

Nothing herein contained shall obligate Tim Morales & Associates, Inc. (the "Seller") to either extend credit or sell any goods ("Goods") to the buyer (the "Buyer"). If and to the extent that the Seller shall sell any Goods to the Buyer, such sales shall be upon the following terms, unless otherwise agreed to by the parties in a writing signed by the parties:

1. Any terms or conditions proposed by the Buyer inconsistent with or in addition to the terms and conditions contained herein shall be void and of no effect unless specifically agreed to by Seller in writing. The Buyer's acceptance of the Goods shall constitute the formation of a contract for the purchase and sale of the Goods solely upon the terms and conditions set forth herein.
2. All shipments are F.O.B. Seller's plant unless otherwise agreed to by the parties. The Seller may increase or decrease its prices for the Goods if the Buyer changes the quantity of Goods purchased or shipped hereunder. Prices for the Goods are exclusive of any shipping or freight.
3. The amount of any taxes, tariffs or duties, export charges, license fees, royalties, or any other fees or charges imposed by any state or local authority, the United States, any foreign government, or any other person or entity on the production, sale, or use of the Goods shall be paid by the Buyer, and any such amounts paid by the Seller shall be for the account of the Buyer.
4. The terms for payment for the Goods are net thirty (30) days and Buyer agrees to remit payment to Seller at the location shown on the Seller's invoice. Seller reserves the right at any time to suspend or revoke any credit extended to Buyer if Buyer fails to pay any invoice when due or for any other reason deemed good and sufficient in the Seller's discretion. In such case, in addition to any other remedies contained herein or provided by law, Seller has the right to demand cash payment or satisfactory security from Buyer prior to shipment of any Goods. Buyer's failure to pay any invoice when due may, at the election of the Seller, make all subsequent invoices immediately due and payable irrespective of any terms contained herein or therein, and Seller may withhold all subsequent shipments of Goods until Buyer's account is settled in full. Buyer agrees that the Seller may at its option charge interest on delinquent accounts at the lesser of 1.5% per month or the highest rate allowed by applicable law. Buyer hereby grants Seller a purchase money security interest in all Goods to secure all amounts owing to the Seller by the Buyer hereunder, and authorizes the Seller to file a UCC-1 Financing Statement in the appropriate jurisdiction in order to perfect such security interest.
5. Notwithstanding any law to the contrary, Buyer assumes all risks of and responsibility for loss or damage to, or delay in delivery of, the Goods after their tender by Seller to a common carrier or other shipper designated by Buyer. Notwithstanding Section 2-510(1) of the Uniform Commercial Code, after tender of the Goods to the Buyer, all risk of loss shall remain with Buyer regardless of any breach of warranty or nonconformities in the Goods.
6. Seller reserves the right to ship usable portions of any order in installments. All such installments shall be separately invoiced and shall be paid for in accordance with the terms herein contained. Delay in the shipment of any installment shall not relieve Buyer of its obligation to accept subsequent shipments. Seller shall not be responsible for any delay or failure with respect to any shipment of the Goods if due to or arising from any shortage of materials, fire, labor trouble of any kind, accident, breakdown of machinery, government act of any kind, failure of any manufacturer, subcontractor or supplier to deliver goods, materials, or supplies, or to provide services as agreed or contemplated by past dealings, transportation difficulties of any kind, act of God, act of Buyer or any other contingency reasonably beyond Seller's control, whether or not presently occurring or contemplated by either party. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost by reason of the delay. Buyer agrees that no order can be cancelled as a result of any delay contemplated by this paragraph.
7. The Buyer agrees to inspect the Goods immediately upon its receipt thereof, and shall give written notice to the Seller of any claim that the Goods do not conform with the terms hereof within fifteen (15) days after delivery of the Goods to Buyer or the destination designated by Buyer. If Buyer shall fail to give such notice, the Goods shall be deemed to conform with the terms hereof, and Buyer shall be bound to accept and to pay for the Goods, and shall have no right to revoke such acceptance for any reason. In the event of a timely claim against Seller, the parties shall promptly arrange to jointly inspect the Goods, and, where appropriate, to have representatives of the carrier present at such inspection. Any damage or loss occurring in transit shall be settled by Buyer with the carrier without any offset of the purchase price of the Goods. Buyer shall set aside, protect and hold those Goods which are the subject of its claim until Seller has an opportunity to inspect them and advise Buyer of the disposition, if any, to be made of them. In no case shall any Goods be returned without the prior written consent of the Seller.

