inaccurate information received from Buyer, natural wear, excessive wear or other reasons beyond UGM's control.
25. **EXCLUSIONS OF WARRANTIES.** All other terms conditions or warranties, express or implied, relating to MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE, ARE EXCLUDED. NO PROMISE OR AFFIRMATION OF FACT MADE BY ANY AGENT OR REPRESENTATIVE OF UGM OR IMPLIED BY STATUTE AT COMMON LAW SHALL CONSTITUTE A WARRANTY BY UGM OR GIVE RISE TO ANY LIABILITY OR OBLIGATION. Buyer is solely responsible for determining whether the Goods are fit for a particular purpose and suitable for its method of operation.
26. **ARBITRATION OF DISPUTES.** Any controversy, dispute, or claim, of whatever nature, arising out of. In connection with, or in relation to the interpretation, performance or breach of this AGREEMENT, including any claim based on contract, tort, or statute, shall be resolved at the request of any party to this agreement by final and binding arbitration conducted at a location determined by the arbitrator in Los Angeles County, California, administered by and in accordance with the then existing Rules of Practice and Procedure of Judicial Arbitration & Mediation Services, Inc. (J.A.M.S). Judgment upon any award rendered by the arbitrator may be entered by any state or federal court having jurisdiction thereof. Such Judgment shall be final, non-appealable and not subject to trial do novo.
27. **NON-CONFORMING PRODUCT.** UGM will not charge customers for parts deemed nonconforming through internal inspection methods unless part is deemed use-as-is by Buyer. For non-conforming products found at Buyer, UGM shall not be liable for debits in excess of 110% per non-conforming part for services rendered by UGM unless otherwise negotiated by Buyer and specified in Purchase Order.
28. **LIMITATION OF REMEDIES.** UGM's obligation with respect to the quality of the Goods or Services furnished hereunder, regardless of the form of action, whether for breach of warranty or contract, or negligence or otherwise, shall be strictly and exclusively limited to the repair or replacement, F.O.B. Buyer's loading dock, of any Goods or the correction of any such Services that UGM determines on inspection to have been defective at the date of shipment, or if UGM determines that such repair, replacement or correction is not feasible, to a refund of the purchase price upon return of the Goods to UGM. No claim against UGM for any defect in the Goods or the Services furnished hereunder, whether for breach of warranty or contract, or for negligence or otherwise shall be valid or enforceable unless Buyer's written notice thereof is received by UGM within ninety (90) days from the date of shipment or ten (10) days from the date of discovery of the defect, whichever is earlier, and Buyer shall cease using the Goods from the time of discovery of such defect until UGM has had a reasonable time to inspect the same and remedy any defect that the UGM determines to be covered by the warranty provided in this agreement. IN



NO EVENT WHATSOEVER, SHALL UGM BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF REVENUES, LOST PROFITS, INCREASED EXPENSES AND/OR ANY COSTS ASSOCIATED WITH PRODUCT RECALLS, LINE-DOWN SITUATIONS OR OTHER RAMIFICATIONS CAUSED BY FAILURE OF ANY PRODUCT IN WHICH THE GOODS ARE INCORPORATED, EVEN IF UGM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, EXCEPT AS PROVIDED IN THE SECTION ENTITLED "INTELLECTUAL PROPERTY." Buyer and UGM expressly agree that this limitation of liability is intended as a complete allocation between the parties of the risk of any claim of any kind arising from or in any way related to the Goods or Services furnished hereunder and that this allocation is reflected in the price of the Goods and Services sold by UGM to Buyer. UGM's liability for damages to Buyer for any cause of action whatsoever, except as otherwise stated in this section, and regardless of the form of action, whether in contract or tort including negligence, shall be limited to the amount paid by Buyer to UGM hereunder for the specific Goods that caused the damages or that are the subject matter of, or are directly related to, the cause of action. The foregoing limitation will not apply to the liability of UGM provided for in the Section entitled "Intellectual Property." No action, regardless of form, arising out of this agreement, may be brought against UGM for breach of warranty or contract, or for negligence or otherwise more than one hundred eighty (180) days after such cause of action accrues.

