

## MASS PRECISION CONTRACT TERMS AND CONDITIONS

As used herein, "Seller" refers to MASS Precision Inc., "Buyer" refers to the party who places contracts to purchase products or services from MASS Precision Inc.

### 1. ORDER ACCEPTANCE

Seller contracts for the supply of parts and/or services, subject only to these terms and conditions. The placing of an order following a quotation given by Seller shall not be binding unless and until Buyer issues a written purchase order to Seller and Seller responds with a signed order acknowledgement or, Seller at his option, commences performance on the basis of a verbal order which shall constitute a valid acceptance of Buyer's order.

### 2. MINIMUM ORDERS

Confirming orders must be clearly marked as such, otherwise Seller will assume no liability for order duplication. Minimum order is US \$300.00.

### 3. PAYMENT TERMS

Subject to Seller's credit approval at time of shipment, terms are net 30 days, with full payment due from date of Seller's invoice. Prices are quoted FOB Buyer's facility for locations within a 50 mile radius of Seller's San Jose, CA plant. Any shipping costs beyond said radius shall be the Buyer's responsibility. All quotations include standard commercial packaging designed for local cartage, unless otherwise specified by Buyer. Title to goods transfers to Buyer upon delivery to a commercial carrier and risk of damage or loss following delivery to carrier shall be on Buyer. Quotations are valid for 30 days after which they are subject to review. All Seller's quotations are based upon third party material costs and outside service costs. Should a quotation from an aforementioned third party prove to be erroneous, Seller reserves the right to incorporate such corrections into any existing contract with the Buyer. Prices are based upon delivery of the entire order quantity at completion of manufacture or upon Seller's partial shipments as manufactured or upon a mutually agreed upon Buyer's delivery schedule. Prices on shipments scheduled for installment deliveries are subject to quotation review if the Buyer's allowable shipment date is more than 60 days beyond the last originally scheduled delivery. Should Buyer be in default with respect to any of the terms or conditions of this or any contract with Seller, Seller may at its option defer further shipments hereunder until such defaults are remedied or without prejudice to any other legal remedy may decline further performance hereof.

### 4. SPECIFICATIONS

Unless otherwise specified on Buyer's documentation and in the absence of Buyer's Manufacturing Specifications, Seller's parts will be built to standard, commercially accepted specifications and tolerances. Requests for requirements not specifically mentioned in Seller's quotation such as special certifications, source inspections, inventory reports, etc., may incur additional costs to Buyer.

### 5. DELIVERY MOVEOUTS

Should Buyer request a suspension of further work or, for any reason, fail to issue a new shipping schedule for further scheduled deliveries within 60 days of the last scheduled shipment, Seller shall immediately be entitled to payment for work already completed, specially ordered materials and any other additional costs including storage. In the event that Buyer places an order "on hold", seller shall immediately present to Buyer, a pro-forma invoice for all work and materials expended up to the hold order date.

### 6. DELIVERY

Seller shall not be liable for delay in performance of any order accepted by it or in delivery or shipment of material there under when such delay is directly or indirectly caused by or resulting from fire, flood, accident, war, earthquake, strikes or labor shortages, delay in delivery from sub suppliers, computer related systems failure or other conditions beyond Seller's control. Whenever such causes have been remedied Seller will make and Buyer will accept deliveries under such order.

### 7. ACCEPTANCE OF GOODS

Should products shipped by Seller appear to be defective or not in accordance with the written specifications accepted by Seller, the Buyer shall hold the shipment and immediately notify Seller, sending samples and other evidence in support of Buyer's claim. No returns or claims will be accepted unless and until Seller issues a Return Material Authorization control number. Seller reserves the right to replace or repair accepted defects. Shipment count discrepancies must be reported within five (5) working days and goods will not be accepted for replacement or repair of defects after thirty (30) days from date of shipment.

### 8. LIABILITY LIMITATIONS

The sole liability of Seller in respect to any defect in or failure of any goods or services supplied or for any shortage in the quantity of parts delivered or for any loss injury attributable directly or indirectly thereto is limited to making good by replacement or repairing defects or failures. Without prejudice to the foregoing Seller shall in no circumstances be liable for any indirect or consequential loss, including without limitation, loss of production, loss of profit or liability to third parties suffered or incurred by the Buyer or for any loss or damage in excess of the contract price.

### 9. CHANGES AND CANCELLATION

Orders may be changed, reduced, held, retarded or cancelled by the Buyer only with the consent of Seller and upon terms which will indemnify Seller against loss or impaired liquidity. All engineering change orders or revision level changes (including electronically transmitted specifications) requested by Buyer shall immediately be confirmed to Seller in writing. Seller shall assess the cost of implementing said changes and present same to Buyer for approval, prior to incorporation of said changes.

### 10. ACCEPTANCE OF TERMS AND CONDITIONS

Acceptance of goods in whole or in part by the Buyer shall constitute acceptance of terms and conditions stated herein.