8. Buyer agrees to approve or reject any designs, specifications, part prints, and/or samples of the Goods (collectively, the "Seller's Specifications") within seven (7) days after Seller's delivery of the Seller's Specifications to the Buyer. If the Seller's Specifications are rejected by the Buyer, then the Buyer shall give written notice to the Seller explicitly setting forth the reasons for such rejection. In such event, Seller, at its sole option, may either modify the Seller's Specifications pursuant to Buyer's written notice or terminate the applicable order. If Buyer fails to approve or reject Seller's Specifications within seven (7) days after delivery thereof to the Buyer, then the Seller's Specifications shall be deemed to have been approved by the Buyer. Buyer acknowledges and agrees that the Seller's Specifications constitute confidential and proprietary information of the Seller, and the Buyer shall not, directly or indirectly, (a) disclose the Seller's Specifications to any person or entity other than employees of the Buyer who have a need to know; (b) use the Seller's Specifications in any manner whatsoever, whether for commercial or non-commercial purposes, other than for the purpose of evaluating whether to purchase the Goods; or (c) fail to maintain the Seller's Specifications in confidence or take suitable precautions to ensure that the Seller's Specifications are not disclosed except as otherwise authorized hereunder.

9. Buyer shall approve or reject any part prints and/or samples provided by the Seller pursuant to any designs, specifications, or other written or oral instructions provided by the Buyer for the purpose of directing the manner in which Seller produces or acquires the Goods (collectively, the "Buyer's Specifications") within seven (7) days after Seller's delivery thereof to the Buyer. Shipment of any Goods acquired or produced by Seller pursuant to any "Buyer's Specifications" constitutes approval and acceptance by the Buyer of any part print and/or samples with respect to such Goods, and acknowledgment by the Buyer that Seller is not the designer of such Goods. Buyer agrees to indemnify and defend Seller against any loss, cost, liability or expense resulting from any (i) claim for infringement of any patent, trademark, or other intellectual property right, (ii) product liability claim, or (iii) breach of product warranty claim arising from or relating to Seller's compliance with any of Buyer's Specifications.

10. SELLER ASSUMES NO RESPONSIBILITY FOR ANY DAMAGE, LIABILITY, OR LOSS, WHETHER TO PERSONS OR PROPERTY, WHICH ARISES FROM OR RELATES TO, DIRECTLY OR INDIRECTLY, BUYER'S SPECIFICATIONS FOR THE GOODS OR BUYER'S RECOMMENDATIONS FOR THE USE OF CERTAIN RAW MATERIALS FOR THEIR PRODUCTION. THE BUYER AGREES THAT THE GOODS SHALL BE DEEMED TO HAVE BEEN PRODUCED PURSUANT TO THE BUYER'S SPECIFICATIONS IF THE BUYER ADOPTS ANY OF THE SELLER'S RECOMMENDATIONS WITH RESPECT TO THE GOODS.

11. SELLER MAKES NO WARRANTIES WHATSOEVER WITH RESPECT TO THE GOODS. ALL PRODUCT WARRANTIES, IF ANY, ARE MADE BY THE MANUFACTURER OF THE GOODS AND NOT THE SELLER, AND SELLER DISCLAIMS ALL WARRANTIES OR ANY KIND, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALL OTHER OBLIGATIONS OR LIABILITIES ON THE PART OF SELLER, AND SELLER NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER OBLIGATION OR LIABILITY IN CONNECTION WITH THE GOODS.

12. EXCEPT AS SET FORTH IN SECTION 7 ABOVE, NO CLAIM OR ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OR RELATING TO ANY GOODS MAY BE BROUGHT BY BUYER MORE THAN TWELVE (12) MONTHS AFTER THE DATE OF SHIPMENT OF SUCH GOODS.

13. BUYER AGREES THAT IF ANY OF THE TERMS AND CONDITIONS OF ITS PURCHASE ORDER ARE INCONSISTENT WITH THE TERMS AND CONDITIONS STATED HEREIN, THEN THE TERMS AND CONDITIONS STATED HEREIN SHALL BE BINDING UNLESS THE SELLER SHALL HAVE CONSENTED IN WRITING TO THE TERMS AND CONDITIONS CONTAINED IN THE BUYER'S PURCHASE ORDER.

14. All contracts with respect to any Goods shall be construed, enforced, and governed by the internal laws of the State of Alabama, without regard to the conflict of laws rules of the State of Alabama or any other jurisdiction. THE PARTIES AGREE THAT ANY SUIT, ACTION, OR PROCEEDING ARISING OUT OF OR RELATING TO ANY TRANSACTION CONTEMPLATED HEREBY SHALL BE INSTITUTED SOLELY IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF ALABAMA, OR ANY COURT OF THE STATE OF ALABAMA LOCATED IN MOBILE COUNTY, AND EACH PARTY IRREVOCABLY SUBMITS AND CONSENTS TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS AND WAIVES ANY AND ALL OBJECTIONS TO JURISDICTION OR VENUE THAT ANY SUCH PARTY MAY HAVE UNDER THE LAWS OF THE STATE OF ALABAMA OR OTHERWISE.

16. No failure by either party hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder by either party preclude any other or future exercise of that right or any other right hereunder by that party.

17. In the event of any dispute between the parties arising from or relating to this Agreement, the prevailing party in such dispute shall be entitled to recover from the non-prevailing party its reasonable attorneys' fees and costs arising from or related to such dispute.