



MilSpecWest

THE VERY BEST IN MICRO INTERCONNECT PRODUCTS

Quality Manual

Rev. 1.0

ID # QM-1

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| MILSPECWEST San Juan Capistrano, CA | | Quality Manual |
| Contract and Terms | QUALITY MANUAL | Revision: 1.0 |
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1 Payment

1.1 Checks are accepted subject to collection and the date of collection shall be deemed the date of payment. Any check received from Buyer may be applied by Seller against any obligation owing by Buyer to Seller, under this or any other contract, regardless of any statement appearing on or referring to such check, without discharging Buyer's liability for any additional amounts owing by Buyer to Seller; and the acceptance by Seller of such check shall not constitute a waiver of Seller's right to pursue the collection of any remaining balance.

1.2 On any invoice not paid by maturity date, Buyer shall pay interest from maturity to date of payment at the annual percentage rate of 18% (or such lower rate as may be the maximum allowable by law), together with Seller's costs of collection (including reasonable attorneys' fees).

1.3 Buyer agrees to pay the entire net amount of each invoice rendered by Seller pursuant to the terms of each such invoice without offset or deduction.

1.4 Prices for any undelivered Products may be increased by Seller in the event of any increase in the cost to Seller of supplies, raw materials, labor or service, or any increase in Seller's cost resulting from governmental action or any other cause beyond Seller's control.

2 Credit

2.1 Seller may in its sole discretion at any time and from time to time change the terms of Buyer's credit, require payment in cash before shipment of any or all of the Products specified herein, and/or require anticipated payment of any or all amounts due or to become due under this contract. If Seller believes in good faith that Buyer's ability to make the payments called for by this contract is or may be impaired, Seller may cancel this contract or any remaining balance thereof, Buyer remaining liable to pay for any Products already shipped.

3 Deliveries/Title

3.1 Subject to Seller's right of stoppage, in transit, delivery of the Products to a carrier shall constitute delivery to Buyer, and

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risk of loss shall thereupon pass to Buyer, however, title shall remain in Seller until Buyer makes payment in full under the contract Products invoiced and held by Seller for any reason shall be at Buyer's risk and expense. Delivery route shall be at the election of Seller unless specifically designated by Buyer.

3.2 Delivery of any installment of Products within 30 days after the date specified therefore shall constitute a timely delivery.

Thereafter, delivery shall be deemed timely unless prior to shipment Seller has received written notice of cancellation

Delivery of a quantity which does not vary by more than 10% from the quantity specified therefore shall constitute full performance of such delivery. Delay in delivery of one installment shall entitle Buyer to cancel that installment only.

3.3 Should delivery of all or any part of the Products specified herein (or any other obligation of Seller) be delayed by events

beyond Seller's control, Seller's time for performance shall be extended by the period of delay, or Seller may, at its option,

cancel this contract without liability, Buyer remaining liable to pay for shipments already made.

4 Orders

4.1 Each order for Products is subject to acceptance in writing by Seller.

4.2 Orders may not be cancelled or rescheduled after delivery by Seller to the carrier. In the event of allocation of Products,

orders that are accepted by Seller will be accepted using a fair scheduling method.

4.3 Special Orders - Special orders for times not normally stocked are non-cancellable and non-returnable.

4.4 Electro Enterprises, Inc. reserves the right to follow the wire and cable industry standard practice of shipping plus or minus

10% of the total quantity ordered.

5 Claims

5.1 Buyer is deemed to have accepted the Products unless notice of rejection is given within a reasonable time, which is agreed

to be within seven (7) days after receipt. Buyer waives any right to invoke acceptance thereafter.

5.2 Claims of late deliveries are barred unless made prior to receipt of Products and the receipt of any Products shall constitute a

waiver of any claim that they are delivered late.

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5.3 No return Products will be accepted by Seller without return material authorization number (RMA#), which will be issued in Seller's sole discretion. Returned Products must be in original shipping cartons, and must be complete with all packing materials. All Products for return must be freight prepaid. Defective software will be replaced, but no returns for credit will be allowed. Notice of defective Products must be made within seven (7) calendar days of receipt. A complete description regarding the nature of the defect must be included with all returned Products. All items not eligible for credit will be returned to Buyer, transportation collect.

