

**1. GENERAL:** The terms and conditions of sale contained herein apply to all quotations made and purchase orders entered into by the Seller, Optima Precision Inc. The said items and conditions may in some instances conflict with some of the items and conditions affixed to the forms or order blank and/or specified by the Buyer. Therefore, acceptance of the Buyer's order is made only on the express understanding and condition that insofar as the terms and conditions of this acceptance conflict with any terms and conditions of the Buyer's order, the terms and conditions of this acceptance shall govern, irrespective of whether the Buyer accepts these conditions by a written acknowledgment, by implication, or acceptance and payment of goods ordered hereunder. 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 and conditions of sale contained herein must specifically be agreed to in writing by a corporate officer of the Seller before becoming binding on either the Seller or the Buyer. The said terms and conditions of sale shall be applicable whether or not they are attached to or enclosed with the products to be sold or sold hereunder.

**2. PRICES:** Irrespective of any price quoted by Seller or listed on Buyer's order, an order is accepted only at the prices shown on Seller's acknowledgment. Prices quoted for the items described on this acknowledgment are firm and not subject to audit or price redetermination with the exception of the Seller's factories renegotiation of costs or products associated with this order. Prices are subject to revision when interruptions, engineering changes or changes in the quality and/or quantity are causes, or requested by Buyer.

**3. TAXES:** All prices are quoted, all orders accepted, and all billings rendered exclusive of all federal, state and local excise, sales, use and similar taxes. Consequently, in addition to the prices specified herein, the amount of any present or future excise sales, use or similar tax applicable to the sale of the merchandise hereunder shall be paid by Buyer or in lieu thereof, Buyer shall provide Seller with a tax exemption certificate acceptable to the taxing authorities. Such taxes when applicable will appear as separate additional items on the invoice unless Seller receives a proper tax exemption certificate from Buyer prior to shipment.

**4. TERMS AND METHODS OF PAYMENT:** Where Seller has extended credit to Buyer, payment shall be made in full within thirty (30) days from date of Seller's invoice. No discounts allowed unless specifically authorized by Seller. Unless Seller has extended credit to Buyer, Buyer shall pay Seller at Seller's option either by: Cash with order (in whole or in part), COD or Sight Draft attached to Bill of Lading, or other shipping documents. Letter of Credit with all costs of collection for the account of Buyer.

Seller reserves the right at any time to change the amount of or to withdraw any credit extended to Buyer. If in the judgment of the Seller the financial condition of the Buyer at any time does not justify continuation of production or shipment on the terms of payment originally specified, the Seller may require full or partial payment in advance, and, in the event of the bankruptcy or insolvency of the Buyer or in the event any proceeding is brought by or against the Buyer under bankruptcy or insolvency laws, the Seller shall be entitled to cancel any order then outstanding and shall receive reimbursement for its cancellation charges.

**5. TITLE AND DELIVERY:** All sales are made F.O.B. point of shipment. Seller's title passes to Buyer and Seller's liability as to delivery ceases upon making delivery of merchandise purchased hereunder to carrier at shipping point in good condition, the carrier is to be regarded as Buyer's agent. All claims for damages must be filed with the carrier. All shipments will normally be made by United Parcel Service, Local Parcel Service, Air Express or Air Freight. Unless specified instructions from Buyer specify which of the foregoing methods of shipment is to be used, the Seller will exercise its own discretion.

Shipping dates are approximate and are based upon prompt receipt from Buyer of all necessary information. Partial deliveries shall be permitted.

Seller shall not be responsible for any failure to perform arising from causes beyond its control. These causes shall include but not be restricted to fire, storm, flood, earthquake, explosion, accident, acts of the public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine, restrictions, label disputes, labor shortages, transportation embargoes, or failure or delays in transportation, inability to secure raw material or machinery for the manufacture of its products, acts of God, acts of the Federal Government or any agency thereof, acts of any state or local government or agency thereof, and judicial action.

In the event of any such delay the date of delivery shall, at the request of the Seller, be deferred for a period equal to the time lost by reason of the delay.

**6. SHIPMENT:** All shipping charges and expenses shall be paid by Buyer. Seller will not insure the products unless requested by Buyer in which case Buyer will pay for such insurance.

**7. GOODS IN TRANSIT:** If prior to delivery or while the merchandise is in transit, Buyer becomes bankrupt or insolvent, or any petition in bankruptcy or for reorganization, or for a state court receivership is filed against Buyer, then Seller may forthwith terminate this contract by giving written notice of such termination. Such termination shall not prejudice Seller's right to any amounts then due under the contract. If Buyer becomes bankrupt or insolvent or any petition in bankruptcy or for reorganization or for a state court receivership is filed against Buyer, then at its option, Seller may take possession of any goods therefore sold to Buyer, in connection with which the full purchase price has not been paid, analogous to the terms and provisions set forth in Paragraphs 11 and 12 hereinafter.

**8. REFUSAL OF DELIVERY OR ORDER CANCELLATION:** If Buyer refuses to accept delivery of any goods tendered for delivery hereunder, then Seller, without prejudice to Seller's other lawful remedies, may either store or cause such goods to be stored in a warehouse, for Buyer's account and at Buyer's cost, risk and expense, or sell such goods (without notice) to any purchaser at public or private sale, and hold Buyer liable for any difference between the contract price for goods stipulated herein and the price at which such goods are resold less the costs and expense of such resale including brokerage commission.

