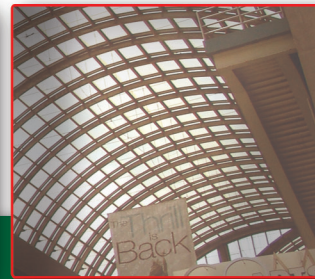




Terms and Conditions



Standard Terms and Conditions

The following Terms and Conditions ("Terms") apply to the sale by Hanchett Entry Systems, Inc. ("HES") of HES, Folger Adam, and Vista-Security-Products-by HES products and services ("HES products").

All transactions are subject to the latest published Terms except to the extent modified by a written agreement between the purchaser and HES executed prior to an accepted order. The purchaser agrees that HES' acceptance of any purchase order delivered by purchaser is subject to and conditioned upon these Terms. Purchase orders, quotation requests, or acknowledgements which have clauses contrary to these Terms are not binding on HES, unless specifically approved in writing by an authorized agent of HES. No order shall be binding on HES until received and approved by HES. HES expressly reserves the right to correct clerical, stenographic, and other obvious errors at any time.

Pricing

All prices are subject to change without notice. No prices are guaranteed. All shipments will be made at prices prevailing at the time of acknowledgment.

Payment Terms

Standard terms are net 30 days of invoice date.

Credit Terms

Credit terms must be established by completing an HES credit application and submitting it to HES for approval. Accounts not paid within 30 days of the date of the invoice will be considered past due, with interest accruing at 2% per month beginning on the 31st day after the date of the invoice. An order received on an account which has not been paid within 45 days from the date of invoice will not be processed until the account is current. An account remaining unpaid 60 days after the date of the invoice may be referred for collection and credit will be cancelled. HES reserves the right to revoke any credit extended to a purchaser because of purchaser's failure to pay for any goods when due or for any other reason deemed good and sufficient by HES, and in such event all subsequent shipments shall be paid for on delivery.

Freight Terms

All goods are delivered for shipment from the HES plant in Phoenix, Arizona. Purchaser agrees to pay the trucking, railway and freight charges on the goods from the point of shipment to the destination. Purchaser assumes the risk of loss or damage to the goods while in transit from the point of shipment.

Delivery

Delivery is contingent upon conditions at time of order and is subject to change. HES shall not be liable for failure or delay in shipping goods if such failure or delay is due to an act of God, war, labor difficulties, accident, inability to obtain containers or raw materials, or any other causes. Any claims of shortages must be made within 30 days of shipment and are subject to approval. HES reserves the right to make delivery in installments. Installments shall be separately invoiced and paid for when due, without regard to subsequent deliveries. Delay in delivery of an installment shall not relieve the purchaser of its obligation to accept remaining deliveries.

Changes and Cancellations

Changes to or cancellations of orders must be made in writing and delivered by email, fax or regular mail. Cancellations made after HES has issued an order acknowledgment are subject to HES approval, and are subject to a \$25 processing fee in addition to any cost incurred by HES as a result of the original order.

Warranty

HES products are generally governed by an express, limited warranty ("Warranty"). All new HES products are warranted to be free from manufacturing or design defects for a period, from date of manufacture, as follows:

1 Year 'Hassle-Free' Guarantee: All HES products, including all Series electric strikes, electromechanical locks, security controls, power supplies and electrical components.

Mechanical Components Warranty:

- 1 Year: All Vista Series Electric Strikes
- 3 Years: 7000 Series electric strikes and 660 electromechanical locks
- 5 Years: 300, 700, HT1006, HT5000, 1006, 4500, 5000, 5200, 7500, 8000, 8300, 9400, 9500 and 9600 Series electric strikes
- Lifetime: RF5010-IA, RF5010-EA, RF5210-IA, RF5210-EA, RF8010-EA, RF8310-EA, IC5020-EA, IC5220-EA, IC8020-EA, and IC8320-EA Series hybrid electric strikes



Terms and Conditions



Standard Terms and Conditions (continued)

Electrical Components Warranty:

