



SELLER'S STANDARD TERMS AND CONDITIONS OF SALE

Seller's acceptance of Buyer's Order is expressly conditioned upon Buyer's assent to the Terms and Conditions herein. Buyer's acceptance of Seller's products is also deemed by the parties to be Buyer's Assent to such terms.

GENERAL

1. All Terms and Conditions of Sale are as follows except as specifically noted on the face of the acknowledgment or quotation.

DELIVERY, DELAYS AND PERFORMANCE

2. No liability shall result from delay in performance or non-performance of this Agreement directly or indirectly caused by fire, explosion, accidents, flood, labor trouble or shortage, war, act of regulation of any government, inability to obtain suitable material, equipment, fuel, power or transportation or act of God; or arising from contingencies, happenings, or causes beyond the control of the parties affected. Quantities of product so affected by any such circumstances may be eliminated from this order without liability, however this agreement shall otherwise remain unaffected.

F.O.B. POINT

3. All sales are made F.O.B. at Seller's factory and Seller's liability as to delivery and risk of loss ceases upon making delivery of the products purchased hereunder to carrier at shipping point in good condition, the carrier acting as Buyer's agent.

ASSIGNMENT

4. The Buyer shall not assign its order or any interest therein or any rights thereunder without the prior written consent of Seller.

TAXES

5. Buyer shall reimburse the Seller for all taxes, excises or other charges which the Seller may be required to pay to any domestic government (national, state or local) upon the sale, production or transportation of the products sold hereunder, and for International Operations (Export Sales) additionally all taxes, licenses, duties, and governmental exactions by whatever name known which may be levied or assessed on or account of the products sold hereunder, or their documents.

PAYMENTS

6. Each shipment shall be considered a separate and independent transaction. If performance by Seller or shipments are delayed by the Buyer, payments shall become due on the date when the Seller is prepared to make shipment and such payments shall be made based on the purchase price and the percentage of completion.

PRICE

7. Prices do not include export or special packaging, compliance testing, or inspection charges.

NON-WAIVER-CONFLICTING TERMS AND CONDITIONS

8. Any failure at any time of Buyer or Seller to enforce any provision hereof shall not constitute a waiver of such provision nor prejudice the right of Buyer or Seller to enforce such provisions at any subsequent time. Insofar as any terms and conditions of the Buyer's order conflict with the Seller's terms and conditions contained herein, the latter shall govern, irrespective of whether the Buyer accepts the Seller's terms and conditions by a written acknowledgment, by implication, or acceptance and payment of goods ordered hereunder, and the terms and conditions proposed by Buyer that are inconsistent with those herein stated are waived by Buyer.

PROPRIETARY RIGHTS

9. Any of Seller's data and its products furnished or acquired by Buyer providing proprietary information concerning Seller's trade secrets, such as may be contained in, but not limited to, any formula or device or compilation of information, including Seller's manufacturing methods or processes, treatment and chemical composition of materials and tooling shall be kept confidential by Buyer, and not disclosed to third parties, or be used to replicate or copy Seller's products, without Seller's prior written consent.

PATENT DATA

10. All technical advice, specification data, recommendations and services are rendered by the Seller free of charge and while based on data believed to be reliable, they are intended for use by skilled persons at their own risk. Seller assumes no responsibility to Buyer for events resulting or damages incurred from improper use. They are not to be taken as a license to operate under or intended to suggest infringement of any existing patent.

DISPUTES/COLLECTION

11. Should Seller initiate collection action against the Buyer by reason of Buyer's failure to make payment in accordance with Seller's payment terms or other disputed contract interpretation then the prevailing party shall be paid all costs and all attorney's fees actually incurred in connection with such action or any appeal therefrom regardless of any otherwise applicable court schedule used in connection with the determination thereof.

CHANGES

12. Where Buyer requests shipment of products prior to completion and acceptance of Qualification Testing, Buyer shall be completely responsible for any modification and/or change in costs of such products. Further, Buyer shall also be responsible for any modification and/or change in costs applicable to fabricated parts in Seller's possession until the date that Seller receives written notification of Qualification Test Approval.

APPLICABLE LAW

13. This order shall be governed by the laws of California, except as to any rules governing conflicts of law.

CANCELLATIONS, STOPWORK ORDERS

14. Cancellations of this order will be accepted only with the specified written approval of the Seller and shall be subject to cancellation charges which will include all expenditures made and committed for this order with a reasonable allowance for prorated overhead expenses, profit and cost for submitting and negotiation of Seller's termination claim.

WARRANTY

15. (a) Seller warrants all Products to be furnished under this contract shall be free from defects due to faulty

workmanship or material for the period of twelve (12) months from the date of delivery to Buyer.

(b) Seller neither expressly nor impliedly warrants against defects in design, workmanship and material of parts or materials supplied by others and utilized by Seller in such Products. Seller shall give to Buyer (insofar as it is assignable) the benefits of any express written warranties given to Seller by such manufacturer or other vendors. Seller shall have no obligation to process any warranty claim against such manufacturer and supplier for the benefit of Buyer.

(c) Seller neither expressly nor impliedly warrants, or makes any representation as to service life of such Products since conditions of usage and experienced service life are neither within the control of nor knowledge of Seller.

