

## **PRODUCT PURCHASE AGREEMENT**

This Product Purchase Agreement is entered into as of 28 January, 2013 by and between A.S. ELETTRONICA S.N.C. Italian corporation with offices at via Linfano 18/F, 38062 Arco Italy ("A.S. ELETTRONICA S.N.C. ") and Taylor's Appliance, Inc 6140 Magnolia Avenue Riverside, CA 92506-2522

*In consideration of the mutual agreements and covenants herein contained, the parties, intending to be legally bound, agree as follows:*

### **1. SALE AND PURCHASE**

A.S. ELETTRONICA S.N.C. shall offer to sell to Taylor's Appliance, Inc and Taylor's Appliance, Inc shall purchase such quantities of the equipment, services and the Product (as defined below) manufactured or supplied by A.S. ELETTRONICA S.N.C. (the "Equipment") at A.S. ELETTRONICA S.N.C. list prices applicable to Taylor's Appliance, Inc less any applicable discount as may be specified a price quotation from and confirmed in a purchase order issued by Taylor's Appliance, Inc and accepted by A.S. ELETTRONICA S.N.C. from time to time during the term of this Agreement.

For any quantities of the Equipment, services, and Product Taylor's Appliance, Inc wishes to purchase from A.S. ELETTRONICA S.N.C., Taylor's Appliance, Inc shall issue and submit to A.S. ELETTRONICA S.N.C., a written purchase order describing in reasonable detail each product description, its part number, unit price according to A.S. ELETTRONICA S.N.C. price list in effect at that time, quantity, discount, if any, total price and requested shipment date. A.S. ELETTRONICA S.N.C. may at its sole discretion reject or accept such purchase order, and if A.S. ELETTRONICA S.N.C., accepts such purchase order, A.S. ELETTRONICA S.N.C. acceptance shall create a binding contract between A.S. ELETTRONICA S.N.C. and Taylor's Appliance, Inc on the terms and conditions of this Agreement, any additional or contradictory provision contained or referenced in the purchase order shall be deemed null and void. Any requested shipping dates is subject to A.S. ELETTRONICA S.N.C., review and revision. A.S. ELETTRONICA S.N.C. shall make every reasonable effort to meet the shipping dates Taylor's Appliance, Inc may specify, provided Taylor's Appliance, Inc timely provides with all necessary information.

### **2. PRICES/TAXES**

All prices are exclusive of shipping and insurance charges which shall be billed separately. Installation and related charges are only included if stated on the face of the order or quotation. Installation and related charges are subject to change due to Taylor's Appliance, Inc failure to complete site readiness as stated, non-standard site conditions, force majeure events or Taylor's Appliance, Inc caused delays. Taylor's Appliance, Inc agrees to pay all such additional charges as invoiced by A.S. ELETTRONICA S.N.C..

All prices are exclusive of all sales, use, excise, and other taxes, duties or charges. Unless evidence of tax exempt status is provided by Taylor's Appliance, Inc, Taylor's Appliance, Inc shall pay, or upon receipt of invoice from A.S. ELETTRONICA S.N.C., shall reimburse A.S. ELETTRONICA S.N.C. for all such taxes or charges levied or imposed on Taylor's Appliance, Inc, or required to be collected by A.S. ELETTRONICA S.N.C. resulting from this transaction or any part thereof.

For domestic orders all prices are FOB A.S. ELETTRONICA S.N.C. Factor. For international orders, all prices are Ex Works (Incoterms 1990). Unless instructed otherwise, A.S. ELETTRONICA S.N.C. may arrange for insurance and standard commercial shipping, the costs of which will be invoiced to the Taylor's Appliance, Inc.

Prior to delivery, A.S. ELETTRONICA S.N.C., Ltd reserves the right to make substitutions, modifications and improvements to the Equipment, provided that such substitution, modification or improvement shall not materially affect performance in the application originally agreed to with Taylor's Appliance, Inc.

### **3. PAYMENT/FINANCING**

Payment terms shall be determined on a per order basis and are subject to credit review by A.S. ELETTRONICA S.N.C.. All payments shall be made to A.S. ELETTRONICA S.N.C. not later than within the agreed to number of days from date of invoice. Late payments shall result in the assessment of a late charge equal to one and one-half (1 1/2%) percent per month on any outstanding balance, or the maximum amount of interest chargeable by law, whichever is less.