- **1 Year:** All Series electric strikes
- **3-5 Years:** *Installing a SMART Pac II™ power controller with any new product extends the 1 year warranty on electrical components, including the SMART Pac II™, to the 3-5 year warranty term applicable to each Series mechanical components as outlined above*
- **Lifetime:** RF5010-IA, RF5010-EA, RF5210-IA, RF5210-EA, RF8010-EA, RF8310-EA, IC5020-EA, IC5220-EA, IC8020-EA, and IC8320-EA Series hybrid electric strikes

The scope of this Warranty shall be limited to the replacement, but not installation, of the defective products. This Warranty is valid in the USA and Canada only. This Warranty also does not apply to products that have been misused or damaged by accident or by any acts of humans (other than HES personnel), war, terrorism, animals, pressure, biological, nuclear, or chemical agents, nature or the government or altered or repaired outside the HES factory. The purchaser accepts the products "as is". HES MAKES NO OTHER WARRANTY EXPRESS OR IMPLIED; AND ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH EXCEED THE LIMITS OF THE FOREGOING WARRANTY, ARE HEREBY DISCLAIMED BY HES.

Procedure for Claiming Under Warranty or Returns

Requests to return HES products should be made within 18 months from date of order and HES reserves the right to request date of manufacture and other product information. On goods returned for customer convenience, HES also reserves the right to request original packaging. An RMA (Return Material Authorization) must be obtained from authorized personnel of HES before any HES product may be returned. Upon inspection by HES, a decision will be made to repair, replace, or issue a credit for the HES product. This decision will be made solely by HES in accordance with the provisions of these Terms. Obsolete products will not be accepted for return.

Transportation charges and insurance on all returned materials must be prepaid by the purchaser. On goods returned for customer convenience, when the purchaser returns materials in compliance with these Terms which are accepted by HES, the purchaser may be issued a credit for 65% of the purchase price, with 35% charged by HES for handling and reprocessing. All refunds will be in the form of a credit. Credits are issued at prevailing prices and discounts.

Limitation of Liability

To the extent permitted by law, HES and its agents and affiliates (collectively "HES Parties") shall not be responsible for, and the purchaser hereby assumes the risk of, and hereby releases HES for any damages or injury whatsoever (including, without limitation, incidental or consequential damages, damages for lost profits or business interruption, and punitive damages) caused by or related to any use of HES Products, regardless of any error, omission, interruption, defect, failure of performance, delay in operation or transmission, even if HES has been advised of the possibility of such damages. If, notwithstanding the foregoing limitations, HES has any liability to the purchaser despite the foregoing limitations, the purchaser agrees that the HES' total liability to the purchaser for all losses, damages, and causes of action, whether in contract, equity, tort (including without limitation, negligence and gross negligence), or otherwise, will not exceed the amount the purchaser paid to HES for the HES products.

Any action or arbitration brought against the HES pertaining to or in connection with the HES Products must be commenced and served upon HES within one (1) year after the date the cause of action arose, and not thereafter. Failure to abide by such deadline will constitute a complete defense for the HES Parties to the purchaser's claims

No Third Party Liability

If the purchaser uses the HES Products on behalf of others or provides to others any products referenced herein, the HES Parties shall have no liability to such persons whatsoever, and the purchaser agree to defend and indemnify the HES Parties from any and all claims and demands asserted against them, and from any legal fees, costs and other expenses that the HES Parties incur therewith.

Governing Law and Jurisdiction

These Terms are governed by the laws of the State of Arizona, U.S.A. but without regard to its principles of conflict of laws. For any interpretational disputes relating to, or claims arising from, these Terms, the purchaser agrees to the exclusive jurisdiction of the Superior Court of Arizona in Maricopa County, provided, however, that such restriction shall not apply to legal actions initiated or brought by HES. Upon request by HES, all disputes concerning and claims arising from the foregoing shall be referred to binding arbitration in Maricopa County, Arizona by an arbitrator selected only by the Superior Court of Arizona in Maricopa County. The purchaser hereby waives its right to a jury with regard to claims against the HES Parties hereunder. The language used in these Terms shall not be construed strictly against HES.