

1) Offer

The quotation constitutes a firm offer and is valid for 30 days from the date of this letter.

2) Acceptance

The terms of the sale contained herein apply to all the quotations made and purchased orders entered into by the Seller. THE ACCEPTANCE OF THIS OFFER IS CONDITIONAL ON THE BUYER'S ASSENT TO THE TERMS SET OUT HERE IN LIEU OF THOSE IN BUYER'S PURCHASE ORDERS, INSTRUCTIONS OR SIMILAR DOCUMENT. Seller's failure to object to provisions contained in any communication from Buyer shall not be deemed a waiver of the provisions of this acceptance. Any changes in the terms contained herein must specifically be agreed to in writing by an officer of the Seller before becoming binding. Acceptance and approval of all orders and contracts must be made by the Sellers.

3) Cancellation

a) In the event that a Buyer instructs Seller to cancel after acceptance of this offer, buyer must pay all of Seller's cost incurred for and reasonably allocated to the terminated portion of the work in accordance with generally accepted accounting principals.

b) No cancellation by Buyer for default shall be effective unless and until Seller shall have failed to correct such alleged default within 45 days after receipt by Seller of a written notice specifying such a default.

c) Seller may cancel for convenience by giving buyer 30 days notice.

4) Title Passage, Risk of Loss and Shipping Charges

a) The Products purchased hereunder shall be delivered to Buyer or its carrier agent using the Incoterm EXW (Ex Works, as defined in Incoterms 2000) to describe the responsibilities of the Buyer and Seller with regards to freight and insurance charges and customs formalities.

b) Freight, duty, taxes, insurance, shipping, handling or packing charges are not included in the quoted prices and are the responsibility of the Buyer. If the Seller pays for any of these expenses, the Seller shall separately invoice the Buyer for them.

5) Payment

a) All payments are due 30 days from date of invoice. Any late payments are subject to finance charges.

b) Shipments, deliveries and performance of work shall at all times be subject to the approval of the Seller's credit department and the Seller may at any time decline to make any shipments or deliveries or perform any work except upon receipt of payment.

c) If, in the judgment of the Seller, the financial condition of the Buyer at any time does not justify continued production or shipment, then the Seller may require full or partial payment in advance and the Seller shall be entitled to cancel any outstanding order and shall receive reimbursement for its cancellation.

d) Each shipment shall be considered a separate and independent transaction and payments shall be made accordingly. If the Buyer delays shipments, then payments shall become due on the date the Seller is prepared to make the shipment.

e) Buyer agrees to pay Seller at its home office for the articles described herein. If all the articles are not delivered at one time, then Buyer agrees to pay the unit price applicable to the articles delivered.

f) The amount of any present or future sales, revenue, excise, or other tax applicable to the Product covered by the

sale shall be added to the purchase price and be paid by the Buyer.

6) Deliveries/ Force Majeure:

Shipping dates are approximate and made in good faith. In no event will Seller be liable for any procurement costs or damages of any kind ensuing out of the delay or non delivery due to causes beyond its reasonable control including but not limited to acts of God, acts of war, acts of strikes, walkouts, labor conditions, slow downs, or errors in manufacturing.

7) Indemnification for IP and/ or Patents:

In the event of a claim by a third party of infringement of proprietary rights, trademarks, or patents, resulting from compliance with Buyer's designs, specifications, or instructions, the Buyer will hold the Seller harmless against any expense or loss ensuing from such a claim.

8) Returns

No Product can be returned without Seller's consent and the issuance by the Seller of a Returns Material Authorization number.

9) Warranties

a) The Seller warrants the Products delivered to the Buyer are fit for the normal purpose for which the goods are sold. The Seller shall be held harmless against the claims by third parties which may arise out of compliance with the Buyer's specifications. Seller's obligations under the warranty are exclusively limited to replacing or repairing or giving credit for any said Products which shall, within one (1) year after shipment, be returned to the Seller's factory for inspection to determine to the Seller's satisfaction that the Product is defective.

b) This warranty shall not apply to any of such Products which have been repaired or altered, except by Seller or which have been subjected to misuse, negligence, or accident.

c) This warranty shall be terminated upon resale, by the Buyer, of the goods sold hereunder whether or not at the time of resale the goods have been incorporated into another Product.

10) Governing Laws:

The validity and interpretation of the terms and conditions shall be governed by the laws of the State of California.