International sales shall be payable in United States funds either by prepaid telegraphic transfer or by irrevocable Letter of Credit confirmed by a Puerto Rico and payable upon presentation of sight drafts and required documentation.

Taylor's Appliance, Inc shall remain liable for all payments regardless of the method of payment or financing of this Agreement, unless otherwise agreed to in writing A.S. ELETTRONICA S.N.C..

Taylor's Appliance, Inc's payment obligations are particular hereto, and Taylor's Appliance, Inc has no right of set-off against other purchase orders or other transactions between the parties.

Costs for the following shall be added to the prices bid and performance bonds or guarantees provided by A.S. ELETTRONICA S.N.C., Ltd at its election; the expense of packing suitable for air or ocean shipment; and other associated expenses of export, insurance and freight.

#### **4. HARDWARE WARRANTY**

A.S. ELETTRONICA S.N.C. warrants that any hardware item of the Equipment manufactured by A.S. ELETTRONICA S.N.C. shall, at the time of shipment and thereafter during the warranty period, be free from any defect in materials and workmanship and conform to A.S. ELETTRONICA S.N.C. published and effective specifications. This warranty with respect to any hardware item of the A.S. ELETTRONICA S.N.C. 20-20 products shall expire after eighteen (18) months from the date of shipment or twelve (12) months from the date of installation if installation is purchased by the Taylor's Appliance, Inc and provided directly by A.S. ELETTRONICA S.N.C., Ltd whichever is earlier. The warranty service shall be administered in accordance with A.S. ELETTRONICA S.N.C. published Taylor's Appliance, Inc Support Guide in effect at the time of shipment (which is hereby incorporated in its entirety by reference). Taylor's Appliance, Inc shall notify A.S. ELETTRONICA S.N.C. in writing immediately upon discovery of any defects within the warranty period for return authorization and instructions. Upon receipt of the returned Equipment prepaid by Taylor's Appliance, Inc, A.S. ELETTRONICA S.N.C. sole obligation shall be to repair, replace, or refund the purchase price, at its option. Replacement Equipment may be new, refurbished or remanufactured. Returned replaced Equipment shall become A.S. ELETTRONICA S.N.C. property. Replacement Equipment shall be warranted for the unexpired portion of the returned Equipment's warranty.

If Taylor's Appliance, Inc is a reseller of the Equipment purchased under this agreement, the warranty is passed through to Taylor's Appliance, Inc's Taylor's Appliance, Inc, but the warranty period shall begin as stated above. A.S. ELETTRONICA S.N.C. sole responsibility to Taylor's Appliance, Inc with respect to any equipment, device, component and part manufactured by a third party and incorporated into the Equipment shall be to pass through to Taylor's Appliance, Inc such original equipment manufacturers available product warranty. The warranty provided by A.S. ELETTRONICA S.N.C. does not cover (i) any item of the Equipment not manufactured by A.S. ELETTRONICA S.N.C. (ii) any item of the Equipment which has been altered or modified including any change, addition, or improvement, and (iii) any damage, defects, malfunctions or service failures caused by:

- (a) Taylor's Appliance, Inc's failure to follow A.S. ELETTRONICA S.N.C. environmental, installation, operation or maintenance specifications or instructions;
- (b) Modifications, alterations or repairs made other than by A.S. ELETTRONICA S.N.C.
- (c) Taylor's Appliance, Inc's mishandling, abuse, misuse, negligence, or improper storage, servicing or operation of the Equipment (including without limitation use with incompatible equipment); or
- (d) Power failures, surges, fire, flood, accident, actions of third parties or other like events outside A.S. ELETTRONICA S.N.C. control. Repairs necessitated during the warranty period by any of the foregoing causes may be made by A.S. ELETTRONICA S.N.C. , and the Taylor's Appliance, Inc shall pay A.S.

ELETTRONICA S.N.C. standard charges for time and materials, together with all shipping and handling charges arising from such repairs.

