

## TERMS AND CONDITIONS

All quotations and sales by JRI Development, LLC ("JRI Shock, LLC"; "JRI") for the sale of products and services are subject to these terms and conditions. These terms and conditions (hereinafter, this "Agreement") apply to any Buyer purchase orders ("Order(s)") for products and/or services and support ("Product(s)") provided by JRI. By accepting delivery of any Product and/or making any payment to JRI for any Product, the Buyer unconditionally and irrevocably accepts the terms and conditions of this Agreement.

### 1 Acceptance of Order – Entire Agreement – Modification

This Order is for the purchase and sale of the Products described on the face of the Order strictly upon the terms and conditions set forth herein, which shall be attached to and become a part of any Order issued to JRI by Buyer. JRI hereby objects to any terms and conditions proposed by Buyer in the Order that are inconsistent with or in addition to this Agreement, and any such unilateral Buyer terms and conditions shall be treated as proposals for addition to the Order and shall be void and of no effect unless and until specifically agreed to in writing by JRI. The return of the Order acknowledgment copy by JRI, commencement of performance, or acceptance of any payment under the Order shall not constitute acceptance of any terms and conditions proposed by Buyer. These terms and conditions constitute the entire agreement and understanding between the Buyer and JRI relative to the Order and no change to or modification of this Agreement shall be binding upon JRI unless in writing and signed by a duly authorized representative of JRI.

### 2 Payments

All payments under Orders placed pursuant to this Agreement shall be made in U.S. dollars and shall be due upon receipt unless otherwise mutually agreed in writing. All payments shall be made without any rights to any discounts, set-offs or offsets. Each shipment shall be separately invoiced and paid when due without regard to other shipments. If Buyer does not make payment in accordance with the terms of the payment specified, JRI may, at its option, (a) cancel the Order, or (b) suspend or refuse to provide Products and/or further Services under the Order unless Buyer immediately pays for all Products that have been delivered and pay in advance for all Products to be delivered. Any remedies hereunder shall be in addition to any remedies available at law or in equity.

### 3 Taxes

A. Domestic Taxes - All prices are exclusive of federal, state, or local sales, use, excise, and similar taxes of the U.S. Government or any political subdivision thereof applicable to the sale or to the Products sold. Any such taxes will be separately itemized on JRI invoices and paid by Buyer, whether or not such taxes are presently or hereafter applicable, assessed or arising out of this transaction, and, without limitation of the foregoing, whether in the nature of a gross receipts, property, excise, sales or use tax imposed upon the Buyer, JRI, or the Products. Unless the Buyer provides JRI with a valid and correct tax exemption certificate applicable to Buyer's purchase of Product and the Product ship-to location, Buyer is responsible for sales and other taxes associated with the Order.

B. Foreign Taxes and Duties - The prices for the Products do not include any foreign taxes and/or import/export duties applicable to the Products to be furnished hereunder. All such foreign taxes and import/export duties shall be paid for by the Buyer.

### 4 Shipping/FOB (JRI facilities)

Shipment of the Products shall be FOB (JRI facilities). All required shipping costs, insurance, export/import duties, taxes (foreign and domestic) and any other related costs and risks consistent with the designated shipping method shall be borne by the Buyer. Packaging of the Products is included in the price and shall be in accordance with the standard practices of JRI.

### 5 Delivery and Acceptance

The delivery by JRI to the Buyer shall constitute acceptance of the Products by Buyer, unless notice of defect or nonconformity is received by JRI within fourteen (14) days of receipt thereof. Notwithstanding the foregoing, any use of the Product by the Buyer, its agents, employees, contractors or licensees, for any purpose, after

receipt thereof, shall constitute acceptance of that Product by the Buyer. JRI agrees to use commercially reasonable efforts to deliver Products in accordance with the mutually agreed upon delivery schedule identified in the Order. Buyer agrees to provide evidence of completion of payment arrangements satisfactory to JRI (e.g., notice from a U.S. bank acceptable to JRI of confirmation of the Buyer's irrevocable Letter of Credit) at the time of issuance of the Order.

