

CHIEF ENTERPRISES, INC.
GENERAL TERMS AND CONDITIONS OF SALE

1 **Applicable Parties.** These general terms and conditions of sale ("General Terms and Conditions of Sale") shall apply to the sale of Bosch Products, Tyco Products, and Special Products (hereafter sometimes collectively referred to as the "Products") by Chief Enterprises, Inc. ("Seller") and the entity, individual or organization purchasing the Products ("Buyer").

2 **Terms and Conditions of Sale.** Unless expressly modified in writing making specific reference to these General Terms and Conditions of Sale, the terms and conditions set forth herein shall govern the relationship between the parties regarding the sale and purchase of the Products.

ANY ADDITIONAL OR DIFFERENT TERMS APPEARING IN BUYER'S PURCHASE ORDER, ACKNOWLEDGMENT OR ANY OTHER FORM OR COMMUNICATION FROM BUYER SHALL BE SUPERSEDED AND REPLACED WITH THE GENERAL TERMS AND CONDITIONS CONTAINED HEREIN.

3. **Prices and Taxes.** Unless Buyer requests immediate shipment, prices are subject to adjustment, including currency exchange rate adjustments, to those prices in effect at date of shipment. All prices are F.O.B. point of shipment. Stated prices apply only to the specific quantities and delivery schedules shown and do not include any applicable federal, state or local taxes or assessments. Unless Buyer furnishes Seller with a duly-executed resale certificate prior to the shipment of the Products, applicable federal, state or local taxes or assessments will be added to the stated prices.

4. **Cancellation and Changes.** Except as stated herein, no cancellations or changes of any kind in the purchase order shall be effective unless agreed to in writing by Seller. *All changes accepted are subject to adjustment in prices and delivery dates. All cancellations accepted are subject to cancellation charges.*

5. **Terms of Payment.** Unless otherwise stated herein, terms of payment are net thirty (30) days from date of shipment, with no discount allowed for earlier payment. Seller reserves the right to alter or suspend credit terms, require C.O.D. or advance payment whenever Seller has doubt as to Buyer's credit worthiness. If Buyer becomes delinquent in payment or refuses to accept shipments, Seller has the right, in addition to any other rights it may have and without any liability to Buyer, to cancel any order of Buyer, withhold further deliveries, and declare all unpaid amounts for Products previously delivered immediately due and payable. Each shipment shall be considered a separate and independent transaction, and payment therefore shall be accordingly made. Amounts over thirty (30) days past due shall be subject to an interest charge of eighteen percent (18%) per annum until paid plus a five percent (5%) late charge. All costs and expenses incurred by Seller as a result of non-payment or delinquent payment by Buyer, including without limitation collection costs, interest and reasonable attorneys' fees, shall be paid by Buyer.

6. **Shipment and Delivery.** All delivery dates are only estimates. Seller's sole obligation with respect to delivery dates shall be to use reasonable efforts to meet the same. All shipments shall be F.O.B. point of shipment unless otherwise stated. Title and risk of loss shall pass to Buyer at the F.O.B. point. Seller will ship per Buyer's shipping instructions. If shipping instructions are not specified, Seller will ship via surface transportation of its choosing. *Seller will not be liable for any delays, breakage, loss or damage after having made delivery of the Products in good order to the carrier. Shipments will not be insured except at Buyer's request and expense.*

7. **Claims and Acceptance.** All claims for loss or damage in transit are to be made by Buyer directly to

the carrier. No deduction of any kind from any invoice amount shall be made. Shipments shall be deemed accepted by Buyer unless written notice of rejection is received by Seller within five (5) business days after arrival of the Products at their shipping destination, which notice period is agreed to be reasonable. Except as stated herein, once Products have been accepted, Buyer's exclusive remedy with respect to such Products, including the right to revoke acceptance, shall be limited to claims under Seller's warranty.