**THIS WARRANTY CONSTITUTES A.S. ELETTRONICA S.N.C. SOLE AND EXCLUSIVE WARRANTY WITH RESPECT TO HARDWARE THE EQUIPMENT AND IS IN LIEU ANY OTHER WARRANTY, EXPRESS, IMPLIED OR STATUTORY INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

**5. PRODUCT**

- (a) LICENSE. grants to Taylor's Appliance, Inc a non-exclusive, non-transferable license to use the Product and related documentation ("Product") provided hereunder. The Product may include Product and documentation that are owned by third parties and distributed by A.S. ELETTRONICA S.N.C. under license from the owner. If Taylor's Appliance, Inc is a reseller of the Product purchased under this agreement, this license is assignable only to Taylor's Appliance, Inc's Taylor's Appliance, Inc, subject to A.S. ELETTRONICA S.N.C. Written authorization and only if the end Taylor's Appliance, Inc is bound in writing to the Terms and Conditions of this license. Taylor's Appliance, Inc shall retain a copy of such end Taylor's Appliance, Inc Agreement for A.S. ELETTRONICA S.N.C. inspection. Distributor accepts any third party licenses which A.S. ELETTRONICA S.N.C. is bound by and further which A.S. ELETTRONICA S.N.C. may provided as; Product licenses, shrink wrap license, electronic license during boot up, or licenses in any other appropriate form. Distributor will also insure the deliver to the end user and awareness by the end user of any end user license agreements (EULA) for third party Product contained in A.S. ELETTRONICA S.N.C. products distributed by the Distributor.
- (b) COPIES. Taylor's Appliance, Inc shall not make any copies of the Product, except for a single archival copy solely for internal purposes.
- (c) CONFIDENTIALITY. Taylor's Appliance, Inc shall maintain the confidentiality of the Product and shall not sub-license, sell, rent, disclose, make available, or otherwise communicate the Product to any other person, or use the Product except as expressly authorized in writing by A.S. ELETTRONICA S.N.C..
- (d) TITLE. The Product and all copies thereof will at all times remain the sole and exclusive property of A.S. ELETTRONICA S.N.C. or its licensor, as applicable, and Taylor's Appliance, Inc shall obtain no title to the Product.
- (e) COPYRIGHT. Taylor's Appliance, Inc shall reproduce all copyright notices and any other proprietary legends on any copy of the Product made by Taylor's Appliance, Inc.
- (f) ALTERATION. Taylor's Appliance, Inc shall not modify, disassemble, or decompile the Product.
- (g) MEDIA. If Taylor's Appliance, Inc sells or otherwise disposes of Taylor's Appliance, Inc owned media on which the Product is fixed, such media must be erased before any sale or disposal.
- (h) WARRANTY. A.S. ELETTRONICA S.N.C. does not warrant that the operation of the Product will be error free. A.S. ELETTRONICA S.N.C. will use reasonable efforts to correct any defects reported to A.S. ELETTRONICA S.N.C. in writing within 180 days of the date of shipment or cutover, if installation was by A.S. ELETTRONICA S.N.C. exclusive of defects caused by physical defects in Product disks due to mishandling, operator error or interfacing other systems not approved by A.S. ELETTRONICA S.N.C..

**THIS PROVISION CONSTITUTES A.S. ELETTRONICA S.N.C. SOLE AND EXCLUSIVE LIABILITY AND TAYLOR'S APPLIANCE, INC'S SOLE AND EXCLUSIVE REMEDY FOR DEFECTIVE OR NON-CONFORMING PRODUCT AND IS IN LIEU OF ANY OTHER WARRANTY, EXPRESS, IMPLIED OR**

## **STATUTORY INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

### **6. TITLE AND RISK OF LOSS**

Delivery of any item of the Equipment and Product shall be deemed complete when A.S. ELETTRONICA S.N.C. makes the shipment FOB N or Ex Works, as the case may be, (Incoterms , 1990). Title to and risk of loss for the Equipment and Product sold under this Agreement shall pass to Taylor's Appliance, Inc upon delivery as defined herein.

