



by Associated Marketing Concepts

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TERMS, POLICIES AND CONDITIONS OF SALE

1. Expiration of Quotation– Any quotation by Associated Marketing Concepts, Ambassador Marine, its affiliates or agents, hereafter referred to as Ambassador, will be held open for acceptance for a period of 60 days from the date of the quotation, unless otherwise noted on the quotation; however, Ambassador reserves the right to correct clerical and typographical errors, including price and quantity numbers, within 10 days after acceptance of an order based on the quotation.
2. Acceptance– This order is subject to the following terms and conditions. Terms stated by the Buyer in its purchase order, its own terms and policies, or any other communication, prior or subsequent hereto, shall NOT be binding on Ambassador if different from or in addition to any of the provisions hereof or the quotation, unless expressly agreed to in writing by Ambassador. Acceptance by the Buyer of this order, orally or in writing, or of any goods provided hereunder or payment therefore, shall constitute acceptance of these terms and conditions.
3. Payment– Upon approved credit, determined at the sole discretion of Ambassador, payment is due on a NET 30 DAYS basis unless otherwise agreed in writing by Ambassador. All payments not made by the due date shall bear interest at a rate of 1.5% per month. If the Buyer fails to fulfill the terms of payment, or Ambassador has any doubt at any time as to the Buyer's financial responsibility, Ambassador may either decline to make further deliveries except upon receipt of cash or other satisfactory security, or may terminate the entire agreement. The Buyer shall reimburse Ambassador for any costs of collection incurred in collecting any past due sums, including attorney's fees. To secure the Buyer's obligation to pay Ambassador the purchase price of the goods, the Buyer grants to Ambassador a security interest in the goods and any proceeds thereof, with full rights as a secured party under the Uniform Commercial Code, and the Buyer appoints Ambassador or its assigns, as its attorney in fact to sign any financing statements evidencing such security interest on behalf of the Buyer.
4. Shipment and Risk of Loss– The Buyer shall take delivery of the goods F.O.B. Ambassador's facility at 21624 Marilla Street, Chatsworth, California, 91311, or at any other location deemed by Ambassador at Ambassador's sole discretion, unless otherwise agreed upon in writing. Method and route of shipment are at Ambassador's discretion, unless the Buyer supplies, and Ambassador accepts instructions otherwise. All expenses and risks of loss or any damages incurred in the transportation of the goods, including any risks of loss in loading or unloading, shall be borne solely by the Buyer, unless otherwise specified. All claims for loss, damage or delay against the carrier must be made by the Buyer. The Buyer shall accept partial delivery of any order and any defect related to said partial delivery or failure to make any subsequent partial delivery shall be severable and not constitute a breach of the entire agreement.
5. Delays and Damages– Ambassador shall attempt to make deliveries in accordance with its quotation or production order, but if for any reason Ambassador fails to make such deliveries or to make them within the time stated, or cancels any order, Ambassador shall not be liable for any loss or damage resulting from any such failure or delay in delivery, or from any such cancellation or for loss of use or loss of profits, or for any other consequential, incidental or special damages on account of delay in delivery.
6. Rejection of Non-Conforming Goods– The Buyer must notify Ambassador in writing of any rejection of goods deemed non-conforming within 1 month of delivery. The notification shall identify each alleged non-conforming item and describe that portion of the shipment being rejected. If the Buyer shall fail to give such notice or if the Buyer uses the goods, which is therefore inconsistent with the rights of

Ambassador, the goods shall be deemed to conform to the terms hereof in all respects and the Buyer shall be bound to accept and pay for the goods in accordance with these terms.

7. Cancellation or Modification– Any order accepted by Ambassador may be canceled or modified by the Buyer only upon the written approval of Ambassador. The Buyer shall reimburse Ambassador for all expenses incurred by Ambassador in connection with such order, including without limitation for engineering drawings and materials if included in the order. Custom parts specifically designed and/or manufactured for the Buyer are subject to notification in writing to Ambassador by the Buyer in the event of any one of the following occurrences: 1) the termination of any program or product model that would affect the custom part purchases, 2) any engineering change pertaining to the custom part, and 3) any decision that would cause the Buyer to cease purchases of the custom part. In any one of these occurrences, other than non-performance by Ambassador, the Buyer agrees to pay Ambassador for exclusive or custom made inventory held by Ambassador.
8. Limited Warranty and Limitation of Remedy and Damages– Ambassador maintains and at all times makes available a detailed, written Limited General Warranty policy and which may or may not be attached to this terms, policies and conditions document. Ambassador herein expressly incorporates its Limited Warranty as an included part of this terms, policies and condition document. Ambassador requires that the reader of this document read, understand, accept and acknowledge the terms and conditions of the Ambassador Warranty.
9. Reliance Upon Buyer's Information– In the preparation of any quotation and the preparation, sale and delivery of all goods, Ambassador has relied upon information supplied by the Buyer. In the event such information is inaccurate, Ambassador shall not be liable for any claim resulting from such inaccurate information, including negligence, strict or product liability, or breach of warranty or contract, with respect to the goods, the performance of breach of this contract, or any defects of design, material or workmanship.
10. Indemnification– Buyer shall defend, indemnify and hold harmless Ambassador, its affiliates and its agents from any claims, damages or expenses including attorneys fees, arising or alleged to arise from any asserted deficiencies or defects in the goods caused by any alteration thereof with or without Ambassador's consent made by the Buyer, the improper handling, storage or installation by the Buyer, or any action taken by the Buyer which voids the express terms of this document or the Ambassador General Warranty.
11. Nonperformance– Neither party shall be liable to the other for failure to perform its obligation in whole or in part when performance is prevented by flood, drought, fire or any other casualty, war, riot, insurrection, Acts of God, restrictions or interference by any government or governmental agency, strike, labor action, or any similar cause beyond the control of the party failing to perform, for the period during which such cause of failure exists.
12. Limitation Period for Bringing Action– No action may be commenced to enforce this contract or for any breach hereof, or for any defect or deficiency of the goods to be delivered hereunder, whether on warranty, contract, negligence, or strict products liability, unless such action is brought within 12 months after accrual of such cause of action.
13. Choice of Law and Forum– This contract shall be governed by the laws of the State of California, notwithstanding any state's choice of law rules to the contrary. The Buyer consents and agrees that any action brought to enforce this contract, or for any breach hereof, or for any defect or deficiency of the goods to be delivered hereunder, whether on warranty, contract, negligence, or strict products liability, shall be brought solely in a state or federal court sitting in the State of California, and the Buyer consents and submits to the jurisdiction of such court.