8. **Return of Products.** No Products accepted by Buyer may be returned without Seller's prior written authorization. Upon receipt of such authorization the Products must be sent freight prepaid to Seller, accompanied by dated proof of purchase and a written statement describing the reason(s) for the return and the circumstances under which it arose. A restocking charge of twenty percent (20%) of the invoice value of the returned Products will be made for all returns other than warranty returns.
9. **Force Majeure.** In the event either party is unable to fully perform its obligations due to causes beyond its control, including without limitation acts of God or the public enemy, any preferences, priority or allocation order issued by the government or any other act of the government, act of the other party hereto, fires, floods, epidemics, quarantines, restrictions, strikes, freight embargoes, labor disputes, labor or material shortage, that party shall be relieved of its obligations to the extent they are unable to perform, provided timely written notice thereof is given to the other party. Under no circumstances, however, shall Buyer be relieved of the obligation to pay for Products shipped prior to the date Seller receives such notice. Buyer further agrees to reimburse Seller for any and all costs incurred and to hold Seller harmless as to any commitments made prior to the date Seller receives such notice.
10. **Warranty.**
 - A. **Bosch Products.** Due to Seller's contractual relationship with Robert Bosch Corporation–Automotive Group ("Bosch"), THE SALE OF BOSCH PRODUCTS ("BOSCH PRODUCTS") TO BE DELIVERED TO BUYER PURSUANT TO THIS AGREEMENT IS MADE ON THE EXPRESS UNDERSTANDING THAT SELLER GIVES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE DESCRIPTION, QUALITY, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, PRODUCTIVENESS, OR ANY OTHER MATTER. However, Seller's contract with Bosch grants it the right to copy and distribute to its customers Bosch's Limited Warranties to ensure that Bosch's warranty terms are communicated to the purchasers of its products. In the exercise of this right, Bosch's warranty is reproduced in its entirety below:

LIMITED WARRANTY

APPLICABLE TO THE UNITED STATES AND CANADIAN MARKETS. SUPERSEDES ANY OTHER WARRANTY STATEMENT

Robert Bosch–Automotive Group ("Bosch") warrants the products listed below to be free from defects in material or workmanship in accordance with the following:

The warranty period shall be for a period of twelve (12) months, or 31,000 miles (50,000 km) or 1200 hours of use, whichever occurs first. The warranty period shall commence on the earlier of the date the product is delivered to the first using purchaser or six (6) months from the date of delivery to Distributor. During the warranty period, Bosch shall, at its option, repair or replace, free of charge, any products that prove to be defective in material and/or workmanship under normal conditions of use and

service. This warranty does not cover any labor costs incurred in diagnosis of defects, removal or reinstallation of any product.

To obtain performance of this warranty, the first using purchaser shall contact the Distributor. The Distributor shall require a dated purchase receipt, repair order or other such other written proof to substantiate that the product is covered under this warranty.

This warranty is limited to the first using purchaser and is not transferable to subsequent owners of the product. Specifically excluded from this warranty are failures caused by misuse, negligence, modification, abuse, improper application, installation or operation, or by unauthorized service or use of unauthorized parts, and normal wear and tear.

To the extent allowed by law, this warranty sets out your exclusive remedies with respect to the products covered by it, whether for negligence or otherwise. NEITHER BOSCH NOR ITS AFFILIATED COMPANIES, THEIR OFFICERS, DIRECTORS, AGENTS OR EMPLOYEES SHALL BE LIABLE FOR INCIDENTAL, SPECIAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF BUSINESS AND LOST PROFITS, ARISING FROM THE SALE OR THE USE OF ANY PRODUCTS, WHETHER SUCH CLAIM IS IN CONTRACT OR IN TORT. THIS WARRANTY IS IN LIEU OF ALL OTHER EXPRESS WARRANTIES. ANY WARRANTY IMPLIED BY LAW, WHETHER OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, IS LIMITED TO THE PERIOD THAT THIS EXPRESS WARRANTY IS EFFECTIVE. No attempt to alter, modify, or amend this warranty shall be effective unless authorized in writing by an officer of Bosch.

