



TERMS AND CONDITIONS OF SALE

PAYMENT: Net 30 days to customers with approved credit.

PAST DUE ACCOUNTS: An interest penalty of 1.5% per month will be charged to delinquent accounts.

CREDIT CARD PURCHASES: All credit card purchases will be accessed a convenience fee of 2.0%.

PRICES: Prices are subject to change without notice and are quoted in US dollars.

FREIGHT AND ALLOWANCE: Delivery on all orders shall be F.O.B. Tomball and delivered to all points in the continental USA. Unless specifically agreed upon in advance, FOBI Inc. (herein "FOBI") will select the carrier and route, unless denoted on customers purchase order.

QUOTATIONS: All quotations are for immediate acceptance unless otherwise stated and are subject to correction for clerical error. Refer to www.fobi.us for FOBI's Terms and Conditions of Quotation as noted on all quotations.

STOCK ITEMS: FOBI reserves the right to update or change the design of FOBI's standard product line.

MINIMUM ORDER: A minimum is one that exceeds \$25.00.

RETURNED GOODS: FOBI will not accept returned goods without prior approval. The Buyer shall obtain an RGA (*Returned Goods Authorization*) number from FOBI. To receive credit, all items being returned must be carefully packed to avoid transit damage. All returns are to be shipped prepaid. Items returned for reason other than the fault of FOBI will be subject to restocking charges. Certain products, including made-to-order and obsolete items, cannot be returned for credit.

CANCELLATIONS: Orders are not subject to cancellation or reduction in quantity, nor may a specified delivery date be postponed for more than 30 days, except with FOBI's consent. If FOBI consents to such change, FOBI shall be entitled to full compensation for all extra costs as FOBI shall determine.

SHORTAGE AND DAMAGE CLAIMS: Contact FOBI immediately upon receipt of shipment to report any shortages and/or damages.

GOVERNING LAW: All transactions with FOBI shall be deemed to have been made and entered into and shall be construed and enforced in accordance with the laws of the State of Texas. Any action to interpret or enforce contracts with FOBI shall take place in Harris County, Texas.

ARBITRATION: Any dispute arising out of or related to FOBI's products or any contract with FOBI, other than an action seeking injunctive relief, shall be resolved by binding arbitration, in Harris County, Texas pursuant to the rules of commercial arbitration. Buyer and FOBI agree to each pay one-half the cost of the arbitration proceeding. Any decision rendered by the arbitrators shall be binding upon the parties and may be filed in any court of competent jurisdiction.