29. **NON-WAIVER:** Failure by either party to enforce any provision of this agreement, or of any quotation or order, shall not constitute a waiver of such provision or prejudice the right of either party to enforce such provision at any subsequent time.
30. **INTELLECTUAL PROPERTY.** All intellectual property rights, patent rights, trademarks, copyrights or mask rights in UGM's drawings, other documents, models, designs, samples and trade secrets are reserved to UGM and they shall be neither used nor transmitted to any party by Buyer without UGM's prior consent. The Buyer shall not alter, deface, reproduce, or use any of UGM's trademarks, except as provided in this Agreement. UGM agrees that it will, at its own expense, defend and hold Buyer harmless in any suit or proceeding brought against Buyer insofar as the same is based on a claim that the Goods furnished hereunder, when used in the manner and for the purpose for which said Goods are manufactured and sold, constitute an infringement of any existing U.S. Letters Patent, provided that Buyer gives UGM prompt written notice thereof, permits UGM through its counsel to defend and settle the same, and gives UGM all necessary information, assistance and authority to enable UGM to do so. In case such use of said Goods is held to constitute infringement and such use is enjoined, UGM shall, at its own expense and at its own option, either: (i) procure for Buyer the right to continue using said Goods; (ii) replace the same with non-infringing Goods; (iii) modify said Goods so as to become non-infringing; or (iv) remove said Goods and refund the purchase price thereof. The foregoing states the entire liability of UGM to Buyer for patent infringement by the Goods furnished hereunder and is in lieu of any other warranty relating to infringement. The foregoing provision of this Section shall not apply to any Goods, materials or components specified by Buyer, manufactured to Buyer's design, modified by Buyer or at Buyer's request, nor to any Goods having non-infringing uses that are used by Buyer in an infringing manner ("Buyer's Goods"). As to such Buyer's Goods, UGM assumes no liability for patent infringement and, where any designs or specifications have been supplied by the Buyer for manufacture, the Buyer warrants that the use of those designs or specifications for the manufacturing process, assembly or supply of the Goods shall not infringe the rights of any third party. As to Buyer's Goods, Buyer agrees that it will, at its own expense, defend, hold UGM harmless, and indemnify in full against all liability and cost of any infringement (alleged and proven) by the Buyer of any patent, copyright, or other intellectual or industrial property.
31. **FORCE MAJEURE.** UGM shall not be liable for any loss or damage because of non-performance, delays in delivery or nondelivery occasioned by labor disputes, industrial action, strikes, lockouts, damage to UGM's facilities, acts of God, war, fire, flood, draught, tempest, failure of UGM's suppliers, manufacturers or subcontractors to meet scheduled deliveries or any similar or dissimilar cause beyond UGM's reasonable control or making UGM's performance hereunder commercially impracticable.
32. **CHANGES - CANCELLATION.** (a). UGM reserves the right to change or cancel this agreement because of any circumstance requiring allocation of production or delivery, or because such change or cancellation is deemed by it necessary to comply with applicable laws, ordinances, regulations, directives or administrative actions or necessary for the improvement or proper manufacture of the Goods. (b). UGM reserves the right to make any changes in materials, design, or formulation of the Goods which it determines to be appropriate provided only that any such change will not adversely affect the functionality of the Goods as described in the specifications that are incorporated into this agreement. (c). In the event Buyer requires a design change during the manufacturing process (including but not limited to a change in



dimensions, raw materials, or other quality or packaging specifications), Buyer will be responsible for UGM's resulting costs, including but not limited to all setup costs, any new tooling needed to produce a new design, the inventory of raw materials, complete or in process pieces as of the date of effective notice of the new design change. UGM also reserves the right to adjust the production price based upon new design requirements. (d). Buyer may cancel any order or part thereof that has been accepted by UGM by written notice given to UGM provided that Buyer bears the cost of raw materials, of Goods either finished or at intermediate manufacturing stages, the charges involved in research work and tooling and a cancellation charge of 25% of the contract price of such Goods. Delay in delivery does not give Buyer the right to cancel the order.