PRODUCTS covered by this Warranty are as follows:

HEAVY DUTY ELECTRICAL PRODUCTS

Warranty claims should be made through Bosch's authorized Distributor.

Chief Enterprises, Inc.

545 West Lake Street

Elmhurst, IL 60126

1-800-831-7294

B. Tyco Products. Due to Seller's contractual relationship with Tyco Electronics Logistics AG ("Tyco") THE SALE OF TYCO PRODUCTS ("TYCO PRODUCTS") TO BE DELIVERED TO BUYER PURSUANT TO THIS AGREEMENT IS MADE ON THE EXPRESS UNDERSTANDING THAT SELLER GIVES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE DESCRIPTION, QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, PRODUCTIVENESS, OR ANY OTHER MATTER. However, Seller's contract with Tyco grants it the right to copy and distribute to its customers Tyco's Limited Warranty to ensure that Tyco's warranty terms are communicated to the purchasers of its products. In the exercise of that right, Tyco's warranty is reproduced in its entirety below.

LIMITED WARRANTY
APPLICABLE TO THE NORTH AMERICAN MARKET.
SUPERSEDES ANY OTHER WARRANTY STATEMENT

Tyco warrants the products listed below to be free from defects in material or workmanship in accordance with the following:

The warranty period shall be for a period of twelve (12) months, or 31,000 miles (50,000 km) or 1200 hours of use, whichever occurs first. The warranty period shall commence on the earlier of the date the product is delivered to the first using purchaser or twelve (12) months from the date of delivery to Master International Distributor. During the warranty period, Tyco shall, at its option, repair or replace, free of charge, any products that prove to be defective in material and/or workmanship under normal conditions of use and service. This warranty does not cover any labor costs incurred in diagnosis of defects, removal or reinstallation of any product.

To obtain performance of this warranty, the first using purchaser shall contact the Master International Distributor. Master International Distributor shall require a dated purchase receipt, repair order or other such other written proof to substantiate that the product is covered under this warranty.

This warranty is limited to the first using purchaser and is not transferable to subsequent owners of the product. Specifically excluded from this warranty are failures caused by misuse, negligence, modification, abuse, improper application, installation or operation, or by unauthorized service or use of unauthorized parts, and normal wear and tear.

To the extent allowed by law, this warranty sets out your exclusive remedies with respect to the products covered by it, whether for negligence or otherwise. NEITHER TYCO NOR ITS AFFILIATED COMPANIES, THEIR OFFICERS, DIRECTORS, AGENTS OR EMPLOYEES SHALL BE LIABLE FOR INCIDENTAL, SPECIAL, INDIRECT PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF BUSINESS AND LOST PROFITS, ARISING FROM THE SALE OR THE USE OF ANY PRODUCTS, WHETHER SUCH CLAIM IS IN CONTRACT OR IN TORT. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES. SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED (INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSES), OR STATUTORY, OTHER THAN THE FOREGOING EXPRESS WARRANTY. No attempt to alter, modify, or amend this warranty shall be effective unless authorized in writing by an officer of Tyco.

PRODUCTS Covered by this Warranty are as follows:

- Tyco Mini Relays (old pn's: 0 332 019 xxx, 0 332 209 xxx)
- Tyco Micro Relays (old pn's: 0 332 017 xxx, 0 332 207 xxx, 0 332 011 xxx, 0 332 201 xxx)
- Tyco Power Relays (old pn's: 0 332 002 xxx)
- Connector Modules (old pn's: 3 334 485 007, 3 334 485 008, 3 334 485 045, 3 334 486 046)

Warranty claims should be made through Tyco's authorized Master International

Distributor.

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Elmhurst, IL 60126
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C. Special Products. Seller warrants that Products, *other than Bosch Products and Tyco Products* (" Special Products"), to be delivered to Buyer pursuant to this Agreement to be free from defects in material or workmanship. Seller's obligation under this warranty shall be limited to the repair or exchange of the Special Products that prove to be defective in material and/or workmanship under normal conditions of use and service during the warranty period. The warranty period shall be for a period of twelve (12) months from date of invoice, or 31,000 miles (50,000 km), or 1,200 hours of use, whichever occurs first. This warranty does not cover any labor costs incurred in the diagnosis of defects, removal or reinstallation of any Special Products.

