

GENERAL TERMS AND CONDITIONS

1. ACCEPTANCE OF WORK

AVCO's acceptance of any purchase order or request to manufacture or order product is expressly conditioned on Purchaser's assent to these General Terms and Conditions, which shall exclusively govern the resulting contract. Manufacturing and/or ordering will not commence unless and until Purchaser provides written acknowledgment of these terms (e.g., signed acceptance or purchase order amendment) or accepts delivery of the product, at which point these terms are deemed accepted. Any additional or different terms in Purchaser's documents are hereby objected to and shall not become part of the contract unless AVCO expressly agrees in writing.

2. ACCEPTANCE OF PRODUCT

Acceptance of product occurs upon delivery in accordance with the specified INCOTERMS (e.g., Ex Works Santa Ana). Purchaser must inspect all products within ten (10) calendar days of delivery and notify AVCO in writing of any nonconformity, defects, or shortages within that period. Failure to provide such notice constitutes irrevocable acceptance and waives all claims for defects discoverable by reasonable inspection. Latent defects must be reported within thirty (30) days of discovery, but no later than the warranty period specified in Paragraph 24.

3. BID SECURITY

Bid security (e.g., deposits, bonds) is not required unless expressly specified and agreed to by AVCO in a written contract. AVCO reserves the right to request bid security for any bid or order, with terms defined solely by AVCO. Any Purchaser attempt to impose bid security through purchase orders or other documents is hereby objected to and void unless AVCO consents in writing.

4. CANCELLATION

Order(s) accepted by AVCO, including those for specifically manufactured, modified, or standard products, may not be canceled, suspended, or changed without AVCO's prior written consent. If consent is granted, Purchaser shall, within 15 days of notice, reimburse AVCO for all costs, expenses, and losses incurred (e.g., materials, labor, overhead) and indemnify AVCO against all losses, costs, damages, and expenses arising from actions, claims, or demands brought by any third parties as a result of Purchaser's cancellation. Any Purchaser attempt to impose cancellation terms through other documents is hereby objected to and void unless AVCO agrees in writing.

5. CRATING & PACKING

Unless otherwise specified and expressly agreed to by AVCO in the bid or contract, all products will be crated and packed according to AVCO's standard practices, designed to ensure safe delivery under normal shipping conditions. Purchaser bears all additional costs for special crating or packing instructions, if agreed. AVCO may reject impractical or excessive instructions at its sole discretion. AVCO's liability for crating and packing ceases upon delivery per the specified INCOTERMS (Section 11), and AVCO shall not be responsible for damage occurring thereafter.

6. CURRENCY

All quotes, payments, refunds, and reimbursements under this contract shall be in U.S. dollars (USD) only. AVCO reserves the right to reject or convert non-USD payments to USD at Purchaser's expense, using the exchange rate prevailing at the time of receipt. Any Purchaser attempt to specify a different currency through other documents is hereby objected to and void unless AVCO agrees in writing.

7. DELIVERY

Delivery schedules provided in AVCO's quotation are estimates based on information available at that time and are subject to confirmation at order acceptance. Delivery timelines will begin on the latest of:

- the date AVCO accepts the contract;
- the date AVCO receives approved drawings, documents, or, if applicable, a valid Letter of Credit; or
- the date production and inventory become available.

AVCO is not liable for delays due to Purchaser actions or events beyond AVCO's control (e.g., force majeure, supply chain disruptions). Any Purchaser attempt to impose delivery terms through other documents is hereby objected to and void unless AVCO agrees in writing.

8. DISPUTE RESOLUTION

Any dispute arising under or relating to this contract shall be resolved exclusively in the state or federal courts located in Orange County, California, and Purchaser consents to such jurisdiction. The prevailing party shall be entitled to recover reasonable attorney's fees and costs.

9. DOCUMENTATION AND MANUALS

All documentation, including installation, maintenance, and operations manuals, will be provided in English only and delivered with the product or made available electronically at AVCO's discretion. Any request for additional languages, formats, or updates not offered by AVCO must be agreed to in writing by AVCO, with all associated costs borne by the Purchaser. AVCO is not liable for errors, omissions, or misinterpretations in documentation, provided it meets standard industry practices.

10. FORCE MAJEURE

AVCO shall not be liable for, nor deemed in breach of or default under this contract due to, any delay or failure to perform caused by events beyond its reasonable control, including but not limited to acts of God, natural disasters, war, government actions, labor strikes, supply chain disruptions, or Purchaser's failure to provide timely approvals or payments (each a 'Force Majeure Event'). AVCO shall notify Purchaser in writing within ten (10) calendar days of a Force Majeure Event, specifying the cause and expected delay, and both parties shall be excused from performance to the extent affected, provided reasonable efforts are made to mitigate the impact. Any Purchaser attempt to impose different force majeure terms through other documents is hereby objected to and void unless AVCO agrees in writing.