As security for the full and prompt payment and performance when due of all obligations of Taylor's Appliance, Inc to A.S. ELETTRONICA S.N.C. under this Agreement, Taylor's Appliance, Inc hereby grants to A.S. ELETTRONICA S.N.C. a security interest in (i) all Equipment supplied to Taylor's Appliance, Inc hereunder and (ii) all accounts, instruments, contract rights and general intangibles arising out of Taylor's Appliance, Inc conducting its business ("Accounts"). Before or after breach by Taylor's Appliance, Inc under this Agreement, A.S. ELETTRONICA S.N.C. shall have the right to notify any account debtors on Accounts, including without limitation any entity performing billing and collection services for, or holding deposits of Accounts on behalf of, Taylor's Appliance, Inc, that A.S. ELETTRONICA S.N.C. claims a security interest in all Equipment and/or all such Accounts, and that, upon default, all payments on Accounts are to be made directly to A.S. ELETTRONICA S.N.C. Taylor's Appliance, Inc shall execute any notice to any such account debtor or a third person as may be requested by A.S. ELETTRONICA S.N.C. at any time in order to accomplish the intentions of this section. Taylor's Appliance, Inc hereby authorizes A.S. ELETTRONICA S.N.C. or its agent or assigns to sign and execute on its behalf any and all necessary financial statements to perfect the security interest herein granted to A.S. ELETTRONICA S.N.C. as well as its ownership interest, if any, herein evidenced in order to protect A.S. ELETTRONICA S.N.C. interest in the Equipment and its rights to payment and performance by Taylor's Appliance, Inc under this Agreement. Taylor's Appliance, Inc shall pay all expenses of filing of all necessary financial statements and documents with all public offices requested by A.S. ELETTRONICA S.N.C. In the event any Equipment supplied hereunder is located outside the China, Taylor's Appliance, Inc shall pay and reimburse A.S. ELETTRONICA S.N.C. for all costs and expenses incurred in filing and perfecting A.S. ELETTRONICA S.N.C. security interest in such foreign country.

### **7. INSTALLATION**

Subject to Section 8, the following shall apply in the event that installation is a part of any purchase order accepted by A.S. ELETTRONICA S.N.C. under this Agreement. The Taylor's Appliance, Inc shall, at its expense, on the signing of this agreement, and at all times thereafter during the period of installation services hereunder be responsible for the following, including site preparation and clean-up.

- (a) Allow employees or agents of A.S. ELETTRONICA S.N.C. free access to premises and facilities where the Equipment is to be installed at all hours consistent with the requirements of the installation.
- (b) ENVIRONMENTAL - Assure that the premises will meet all temperature, humidity controlled, air-conditioned, and other environmental requirements set forth in the applicable the Equipment specifications and will be dry and free from dust and in such condition as not to be injurious to the employees or agents of A.S. ELETTRONICA S.N.C. or the Equipment to be installed.
- (c) MECHANICAL - Provide all patching, painting, concrete openings, conduits, floor reinforcements or other mechanical modifications pertinent to this installation.
- (d) ELECTRICAL - Provide ample electric current of proper voltage for any necessary purpose suitably terminated in rooms where it is required. Provide properly ground copper conductor of ample capacity (minimum #6 awg) at the Equipment locations. Provide between one and three separately fused outlets.
- (e) Provide for the termination of any existing service agreement, with the local telephone utility and for the removal of any existing equipment and cable, as required.

- (f) Provide suitable and easily accessible floor space, as well as lockers, to permit storing adjacent to where Equipment will be used, and for secure storage of tools, test sets, and employees personal effects.
- (g) APPROVALS - Taylor's Appliance, Inc shall be responsible for the timely and proper securing of all permits, licenses, consents, including landlords, and approvals in connections with the sale and installation of the Equipment.
- (h) Taylor's Appliance, Inc specifically agrees to indemnify and hold A.S. ELETTRONICA S.N.C. harmless from all liability and costs arising from the Taylor's Appliance, Inc and its contractors, subcontractors and employees for site preparation efforts or for the latent conditions of the site.