#### **6 Force Majeure**

JRI shall be excused from and shall not be liable to the Buyer for any failure to perform or delay in performing this Order by reason of causes beyond its control and not occasioned by its fault or negligence "Force Majeure" (excusable delay), including but not being limited to acts of God or the public enemy; civil wars, insurrections or riots, fires, floods, explosions, earthquakes or other catastrophes or serious accidents; epidemics, plagues or quarantine restrictions; any action or inaction of government, governmental authorities acting in either an executive or sovereign capacity, and allocation regulations, foreign exchange control regulations, or import and export regulations affecting materials or facilities due to any of the foregoing causes. Force Majeure causes shall not affect the rights or obligations of the parties under this Agreement unless the cause for the delay by its nature affects an Order placed pursuant to this Agreement. Upon the occurrence of a Force Majeure event, JRI will notify the Buyer of the delay and the cause. JRI shall not be liable to Buyer or its customers for damages as a result of Force Majeure.

The Buyer agrees to provide JRI with an equitable adjustment commensurate with the impact of the Force Majeure. Specifically, JRI shall have the option to (a) obtain a schedule adjustment, (b) obtain a schedule and price adjustment as mutually agreed in writing by both Buyer and JRI, or (c) terminate the Order, depending upon the nature and duration of the delay.

#### **7 Warranty**

JRI warrants that the Products furnished hereunder shall be free from defects in material and workmanship under normal use and service, when properly installed, maintained and used for the purposes for which it is designed, for a period of one year after the date of delivery, provided, that notice of any such alleged defect is given to JRI within thirty (30) days after the discovery thereof, and provided, that inspection by JRI confirms the existence thereof to the sole satisfaction of JRI. This warranty does not cover damage due to external causes, including accident, abuse, misuse, neglect, improper storage, problems with electrical power, or any services not performed by JRI or its authorized representatives. JRI'S exclusive liability and Buyer's exclusive remedy under this warranty is limited to replacement at JRI'S factory or warehouse. At JRI'S request, any Products alleged to be defective shall be returned to JRI for inspection, properly packed and all expenses prepaid, but no Products shall be returned to JRI by the Buyer prior to written authorization by JRI.

EXCEPT AS SPECIFICALLY STATED IN THIS SECTION 7, JRI MAKES NO WARRANTIES TO THE PURCHASER WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO RACING SHOCKS ABSORBERS AND ANY OTHER PARTS FABRICATED, MANUFACTURED OR SOLD BY JRI. WITHOUT LIMITING THE FOREGOING, JRI SPECIFICALLY MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE WITH RESPECT TO RACING SHOCK ABSORBERS AND ANY OTHER PARTS FABRICATED, MANUFACTURED OR SOLD BY JRI.

#### **8 Limitation of Liability**

JRI does not accept liability beyond the remedies set forth herein, including but not limited to any liability for Product not being available for use, lost profits, loss of business or for lost or corrupted data or software, or the provision of services and support. In no event shall JRI be liable to Buyer or its customers for any consequential, special, indirect, incidental or punitive damages, even in advised of the possibility of such damages, or for any claim by a third party. Buyer agrees that for any liability related to the Products, JRI shall not be liable or responsible for any amount of damages above the amount paid for the applicable Product. Notwithstanding anything in this Agreement to the contrary, the remedies set forth in this Agreement shall apply even if such remedies fail their essential purpose.

#### **9 Software**

JRI may distribute software, including third party software, with the Products. All software distributed with the Products is subject to the license agreement shipped with the software. Buyer agrees that it is bound by, and will abide by, all software licensing agreements if and when: (a) for preloaded software, the Products are first

used; or (b) for software delivered with the Products, the software packaging is opened or the seal on the software package is broken. Any warranty provided on software is provided by the licensor and may vary.

