

## **Terms and Conditions of Sale**

1. Any quoted offer by GAR Labs is expressly conditional upon the Buyer's acceptance of all the terms and conditions of this quotation. Seller can change its applicable terms and conditions at any time unless otherwise explicitly stated on the face hereof or in an effective written contract. The offer shall not be altered or amended, nor its terms be waived, except by an instrument in writing, signed by an authorized representative of the party to be bound thereby. Acceptance or acknowledgement of purchase order forms or other similar forms containing provisions different from, or deletions or additions to, the terms of this offer are hereby rejected and shall not be binding on Seller. Buyer shall not assign its rights or delegate its duties under this offer in whole or in part without prior written consent of Seller.
2. The prices on the quotation are for immediate acceptance and are subject to change without notice unless otherwise indicated on the face hereof. Seller reserves the right to increase the unit price if quantity is reduced. If Seller is unable by any reason of any governmental decision, order or law to sell the materials at the quoted prices, Seller may terminate this offer. Quoted prices are based on present taxes (other than sales taxes), freight rates, Internal Revenue charges, United States Tariff classifications and import duties. Any increased costs resulting from changes in the aforesaid or from Buyer's selection of means of transportation shall be charged to Buyer. Further, Buyer shall reimburse Seller for all taxes or other charges by any national, state or municipal government upon the sale, use, production, or transportation of materials which Seller shall be required to pay. All war-risk insurance, harbor charges, tolls, wharf age, demurrage, wharf handling or warehousing, together with any increase over current rates on marine or other insurance, shall be charged to Buyer as an addition to prices specified.
3. Payment terms are net thirty (30) days from invoice unless otherwise provided on the face hereof or in writing. Due to the custom nature of GAR Labs formulations, any deposits received are non-refundable. All payments due shall be in lawful money of the United States at the office of Seller. Past due balances are subject to a late payment charge of 10% per month, or the maximum amount permitted by applicable law, whichever is less. If Buyer shall fail to make payments when due or if Seller shall become dissatisfied as to Buyer's financial responsibility, Seller reserves the right to cancel any offer or contract with Buyer or Seller may decline to make deliveries. Should it be necessary to assign Buyer's account to a collection agency or attorney because any sums owed by Buyer are overdue, all collection charges and legal fees shall be paid by Buyer.
4. Materials shall be shipped F.O.B. Seller's place of business except as otherwise provided on the face hereof. Seller's liability as to delivery ceases, and title and risk of loss for the products supplied hereunder will pass, upon making delivery of products purchased hereunder to carrier at shipping point in good condition. Title to and risk of loss for all products picked up by Buyer at Seller's designated shipping locations will pass to Buyer at the point the products are deposited by Seller onto Buyer's owned or leased equipment, and in the case of bulk liquid or solid products, title and risk of loss shall pass at the point of discharge from Seller's fill nozzle or discharge tube. If material delivered hereunder is shipped in tank cars furnished by the Seller, Buyer shall unload tankers within 48 hours (Sundays and holidays excepted) after receipt.
5. When in the opinion of Seller there is a period of shortage of supply of material for any reason, Seller may allocate its available supply among any or all of its various customers upon such basis as it shall deem fair and practicable with no liability on its part for failure to deliver the quantity or any portion thereof herein specified.
6. All filled water and oil based products produced by GAR Labs, except as noted below, will carry a 1 Year Guaranteed shelf life against bacterial contamination and spoilage. All 55 gallon or greater bulk products, except as noted below, carry a limited 90 day warranty. Any products shipped outside the United States carry a limited 90 day warranty. Be advised GAR Labs Guarantee will be void unless the Buyer informs GAR Labs in writing within 12 months from the date of purchase of any discrepancy in quality. GAR Labs will not guarantee the appropriateness of any packaging supplied by the Buyer unless GAR Labs is specifically contracted to inspect and approve the packaging. GAR Labs shall not be held liable for any implied guarantee or warranty or liability except as herein specifically provided. Within (90) ninety days after the date of receipt of any shipment of products under this quotation, Buyer shall examine any such products for any damage, defect or shortage. All claims for any cause whatsoever (whether such cause be based on contract, breach of warranty, negligence, strict liability, other tort or otherwise) shall be deemed waived unless made in writing and received by Seller within 366 days after Buyer's receipt of products with respect to which such claim is made, or if such claim is for non-delivery of such products, within (90) ninety days after the date upon which such products were to be delivered. Failure of Seller to receive written notice of any such claim within the applicable time period shall be deemed an absolute and unconditional waiver by Buyer of such claim irrespective of whether the facts giving rise to such claim shall have been discovered or whether processing, further manufacture, other use or other resale of the products shall have taken place. Products shall not be returned without Seller's permission and transportation charges for return shall not be paid by Seller unless authorized in advance.
7. It is expressly understood that any technical advice furnished by Seller with reference to the use of its products is given gratis and Seller assumes no obligation or liability for the advice given or results obtained, all such advice being given and accepted at Buyer's risk.
8. Performance of Seller will be excused in case of God, war, riots, fire, explosions, floods, strikes, lockouts, injunctions, inability to obtain fuel, power, raw materials, labor, containers or transportation facilities, accidents, breakage of machinery or apparatus, national emergency or because performance is made impracticable by the occurrence of any other unforeseeable contingency, or because of compliance in good faith with any applicable foreign or domestic governmental statute, regulation, order or other interference whether or not it later provides to be invalid or in any circumstances which are beyond the reasonable control of the parties, to the extent that the same prevent or delay the performance of obligations herein contained. Any delivery so suspended shall be cancelled without liability, but the contract shall otherwise remain unaffected.
9. **LIMITATION OF REMEDIES:** No claim of any kind shall be greater in amount than the purchase price of the merchandise in respect of which such damages are claimed, and failure to give notice of claim within 366 days from the date of delivery or 90 days after the date fixed for delivery (in the event of non-delivery), shall constitute a waiver by Buyer of all claims in respect of such merchandise. The remedy hereby provided shall be cancelled without liability, but the contract shall otherwise be unaffected.  
**ATTORNEY'S FEES:** If any legal action arises under this agreement or by reason of any asserted breach of it, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorney's fees incurred in enforcing or attempting to enforce any of the terms, covenants or conditions, including costs incurred prior to commencement of legal action, and all cost expense, including reasonable attorney fees, incurred in any appeal from an action brought to enforce any of the terms, covenants, or conditions.  
**APPLICABLE LAW:** This agreement is executed, delivered, and is intended to be performed in the State of California, and shall be construed and enforced in accordance with the laws of the State of California.  
**COMPLETE AGREEMENT:** The Terms and Conditions contained herein will be the complete and exclusive statement of the terms of the agreement between the parties. No addition to, or modification of any of the Terms and Conditions will be effective unless made in writing and signed by the President of GAR Labs.
10. GAR Labs is unable to offer ANY Guarantee or return policy for the following categories of products. These Categories are:
  1. Perfumes, 2. Colognes, 3. Polish Removers OR ANY CUSTOMER SUPPLIED FORMULAS, RAW MATERIALS AND/OR FINISHED PRODUCTSThe above product categories of products purchased from GAR Labs will be sold starting October 1, 2007 on an "As is" basis only.