(d) This warranty shall apply only on the condition that:

(1) Buyer delivers written notice of its claim under this clause to Seller within such warranty period, but no later than fifteen (15) days after discovery of the defect which is the basis for its claim within said period;

(2) Buyer delivers such Products to Seller at its plant, F.O.B. within thirty (30) days after such written notice;

(3) Seller determines (in its sole discretion) that such Products are defective and have not been subject to accident, abuse or misuse, and have been operated and maintained in accordance with the manufacturer's recommendations and specifications; and

(4) The items have not been the subject of a product replication (i.e., reverse engineering) program, either formal or informal, sponsored or supported by the U.S. Government or other entity.

(e) The obligations and liabilities of Seller under this Warranty are expressly limited to the replacement or the repair by Seller of such Products, and shall not include any removal or reinstallation costs incident to such correction or replacement.

(f) Buyer may effect warranty repairs of the Products at its facility only with Seller's prior written consent.

(g) Seller will reimburse Buyer for agreed on transportation costs to return such Products which are confirmed by Seller to be defective under subparagraph (d)(3) above when greater than \$25.00.

(h) THE WARRANTIES PROVIDED IN ARTICLE 15, AND THE OBLIGATIONS AND LIABILITIES OF



SUPPLIER HEREUNDER, AND THE RIGHTS AND REMEDIES OF BUYER HEREUNDER ARE EXCLUSIVE. SELLER HEREBY DISCLAIMS, AND BUYER HEREBY WAIVES, ALL WARRANTIES AND LIABILITIES OF SELLER AND ALL CLAIMS AND REMEDIES OF BUYER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY DEFECT IN ANY PRODUCT, INCLUDING, WITHOUT LIMITATION, ANY (A) IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, (B) ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING OR PERFORMANCE OR USAGE OF TRADE, (C) RECOVERY BASED UPON TORT, WHETHER OR NOT ARISING FROM SELLER'S NEGLIGENCE, AND (D) ANY RECOVERY BASED UPON DAMAGED PROPERTY, OR OTHERWISE BASED UPON LOSS OF USE OR PROFIT OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES. THIS WARRANTY SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY SELLER AND BUYER. IN THE EVENT THAT ANY PROVISION HEREOF SHOULD FOR ANY REASON BE HELD INEFFECTIVE, THE REMAINDER OF THIS WARRANTY SHALL REMAIN IN FULL FORCE AND EFFECT.

EXTENT OF SELLER'S LIABILITY

16. Seller will not be liable for liquidated, collateral, indirect, incidental, consequential or special damages, including loss of profits or loss of use, and the aggregate total liability of any damages under this Order shall in no event exceed its contract price of the Product giving rise to the claim (or claims) of liability, whether resulting from delays in delivery or performance, breach of warranty, claims of negligent manufacturing, patent or copyright infringement, or otherwise. Buyer agrees to indemnify and hold Seller harmless from all claims by third parties which extend beyond the foregoing limitations of Seller's liability.

U.S. EXPORT AND IMPORT COMPLIANCE

17. Buyer and Seller (hereafter also known collectively as "Parties") shall comply with the laws and regulations of the United States of America (USA) relating to exports and foreign transactions, including, but not limited to, the International Traffic Arms Regulations (ITAR) (22 C.F.R. Parts 120-130), the Arms Export Control Act (22 U.S.C. 2778), the Export Administration Regulation (EAR)(15

C.F.R. Parts 730- 774) and the Export Administration Act of 1979, as amended (50 U.S.C. 2401 et seq). In particular, the Parties shall not disclose any technical data, nor deliver, export, re-export or re-transfer any Product out of the USA, or to foreign persons or entities within or outside the USA, without the proper written authorization and/or license, or re-export/re-transfer license from the U.S. Government. Buyer hereby indemnifies and agrees to hold Seller harmless from any costs, damages, penalties, attorney's fees and similar expenses of Seller due to Buyer's breach (or threatened breach) of such obligation. The Parties shall reasonably cooperate with each other in obtaining all required export and import licenses, approvals and/or notifications pursuant to such U.S. laws.

CAUTIONS ASSUMED BY BUYER/USER

IF THIS PRODUCT IS USED TO PROTECT EQUIPMENT OR PERSONNEL FROM UNSAFE PRESSURE OR TO GUARD AGAINST THE HAZARDOUS RELEASE OF CONTAINED SUBSTANCES, IT MUST BE INSTALLED AND OPERATED ACCORDING TO APPLICABLE CODES, REGULATIONS AND STANDARDS. THIS PRODUCT MUST BE USED IN CONJUNCTION WITH SYSTEM DESIGN(S) OR PROCEDURE(S) NECESSARY TO MITIGATE ANY HAZARD RESULTING FROM ITS FAILURE. CONFORM TO INSTALLATION INSTRUCTIONS ACCOMPANYING THIS PRODUCT. INDIVIDUALS WHO IGNORE THIS WARNING MAY SUFFER SERIOUS OR FATAL INJURY AND DO SO AT THEIR OWN RISK. SELLER IS NOT LIABLE FOR ANY MISUSE, ABUSE, SUITABILITY OR ADEQUACY OF USER'S APPLICATION OF THE PRODUCT. SERVICE BY QUALIFIED PERSONNEL ONLY. FOLLOW APPLICABLE CODES AND WARNINGS.

HAZARDOUS VOLTAGE • Disconnect main power before wiring or servicing.

HAZARDOUS PRESSURES • Do not exceed proof pressure or physically deform unit.

HAZARDOUS USAGE • Application must avoid hazards resulting from product failure.