11. INCOTERMS

The most current edition of the specified INCOTERMS will apply.

12. IMPORTATION REQUIREMENTS

Delivery, risk, and cost responsibilities shall follow the latest INCOTERMS. Once AVCO delivers the products according to these INCOTERMS, AVCO is no longer responsible for any issues. Any Purchaser attempt to impose importation obligations on AVCO through other documents is hereby objected to and void unless AVCO agrees in writing.

13. GOVERNING LAW AND FORUM SELECTION

These Terms and Conditions and any resulting contract shall be governed by the laws of the State of California, excluding its conflict of laws principles. Any disputes arising hereunder shall be resolved exclusively in the state or federal courts located in Orange County, California, and Purchaser consents to such jurisdiction.

14. LEGALIZATION OF DOCUMENTS

Unless expressly agreed to in writing by AVCO, all costs and responsibilities for legalizing documents (e.g., notarization, apostilles, or certifications for export) shall be borne by the Purchaser. AVCO shall not be liable for delays, penalties, or damages arising from Purchaser's failure to obtain required legalizations. Any Purchaser attempt to impose legalization obligations through purchase orders or other documents is hereby objected to and void unless AVCO consents in writing.

15. LIQUIDATED DAMAGES

AVCO EXPRESSLY REJECTS AND SHALL NOT BE LIABLE FOR ANY LIQUIDATED DAMAGES, PENALTIES, OR SIMILAR PRESET MONETARY CLAIMS IMPOSED BY PURCHASER FOR ALLEGED DELAYS, NON-PERFORMANCE, OR DEFECTS, UNLESS EXPLICITLY AGREED TO IN WRITING BY AN AUTHORIZED AVCO REPRESENTATIVE. Any attempt by Purchaser to impose such damages through purchase orders or other documents is hereby objected to and void. This exclusion applies regardless of whether Purchaser labels the claim as liquidated damages, delay costs, or otherwise, and is intended to limit AVCO's liability solely to the remedies provided in these Terms and Conditions.

16. MARKINGS / TAGGING

External tagging will be provided according to Purchaser's requirements only if detailed in writing and expressly agreed to by AVCO prior to order confirmation, with any additional costs borne by the Purchaser. Absent such agreement, tagging will follow AVCO's standard practices, sufficient for identification and shipment. AVCO is not liable for delays, damages, or errors arising from Purchaser's tagging requirements or failure to specify

them. Any Purchaser attempt to impose tagging obligations beyond this section is hereby objected to and void unless AVCO agrees in writing.

17. NOTICE CALCULATION

Unless otherwise specified, any time period in these Terms and Conditions for AVCO's actions (e.g., signing contracts, remedying defects) begins on the date AVCO receives written notice via registered mail or email at its Santa Ana, CA office, excluding weekends and U.S. federal holidays. Time periods for Purchaser obligations (e.g., inspection, defect notice) are calculated in calendar days from the specified event, including weekends and holidays. Any Purchaser attempt to alter notice calculation through other documents is hereby objected to and void unless AVCO agrees in writing.

18. PAYMENT

Payment terms for U.S.-based customers with an established line of credit are net 30 days; those without credit must pay in full via wire transfer prior to shipment. Customers outside the U.S. must pay in full via wire transfer before shipment. AVCO will provide banking details and estimated ship date upon order confirmation. Late payments incur interest at 1.5% per month or the maximum legal rate, whichever is less. AVCO reserves the right to suspend shipment or performance for nonpayment. Any Purchaser attempt to impose different payment terms through purchase orders or other documents is hereby objected to and void unless AVCO agrees in writing.

19. PERFORMANCE SECURITY

AVCO does not provide performance security (e.g., bonds, guarantees) for its obligations under this contract unless expressly agreed to in writing by an authorized AVCO representative. Any Purchaser attempt to impose performance security requirements through purchase orders or other documents is hereby objected to and void. AVCO reserves the right to request performance security from Purchaser for high-value orders, with terms defined by AVCO.

20. PRICE VALIDITY

Prices quoted in AVCO's bid document are valid for the period stated therein, or 30 days from the bid date if no period is specified, unless extended in writing by AVCO. AVCO reserves the right to adjust prices after expiration due to changes in costs or market conditions. Any Purchaser attempt to impose different price validity terms through purchase orders or other documents is hereby objected to and void unless AVCO agrees in writing.

21. RESTRICTIONS

The Purchaser is solely responsible for identifying and ensuring compliance with any restrictions (e.g., import/export laws, usage regulations, California's Proposition 65) that may prevent the entry or use of the goods in the destination country or require warnings and shall notify AVCO in writing of such restrictions prior to shipment. Certain products may contain Proposition 65-listed chemicals requiring warnings for exposures known to cause cancer, birth defects, or reproductive harm, and AVCO will provide such warnings on product labels, packaging, or accompanying materials in compliance with Proposition 65 regulations (27 Cal. Code Regs § 25600 et seq.), with Purchaser responsible for maintaining and communicating these warnings to California endusers. AVCO shall not be liable for delays, penalties, or damages arising from Purchaser's failure to identify or comply with these restrictions, and any Purchaser attempt to impose restriction-related obligations on AVCO through purchase orders or other documents is hereby objected to and void unless AVCO agrees in writing.