A.S. ELETTRONICA S.N.C. will install the Equipment at the Taylor's Appliance, Inc's premises. The Taylor's Appliance, Inc will pay an additional charge for any required cable or conduit or additional coordination performed by A.S. ELETTRONICA S.N.C.. A.S. ELETTRONICA S.N.C. will endeavor to install the Equipment without damaging Taylor's Appliance, Inc's premises A.S. ELETTRONICA S.N.C. however, will not be responsible for replacing ceiling tiles, painting, plastering or making other repairs to Taylor's Appliance, Inc's premises resulting from the installation of the Equipment. Taylor's Appliance, Inc hereby holds A.S. ELETTRONICA S.N.C. harmless from any such damage to Taylor's Appliance, Inc's property.

A.S. ELETTRONICA S.N.C. shall complete the installation services in accordance with A.S. ELETTRONICA S.N.C. normal telephone installation practices. A.S. ELETTRONICA S.N.C. shall perform its standard acceptance testing on the installed Equipment and Taylor's Appliance, Inc agrees to monitor said testing. Upon completion thereof, as described above, A.S. ELETTRONICA S.N.C. shall notify Taylor's Appliance, Inc that the Equipment has been installed and operates in accordance with applicable test and performance specifications. The date of such notification shall be the installation cutover date. A.S. ELETTRONICA S.N.C. may at its sole discretion use subcontractors to provide installation services.

## **8. WIREFREE PRODUCT**

Taylor's Appliance, Inc hereby acknowledges that the use and operation of any intentional radiating equipment requiring a Part 15.311 FCC label and subject to UBA clearing fees, the operation of which makes use of any part of the unlicensed personal communications services ("ULC") frequency spectrum ("ULC Radiating Part"), is subject to FCC rules, regulations, requirements and instructions with respect to interference to licensed fixed microwave facilities and to the relocation of any such ULC Radiating Part. Taylor's Appliance, Inc agrees that [its] use or operation of any ULC Radiating Part shall comply with all such rules, regulations, requirements and instructions. Taylor's Appliance, Inc will impose the same obligation on each of his buyers.

Taylor's Appliance, Inc shall be responsible for the site specific coordination of the WireFree™ Equipment as required by UTAM. In particular but not limited thereto Taylor's Appliance, Inc will be responsible to notify UTAM's designated Prime Frequency Coordinator and will comply with any procedural requirements as published by UTAM at Taylor's Appliance, Inc's cost and expense. Taylor's Appliance, Inc shall deliver to UTAM reports necessary for the performance of UTAM's frequency coordination responsibilities for the ULC frequency spectrum.

Taylor's Appliance, Inc shall indemnify, defend and hold and UTAM A.S. ELETTRONICA S.N.C. harmless from and against all loss, claim, damage, liability and expense (including reasonable attorney's fees) arising from (i) Taylor's Appliance, Inc's negligence or willful misconduct in any act or omission of Taylor's Appliance, Inc, including without limitation the manufacture, sale, distribution or activation of ULC devices or systems or the use thereof provided, however, that Taylor's Appliance, Inc shall not be obligated to indemnify BTL for losses, claims, damages, liabilities and expenses resulting from compliance with UTAM requirements where such Taylor's Appliance, Inc negligence or willful misconduct is not present, or (ii) any failure by Taylor's Appliance, Inc to comply with any covenant or agreement of Taylor's Appliance, Inc set forth herein or any misrepresentation made by Taylor's Appliance, Inc to BTL or A.S. ELETTRONICA S.N.C..

Taylor's Appliance, Inc will comply with and conform to any changes UTAM imposes on Taylor's Appliance, Incor A.S. ELETTRONICA S.N.C. . The provisions of this Section 3 shall survive the expiration or termination of this agreement for a period of 5 years.

In the event any type-approval, radio license or their functional equivalent for the WireFree™ Equipment is required by any relevant government authorities, Taylor's Appliance, Inc shall be solely responsible for obtaining such approval at its own cost. A.S. ELETTRONICA S.N.C. will assist in facilitating this process solely by supplying technical information, consultation and other supporting data as may be required.