This warranty is limited to the first using purchaser and is not transferable to subsequent owners of the Special Products. Specifically excluded from this warranty are failures caused by misuse, negligence, modification, abuse, improper application, installation or operation, or by unauthorized service or use of unauthorized parts, and normal wear and tear.

To obtain performance of this warranty, the first using purchaser shall (i) promptly notify Seller of any defects, (ii) return, if required by Seller, one hundred percent (100%) or a statistically relevant share as mutually agreed upon of any Special Product proven to be defective, and (iii) provide Seller a dated purchase receipt, repair order or other such written proof to substantiate that the Special Product is covered under this warranty.

THE ABOVE DESCRIBED WARRANTY WITH RESPECT TO THE SPECIAL PRODUCTS IS IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED INCLUDING OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

11. **Remedies/Limitation of Remedies.** Seller's rights and remedies set forth herein shall be in addition to any legal or equitable right or remedy available to Seller. No waiver of any of Seller's rights or remedies shall be effective without Seller's express written consent. SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR REVENUES, LOSS OF USE OF PRODUCTS OR ANY ASSOCIATED EQUIPMENT, DAMAGE TO ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE PRODUCTS, DOWNTIME COSTS, OR CLAIMS OF BUYER'S CUSTOMERS FOR SUCH DAMAGE, ARISING FROM THE SALE OR USE OF ANY PRODUCTS OR SELLER'S PERFORMANCE OR FAILURE TO PERFORM ANY OF ITS OBLIGATIONS HEREUNDER, WHETHER THE CLAIMS BE IN CONTRACT OR TORT, INCLUDING NEGLIGENCE OR STRICT LIABILITY. BUYER'S SOLE AND EXCLUSIVE REMEDY AFTER ACCEPTANCE OF THE PRODUCTS SHALL BE AS SET FORTH IN PARAGRAPH 10 ABOVE.

12. **Government Contracts.** If Products are purchased under a government contract or subcontract, Buyer will promptly notify Seller in writing of those provisions of any government procurement laws and regulations which are required to be included in the contract covering the Products ordered. Such provisions specifically described in such notice and which are required to be so included shall apply and be incorporated herein by reference from and after the date that such notice is received.
13. **Governing Law and Jurisdiction.** The agreement by the parties hereto shall be deemed to have been negotiated and entered into in the State of Illinois, and shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to Illinois choice of law rules, it being the intent of the parties that the internal laws of the State of Illinois shall govern any and all disputes arising out of or relating to this agreement. The parties hereto consent to the jurisdiction of the state courts of the State of Illinois, and to the jurisdiction of the United States Court, Northern District of Illinois, Eastern Division, and further consent to service of process by mail for purposes of instituting legal proceedings.
14. **Quotations Confidential Information.** Seller's quotations and all data used in connection therewith shall remain the exclusive property of Seller and shall not be made available to third parties without Seller's written consent.
15. **Reservation of Security Interest.** Buyer hereby grants Seller a purchase money security interest in Products supplied hereunder. Failure on the part of Buyer to make payment when due shall entitle Seller, at its sole discretion, to declare all obligations of Buyer hereunder immediately due and payable, and in such event Seller shall have all of the rights and remedies of a secured party under applicable law. Buyer agrees to execute promptly any financing statements or other documents which may be necessary for Seller to perfect its security interest under Article IX of the Uniform Commercial Code or any similar law. When permitted under applicable law, Seller may file such financing statements as Buyer's attorney-in-fact without obtaining Buyer's signature thereon. Buyer shall not pledge or otherwise encumber the Products prior to making full payment of all amounts due.
16. **Miscellaneous.** Buyer's rights and obligations hereunder may not be assigned without the prior written consent of Seller. Paragraph headings are for convenience purposes only and are not to be considered in interpreting any of the provisions hereof.