6 Seller's Limited Warranty and Limitation of Liabilities

6.1 Seller warrants to Buyer that the Products conformed to the applicable material and/or manufacturing specifications, at time of manufacture. Seller makes no other warranty, express or implied with respect to the Products. IN PARTICULAR, SELLER MAKES NO WARRANTY RESPECTING THE MERCHANTABILITY OF THE PRODUCTS OR THEIR SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE. However, seller will transfer to Buyer whatever transferable warranties and indemnities, if any, Seller receives from the manufacturer of the Products. With respect to Products which do not meet material and/or manufacturing specifications, and with respect to value-added work by Seller which does not meet applicable Buyer's specifications, Seller's liability is limited (at Seller's election) to (1) Refund of Buyer's purchase price for such Products (without interest), (2) Repair of Products, or (3) Replacement of such Products, provided, however, that such Products must be returned to Seller, along with acceptable evidence of purchase, within twenty (20) days from date of purchase, transportation charges prepaid. BUYER SHALL NOT IN ANY EVENT BE ENTITLED TO, AND SELLER SHALL NOT BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE INCLUDING, WITHOUT BEING LIMITED TO, LOSS OF PROFIT, PROMOTIONAL OR MANUFACTURING EXPENSES, OVERHEAD, INJURY TO REPUTATION OR LOSS OF CUSTOMERS, BUYER'S RECOVER FROM SELLER FOR ANY CLAIM SHALL NOT EXCEED BUYER'S

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PURCHASE PRICE FOR THE PRODUCTS IRRESPECTIVE OF THE NATURE OF THE CLAIM, WHETHER IN CONTRACT, TORT, WARRANTY, OR OTHERWISE.

7 Use of Products in Life Support Applications

7.1 Products sold by Seller are not designed for use in life support equipment where malfunction of such product can reasonably be expected to result in a personal injury. Seller's customers using or selling such products for use in life support equipment do so at their own risk and agree to fully indemnify Seller and the manufacturer of such product for any damages resulting from such use or sale.

8 Taxes/Freight

8.1 Unless otherwise agreed in writing, the amount of all transportation charges from Seller's location and of all taxes or other charges now or hereafter imposed by any governmental authority upon the sale; purchase, resale, delivery, manufacture, production or possession of the Products specified herein, which may be paid by Seller or for which Seller may be liable, shall be paid to Seller by Buyer in addition to the purchase price of the Products.

9 Advice

9.1 If technical advice is offered or given in connection with the use of any Products, it will be as an accommodation to Buyer and without charge and Seller shall have no responsibilities or liabilities whatsoever for the content or use of such advice.

10 Installation/Training

10.1 Buyer acknowledges that no installation, training or education, is contracted for or purchased under the terms of this contract unless specifically agreed in writing. In the event that Buyer receives any training from Seller with respect to the Products, then, in that event, such training is personal to the persons receiving such training, and Buyer acknowledges that any persons receiving such training may not be capable of operating the Products.

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11 General

11.1 This contract contains the entire agreement between the parties and supersedes any prior or contemporaneous oral or written agreements or communications between them relating to the subject matter hereof.

11.2 This contract may not be assigned, modified, or cancelled without Seller's prior written consent, and any attempt to assign, modify or cancel it without such consent shall be absolutely void.

11.3 No delay or omission to exercise any right, power or remedy accruing to Seller upon breach or default by Buyer under this contract shall impair any such right, power or remedy of Seller, or shall be construed as a waiver of any such breach or default. All waivers must be in writing.

11.4 In the event any of the provisions hereof shall, for any reason, be held void or unenforceable, the remaining provisions shall remain in full force and effect and shall control.

11.5 Any provisions of this contract prohibited by the law of any state shall, as to such state, be ineffective to the extent of such prohibition without invalidating the remaining provisions of this contract.