**9. EXPORT AND RE-EXPORT RESTRICTIONS**

Performance and delivery of the Equipment, documents, services, Product, Technical Data (as that term is defined under applicable China export laws) and any derivative work here from provided or delivered by A.S. ELETTRONICA S.N.C. ("Deliverables") are subject to export control laws and regulations of the China, as applicable, and conditioned upon receipt of required China Government licenses and approvals by A.S. ELETTRONICA S.N.C.. Taylor's Appliance, Inc shall not export any Deliverable from China without complying with regulations of the Bureau of Export Administration of the China Department of Commerce, as applicable. Taylor's Appliance, Inc shall not re-sell or re-export any Deliverable 1) from the country of delivery, or 2) to any facility engaged in the design, development, stockpiling, manufacturing or use of nuclear, missile, chemical or biological weapons, or 3) to any military end-user or for a military end-use, without first obtaining the written approval of A.S. ELETTRONICA S.N.C. and any required approvals of the applicable China agencies. The provisions of this clause and Taylor's Appliance, Inc's obligations hereunder shall survive as long as Taylor's Appliance, Inc owns or is in legal possession or control of the Deliverables.

**10. EXPORT LICENSES AND COMPLIANCE WITH LAW**

A.S. ELETTRONICA S.N.C. shall use commercially reasonable efforts to obtain any China export licenses required for the export of any Deliverable. Notwithstanding any provision in this Agreement, the parties agree that selection and/or approval of freight forwarder(s) shall be made by A.S. ELETTRONICA S.N.C.. In the event that Taylor's Appliance, Inc wishes to utilize a freight forwarder not acceptable to A.S. ELETTRONICA S.N.C. Taylor's Appliance, Inc shall be responsible for providing an acknowledgment in writing from the Freight Forwarder to A.S. ELETTRONICA S.N.C. that the freight forwarder will specifically obtain any required export license(s) and is shown as the Shipper of Record in Taylor's Appliance, Inc's behalf.

Taylor's Appliance, Inc hereby represents, warrants and certifies to A.S. ELETTRONICA S.N.C. that all activities performed, directly or indirectly, by, through or on behalf of Taylor's Appliance, Inc pursuant to, or in connection with, this Agreement or in furtherance of its intents and purposes, shall be carried out in form and substance in accordance with all applicable laws, regulations, provisions and policies of China and the Territory and all countries claiming jurisdiction over such activities or the subject matter of this Agreement. In addition, all such activities, whether conducted within or without the political boundaries of the China or the jurisdictional limits of its law, shall be in accordance with the laws and regulations of the China applicable to activities within China. Without limiting the generality of the foregoing, Taylor's Appliance, Inc agrees to comply in all respects with China Foreign Corrupt Practices Act or 1979(LCPL), as amended, which provides generally that: under no circumstances will foreign officials, representatives, political parties, or holders of public office be offered, promised or paid any money, remuneration, things of value, or provide any other benefit, direct or indirect, in connection with obtaining, or maintaining, contracts or business.

**11. EXCUSABLE DELAY**

A.S. ELETTRONICA S.N.C. shall be excused from performance under the Purchase Order and not be liable to Taylor's Appliance, Inc for delay in performance attributable in whole or in part to any cause beyond its reasonable control, including but not limited to, action or inaction of any government, war, civil disturbance, insurrection, sabotage, act of a public enemy, labor strike, difficulty or dispute, unpredictable failure or delay in delivery by A.S. ELETTRONICA S.N.C. suppliers or subcontractors, transportation difficulties, shortage of energy, materials, labor strike accident, fire, flood, storm or other act of God, or Taylor's Appliance, Inc's fault or negligence.

In the event of an excusable delay, A.S. ELETTRONICA S.N.C. shall make reasonable efforts to notify Taylor's Appliance, Inc of the nature and extent of such a delay and A.S. ELETTRONICA S.N.C. (i) will be entitled to a schedule extension on at least a day-for-day basis, (ii) in the event of Taylor's Appliance, Inc's fault or negligence, will be also entitled to an equitable adjustment in the price of this contract.