22. RETURN OF PRODUCT

No returns or cancellations are permitted without AVCO's prior written consent. Approved returns require a Return Merchandise Authorization (RMA) number and are subject to a restocking fee, with Purchaser bearing all transportation charges. Applicable credit will not be issued until products are received, inspected, and accepted by AVCO as conforming to original specifications and undamaged. Custom or non-standard products are non-returnable and non-cancelable. Any Purchaser attempt to impose return terms through other documents is hereby objected to and void unless AVCO agrees in writing.

23. SIGNING OF CONTRACT

If a formal signed contract is required by mutual agreement of the parties, AVCO will review and, if consistent with these Terms and Conditions, sign and return the final contract to the Purchaser within ten (10) working days of receipt, provided it incorporates all prior agreements without modification. AVCO reserves the right to reject or propose amendments to any contract not aligning with these terms. Any Purchaser attempt to impose contract terms through unilateral documents is hereby objected to and void unless AVCO agrees in writing.

24. WARRANTY

AVCO warrants that products will be free from defects in workmanship and material under normal use for a period of twelve (12) months from the date of

installation or eighteen (18) months from shipment Ex Works, whichever occurs first. This warranty excludes soft goods (e.g., seats, seals, packing materials) and automation packages, whose lifespan depends on application, actuation frequency, and environmental conditions beyond AVCO's control. AVCO's sole obligation and Purchaser's exclusive remedy for breach of this warranty shall be, at AVCO's option, repair or replacement of defective products, provided written notice is received within the warranty period. **ALL IMPLIED WARRANTIES, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED TO THE FULLEST EXTENT PERMITTED BY LAW. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. IN NO EVENT SHALL AVCO BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR INDIRECT DAMAGES, INCLUDING LOST PROFITS OR REPAIR COSTS, EVEN IF ADVISED OF THEIR POSSIBILITY.**

25. LIMITATION OF LIABILITY

AVCO's total liability for any claim arising out of or otherwise related to this contract, including breach of warranty, shall not exceed the purchase price of the specific products involved. Upon receipt of written notice from Purchaser identifying a defect, AVCO may, at its sole discretion, repair, replace, or refund the purchase price of the defective product (less a deduction for service already rendered), provided notice is received within the warranty period under paragraph 24. **AVCO SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR INDIRECT DAMAGES, INCLUDING LOST PROFITS, BUSINESS INTERRUPTION, OR THIRD-PARTY CLAIMS, EVEN IF ADVISED OF THEIR POSSIBILITY.**

26. MITIGATION AND NOTICE

Purchaser shall mitigate any damages arising from alleged defects by promptly inspecting and testing products upon delivery and notifying AVCO of any issues per Section 2, above. Failure to mitigate shall reduce or eliminate Purchaser's recoverable damages to the extent such failure increased costs or losses.

27. INTELLECTUAL PROPERTY

Purchaser acknowledges that all designs, specifications, and manufacturing processes used by AVCO remain AVCO's intellectual property. Purchaser shall not reverse-engineer or reproduce AVCO products without written consent.

28. TERMINATION

AVCO may terminate this contract for Purchaser's material breach, including non-payment or failure to comply with these terms, upon 10 days' written notice if the breach remains uncured. Upon termination, Purchaser shall pay for all products delivered or in production.

29. ATTORNEY'S FEES

In any dispute arising under or relating to this contract, including arbitration under Section 8 or litigation if permitted, the prevailing party shall be entitled to recover reasonable attorney's fees, court costs, and other expenses incurred in enforcing or defending its rights, in addition to any other relief granted. This provision applies regardless of whether the dispute involves breach of contract, warranty claims, or other issues, and is intended to supplement, not limit, remedies under these Terms and Conditions. Any Purchaser attempt to alter this fee provision through other documents is hereby objected to and void unless AVCO agrees in writing.

30. ENTIRE AGREEMENT

These Terms and Conditions constitute the entire agreement between AVCO and Purchaser, superseding all prior or contemporaneous oral or written agreements. No modification is binding unless in writing signed by AVCO.

31. ASSIGNMENT AND DELEGATION

Purchaser may not assign or delegate its rights or obligations under this contract without AVCO's prior written consent. Any unauthorized assignment is void, and AVCO may terminate the contract without liability.

32. SEVERABILITY

If any provision of this contract is found invalid or unenforceable, the remaining provisions shall remain in full force and effect to the fullest extent permitted by law.