33. **CONFIDENTIALITY.** Buyer shall not use or disclose, nor permit any other person to use or disclose, any data, specifications, the names of UGM's manufacturers, any proprietary machining techniques or other information about the Goods or Services furnished to Buyer by UGM hereunder, in the course of UGM's performance hereunder or pursuant to any request by Buyer for a proposal or quotation from UGM. Buyer agrees that until the Goods to be furnished hereunder have been delivered and for a period of thirty (30) months thereafter, Buyer will not, directly or indirectly, purchase the same or similar goods from the manufacturer used by UGM to source the Goods without UGM's prior written consent.
34. **INDEMNIFICATION.** Buyer shall comply with applicable federal, state or local safety and health requirements with respect to the products incorporating the Goods provided to Buyer by UGM hereunder. Buyer shall immediately give UGM written notice of Buyer's receipt of any notice of any defect in the design, manufacture or in-use performance of the Goods, or of any personal injury, death or property damage arising out of the use of the Goods and cease using such Goods until UGM has had a reasonable time to inspect the same. Buyer shall cooperate with UGM in investigating any such accident, malfunction, or damage. As used in the Agreement, the term "Buyer's Products Liability" means any third party action brought for or on account of personal injury, death or property damage caused by or resulting from the manufacture, construction, design, formulation, development of standards, processing, assembly, testing, listing, certifying, warning, instructing, marketing, advertising, packaging or labeling of any products incorporating the Goods provided to Buyer by UGM hereunder. Buyer shall indemnify and hold UGM harmless from and against all Buyer's Product Liability claims asserted against UGM, except, if Buyer has complied with each and every obligation in this Section, for those Buyer's Product Liability claims or portions thereof, arising from the negligence or willful misconduct of UGM, and provided further that UGM gives Buyer prompt written notice thereof, permits Buyer through its counsel to defend and settle the same, and gives Buyer all necessary information, assistance and authority to enable Buyer to do so. Buyer hereby waives, releases, discharges and agrees to indemnify UGM from any and all claims, including, but not limited to, claims for injury to persons or property, relating to or arising out of the selection, packing, shipment, Installation, use, misuse, design or manufacture of the Goods.
35. **INSURANCE.** Buyer shall at its own expense keep the Goods insured against any loss or damage to them after tender of delivery, said insurance to be payable to UGM and Buyer as their interests may appear. Buyer shall deliver to UGM at UGM's request the policies or evidence of insurance satisfactory in form and content to UGM.
36. **SUBCONTRACTING.** UGM may license or subcontract all or any part of its rights and obligations under this agreement without Buyer's consent unless purchase order flow down requirements specify otherwise.
37. **U.S. GOVERNMENT CONTRACTS.** If the Goods to be furnished under this agreement are to be used in the performance of a U.S. Government contract or subcontract, and a U.S. Government contract number shall appear on Buyer's purchase order, those clauses of the applicable U.S. Government procurement regulations which are required by Federal Statute to be included in U.S. Government subcontracts are incorporated herein by reference.
38. **ASSIGNMENT.** This agreement and the rights and obligations of Buyer hereunder shall not be assignable by Buyer, either by act of Buyer or by operation of law without the prior written consent of UGM.
39. **SEVERABILITY AND HEADINGS:** Headings used in this agreement are for convenience only and shall not affect the interpretation of the agreement. If any provision of this agreement is or becomes void or unenforceable by force or operation of law, the other provisions shall remain valid and enforceable. Failure or delay of UGM to enforce any of its rights under this agreement shall not, in any way nor under any doctrine, diminish or otherwise limit UGM's rights to enforce those same rights at a later date or other rights under this agreement.
40. **GOVERNING LAW AND FORUM.** This agreement shall be interpreted, enforced, and governed by the internal laws of the State of California, USA, including, without limitation, the Uniform Commercial Code as interpreted by the State of California on the date hereof without regard to principles of conflicts of law.



To the extent that this agreement provides for delivery or performance of services, such services shall be deemed 'goods" within the meaning of the Uniform Commercial Code, except where such implementation would result in an absurdity. Any action brought to enforce this Agreement or matters related to the Site will be brought in either the state or federal courts in Los Angeles County, California. You consent to the jurisdiction of such courts and irrevocably waive any objection, including without limitation any objection to the laying of venue or based on the grounds of forum non convenient, which you may now or hereafter have to the bringing of any such action or proceeding in such jurisdiction.

41. **ENTIRE AGREEMENT.** Buyer and UGM intend this document to be the final expression of their agreement and as a complete and exclusive statement thereof. All prior representations, conversations or preliminary negotiations shall be deemed to be merged into this agreement. No agreement or other understanding in any way purporting to amend or modify the terms and conditions hereof shall be binding upon UGM unless made in writing and signed by UGM's authorized representative. Any notice pursuant to this contract of sale shall be in writing and serviced by first class post, hand, fax, or email at UGMs principle place of business.