**12. CHANGE , CANCELLATION, AND TERMINATION**

In the event Taylor's Appliance, Inc desires to modify a purchase order, it shall submit a written change order to A.S. ELETTRONICA S.N.C.. Each change order is effective upon written acceptance by A.S. ELETTRONICA S.N.C.. In the event Taylor's Appliance, Inc modifies a purchase order within 30 days prior to the scheduled shipment date, Taylor's Appliance, Inc shall pay to A.S. ELETTRONICA S.N.C. a change charge equal to 5% of the original total purchase price of the purchase order modified with a minimum charge of \$25.00. This fee will be assessed for Taylor's Appliance, Inc initiated changes regarding: ship-to location, if changed to a different country or port of destination; ship-date, if A.S. ELETTRONICA S.N.C. has already confirmed the ship-date to the Taylor's Appliance, Inc; configuration, if the change effects more than 5 line items in the order; quantity of items; or buyout items. All modifications made within an eight (8) hour business day (PST) will be considered to be one change. Any change or changes initiated or caused by A.S. ELETTRONICA S.N.C. will not be charged to the Taylor's Appliance, Inc.

If Taylor's Appliance, Inc cancels a purchase order within 30 days prior to scheduled shipment date, Taylor's Appliance, Inc shall pay to A.S. ELETTRONICA S.N.C. a restocking fee of 25% of the total purchase price of the canceled purchase order and shall pay 100% for any buyout items canceled. A.S. ELETTRONICA S.N.C. shall not assess any cancellation charges if A.S. ELETTRONICA S.N.C. cancels an order.

In the event that either party breaches any provision of this Agreement and fails to cure such breach within thirty (30) days after written notice from the other party, the breaching party shall be in default.

A.S. ELETTRONICA S.N.C. maximum liability and Taylor's Appliance, Inc's maximum recovery for any claim arising out of or in connection with the sale or use of the Equipment shall not in the aggregate exceed the price paid by Taylor's Appliance, Inc for such Equipment hereunder less the price of the Equipment delivered and retained by Taylor's Appliance, Inc.

**13. INFRINGEMENT INDEMNIFICATION**

Taylor's Appliance, Inc agrees to promptly notify A.S. ELETTRONICA S.N.C. in writing of any notice, suit, or any action against Taylor's Appliance, Inc based upon a claim that the Product infringes a China patent, copyright, trademark, or trade secret of a third party. will defend at its expense any such action, except as excluded below, and shall have full control of such defense including all appeals and negotiations, and will pay all settlement costs, or damages awarded against Taylor's Appliance, Inc, but A.S. ELETTRONICA S.N.C. shall not be liable to Taylor's Appliance, Inc for special, incidental, indirect or consequential damages.

In the event of such notice, suit or action, A.S. ELETTRONICA S.N.C. will at its expense procure for the Taylor's Appliance, Inc the right to continue using the Product, or modify the Product to render such non-infringing, or accept return and replace such with substantially equivalent non-infringing equipment, or accept return of the Product and refund or credit to Taylor's Appliance, Inc the amount of the original purchase price, less a reasonable charge for depreciation and damage.

The preceding agreements by A.S. ELETTRONICA S.N.C. in this section shall not apply to any Product or portion thereof manufactured to specifications furnished by or on behalf of Taylor's Appliance, Inc, or to any infringement arising out of the use of the Product in combination with other equipment or Product not furnished by A.S. ELETTRONICA S.N.C. or to use in a manner not normally intended, or to any patent, copyright, trademark or trade secret in which Taylor's Appliance, Inc, or subsidiary or affiliate thereof, has a direct or indirect interest, or if Taylor's Appliance, Inc has not provided A.S. ELETTRONICA S.N.C. with prompt notice, authority, information and assistance necessary to defend the action. The foregoing states the entire liability of A.S. ELETTRONICA S.N.C. for patent, copyright, trademark and trade secret infringements by the Product or portion thereof.

**14. TECHNICAL DATA AND INVENTION**

Unless specifically identified and priced in this contract as a separate item or items to be delivered by A.S. ELETTRONICA S.N.C. (and in that event, except to the extent so identified and priced), the sale of goods hereunder confers on Taylor's Appliance, Inc no right in, license under, access to, or entitlement of any kind to any of A.S. ELETTRONICA S.N.C. technical data including but not limited to design, process technology, Product and drawings, or to A.S. ELETTRONICA S.N.C. inventions (whether or not patentable) irrespective of whether any such technical data or invention or any portion thereof arose out of work performed under or in the course of this contract, and irrespective of whether Taylor's Appliance, Inc has paid or is obligated to pay A.S. ELETTRONICA S.N.C. for any part of the design and/or development of the goods.