#### **10 Cancellation of Order**

No Order may be cancelled, rescheduled or reconfigured by the Buyer without prior written authorization by JRI and, in such event, Buyer will be liable to JRI for any additional costs and expenses incurred by JRI.

#### **11 Governing Law and Regulations**

The applicable laws governing this Agreement and any Order issued hereunder shall be in accordance with the laws of the State of North Carolina, excluding its conflict of laws principles, and United States federal laws in accordance with any required U.S. regulations concerning the export of products, but specifically excluding the provisions of the U.N. Convention for the International Sale of Goods.

#### **12 Dispute Resolution**

All disputes and claims relating to this Agreement, the rights and obligations of the Parties under this Agreement, and/or any claims or causes of action relating to the performance of either Party, shall first be referred for resolution to the respective Party's executive management. If such persons cannot resolve such matter within thirty (30) calendar days of commencing good faith negotiations, then the Parties may agree to jointly participate in alternate dispute resolution or either Party may file suit in a court of competent jurisdiction.

#### **13 Product Returns**

Returns of any type must be approved by JRI in writing and all return documentation must contain JRI's Return Material Authorization ("RMA") identification number. Returned shipments not approved by JRI or not properly identified will be refused by JRI. The request for return must include the serial number and full identification of the Products to be returned and a detailed description as to the nature of defect or problem. Proper handling procedures must be used in the packing and shipping of all returned Products. Products must be returned in the same or equivalent container in which they were shipped with the RMA Number clearly visible on the package. Buyer retains title to Products returned for repair.

#### **14 Export Compliance**

The Buyer shall not, directly or indirectly, export, re-export, transfer, furnish, or transship Products in violation of any applicable export control laws and regulations of any country having jurisdiction over the Products or the parties to this Agreement ("Export Laws"), including without limitation, the U.S. Export Administration Regulations, the Enhanced Proliferation Control Initiative (EPCI) Regulations, the Foreign Asset Control Regulations and any economic sanctions imposed by the United States Government upon any foreign country. Buyer represents and warrants that the Products will not be destined for a prohibited chemical, biological or nuclear weapons or missile use. Buyer agrees, at Buyer's own expense, to comply with all applicable Export Laws and will indemnify, defend and hold JRI harmless from any claim against JRI due to Buyer's violation or alleged violation of any Export Laws. Should the United States Government fail to approve an export license required for the Product or subsequently cancel such license, the parties shall meet to examine the practicality of a solution to meet the original intent of the transaction.

#### **15 Trademarks; Trade Names**

Buyer agrees that it will not use in any way JRI's trademarks and trade names, and it will not publish, or cause to be published any statement, or encourage or approve any advertising or practice, which may be detrimental to the good name, trademarks, goodwill or reputation of JRI or the Products.

#### **16 Intellectual Property**

Buyer agrees that it has no entitlement to any JRI intellectual property relating to the Products. Except for cases of intentional misconduct, JRI shall not be liable to Buyer or its customers for any losses, costs, damages or expenses incurred by Buyer or any other party as a result of any infringement or alleged infringement relating to the Products.

**17 Survival**

The rights and obligations of the parties under the payment, warranty, limitation of liability, governing law, dispute resolution, and intellectual property provisions of this Agreement shall survive completion or any earlier termination of an Order.

**18 Waiver, Remedies, and Severability**

The failure or delay of either party to insist on performance of any provision of this Agreement, or to exercise any right or remedy available under this Agreement, shall not be construed as a waiver of that provision, right, or remedy in any later instance. Further, if any provision of this Agreement is or becomes void or unenforceable by operation of law, the remaining provisions shall be valid and enforceable. Unless otherwise expressly stated in this Agreement, the rights and remedies of both parties hereunder shall be in addition to their rights and remedies at law or in equity; provided, however, that in no event shall JRI be liable to Buyer or its customers for any anticipatory profits or for any special (including multiple or punitive), indirect, incidental, or consequential damages howsoever arising.