A.S. ELETTRONICA S.N.C. shall not be obliged to safeguard or hold confidential any data whether technical or otherwise, furnished by Taylor's Appliance, Inc for A.S. ELETTRONICA S.N.C. performance of this contract unless (and only to the extent that) Taylor's Appliance, Inc and A.S. ELETTRONICA S.N.C. have entered into a separate written confidential agreement.

Taylor's Appliance, Inc shall not violate A.S. ELETTRONICA S.N.C. copyright of documents or Product or disclose A.S. ELETTRONICA S.N.C. confidential or proprietary data to others without A.S. ELETTRONICA S.N.C. written permission.

**15. ASSIGNMENT**

Neither party may assign this Agreement in whole or in part without the prior written consent signed by an officer of the other party. Such consent shall not be unreasonably withheld.

**16. GOVERNING LAW, VENUE, AND JURISDICTION**

This Agreement will be governed by and construed in accordance with the laws . The parties agree that any action to enforce any provision of this Agreement or arising out of or based upon this Agreement or the business relationship between A.S. ELETTRONICA S.N.C. and Taylor's Appliance, Inc will be brought in a local or Federal court of competent jurisdiction. Reasonable attorney fees shall be reimbursed, with respect to the foregoing, to the party who prevails on the merits.

**17. ENFORCEABILITY**

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall in no way be affected or impaired.

**18. NOTICES**

All notices shall be in writing and shall be delivered or sent by registered, certified or express mail, return receipt requested, to the addresses indicated in this Agreement or to such other addresses as the parties shall specify by giving notice pursuant hereto. A copy of all notices shall be sent to both party, Attention: Manager of Contracts.

**19. LIMITATION OF LIABILITY**

**NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS CONTRACT, UNDER NO CIRCUMSTANCES SHALL A.S. ELETTRONICA S.N.C., BE LIABLE TO TAYLOR'S APPLIANCE, INCOR ANY THIRD PARTY CLAIMING UNDER TAYLOR'S APPLIANCE, INC FOR SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, AS A RESULT OF A BREACH OF ANY PROVISION OF THIS CONTRACT. TAYLOR'S APPLIANCE, INC HEREBY**



**INDEMNIFIES A.S. ELETTRONICA S.N.C.AGAINST ALL LOSS OR LIABILITY FROM CLAIMS BY TAYLOR'S APPLIANCE, INCOR A THIRD PARTY ARISING OUT OF OR RELATING TO THE INSTALLATION, OPERATION, OR USE OF THE EQUIPMENT, WHETHER ON ACCOUNT OF NEGLIGENCE OR OTHERWISE.**

**20. TERM**

This Agreement shall become effective on the date first stated above and shall remain in effect for a period of 5 year thereafter. Upon expiration of this 5 year period, this Agreement shall terminate unless otherwise extended by the written Agreement of both parties. Furthermore, either party may terminate this Agreement immediately in the event that the other party has breached a provision of this Agreement and has failed to cure the breach pursuant to Article II or in the event that the other party shall become liquidated, dissolved, bankrupt or insolvent, or shall take any action to be so declared. Notwithstanding any terms contained herein, the obligations of the parties as detailed in Articles 4, 5, 8, 13 and 19 shall survive the termination of this Agreement.

**21. ENTIRE AGREEMENT**

This Agreement supersedes all previous verbal and written communications, agreements, promises, and understandings and constitutes the sole and entire agreement between the parties pertaining to the subject matter hereof. No modification or deletion of, or addition to these terms shall be binding on either party unless made in writing and signed by a duly authorized representative of both parties.

*In Witness Whereof*, duly authorized representatives of the Parties, hereto have executed this Agreement as of the day and year first above written.

**A.S. Elettronica s.n.c.**

**Taylor's Appliance, Inc**

By: Mr. Camiolo Roberto

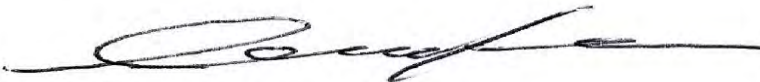
By: Peter James

Title: President

Title: Account Manager

Date: 28 January, 2013

Date: 28 January, 2013



-----  
SIGNATURE

-----  
SIGNATURE