In the event of cancellation of an order, once entered, Seller will be entitled to a cancellation charge not to exceed its costs plus anticipated profit. If the merchandise ordered can be restocked or reasonably used for other customers, a restocking charge of 20% will apply.

**9. SHORTAGE AND NON-CONFORMITY:** Any claims of shortage or that the goods do not conform with the specifications of the order must be made in writing within ten (10) days after delivery of the goods to seller or its nominees, but in no event shall the claim be late than within the time limit provided by the carrier or insurance company, otherwise such claim shall be deemed waived.

In the event that Buyer has a verified claim of shortage or of nonconformity of the goods to the specifications of the order as set forth above, Seller shall, at its own expense, make up the shortage of the goods, or replace or repair the goods, as the case may be, but in no event shall Seller be or become liable to Buyer or to any other person or persons for any loss or damage, direct or indirect, arising out of or caused by such incidents, or of the loss of profits, business or good will.

**10. ASSIGNMENT:** The Buyer shall not assign his order or any interest therein or any rights thereunder without the prior written consent of Seller.

**11. PAYMENT OF PURCHASE PRICE:** Time of payment is of the essence under this contract. Upon default in any of the terms of this contract, or failure to comply with any of the conditions hereof, or upon seizure of the property under execution or other legal process, or if Buyer becomes bankrupt or insolvent, or any petition for reorganization or for a state court receivership is filed against Buyer, or if the Buyer makes any assignment for the benefit of his creditors or otherwise sells, encumbers or disposes of the merchandise, or if for any other reason the Seller should deem itself insecure, the full amount of the purchase price then remaining unpaid shall at once become due and payable at the option of the Seller.

Seller reserves the right to charge interest on all past due balances at one and one-half (1-1/2%) percent per month.

**12. BUYER'S DEFAULT:** Upon Buyer's default, the Seller may make any disposition of the merchandise that it deems fit and, if it desires to resell the same, may do so at private or public sale, with or without notice, and with or without the property being at the sale, subject, however, to applicable Federal and State Laws. The Seller or its assignee shall have the right to bid at such sale and may become the purchaser of the property. The proceeds of the sale shall first be applied to the expenses incurred in retaking, repairing, storing, and selling the merchandise, reasonable attorneys' fees included, and then shall be applied to the payment of the balance due under the contract. If a deficiency results after resale, the Buyer agrees to pay same forthwith, together with reasonable attorneys' fees, for the recovery thereof incurred by Seller.

**13. LIMITED WARRANTY:** Seller warrants the goods sold hereunder to be free from defects in material and workmanship under normal use and service not arising from misuse, negligence or accident, in connection with the use, installation, or transportation of the goods by Buyer, its agents, servants, employees or by carriers. Seller's obligations under this warranty are limited to remedying any deficiencies in the goods at such place or places in the United States of America as may be designated by Seller. This warranty shall pertain to any part or parts of any goods to which Buyer has, within 90 days following delivery of such goods to Buyer or its nominees or the carrier, as the case may be, given written notice of claimed defects to Seller. Buyer shall be required to furnish Seller with details of such defects and this warranty shall be effective as to such goods which Seller's examination shall disclose to its satisfaction to have been defective and which at Seller's option shall promptly thereafter be returned to Seller or its nominees. This warranty is expressly in lieu of all other warranties expressed or implied. In no event shall the Seller be liable to the Buyer or to any other person for any loss or damage, direct or indirect, arising out of or caused by the use or operation of the goods, or for the loss of profits, business, or good will. Seller shall in no event be liable to any person or firm (including any assignee of Buyer) except Buyer and Buyer's successors. Seller's liability is limited to furnishing or repairing at Seller's option parts determined by Seller to be defective. Excluded from the warranty herein are defects in parts or components not manufactured directly by Seller.

**14. BUYER'S RESPONSIBILITY AS TO MAINTENANCE:** Buyer shall use and shall require its employees and agents to use all safety devices and guards and shall maintain the same in proper working order. Buyer shall use and require its employees and agents to use safe operating procedures in operating the equipment and shall further obey and have its employees and agents obey safety instructions given by Seller.

If Buyer fails to meet the obligations herein, Buyer agrees to indemnify and save Seller harmless from any liability or obligation with regard to any personal injuries or property damages directly or indirectly connected with the operation of the equipment.

Buyer further agrees to notify Seller promptly and in any event not later than ten (10) days after notice or knowledge of any accident or malfunction involving Seller's equipment which has caused personal injury or property damage and to cooperate fully with Seller in investigating and determining the causes of such accident and malfunction. In the event that Buyer fails to give such notice to Seller or to cooperate with Seller, Buyer shall be obligated to indemnify and save Seller harmless from any claims arising from such accident.

**15. CHOICE OF LAW:** This contract shall be construed under, and enforced according to, Oregon Law, whether in arbitration or in other civil proceedings as permitted herein.

**16. ARBITRATION:** Except for actions to collect sums owed by Buyer to Seller, which may be brought, at Seller's option, in a court of proper jurisdiction (as specified below), all disputes between Buyer and Seller shall be subject to binding arbitration under the rules and procedures of the United States Arbitration & Mediation Service ("USA&M"). Venue for such arbitration shall be in Portland Oregon. The award of the arbitrator shall be final and shall not be subject to appeal.

**17. VENUE AND JURISDICTION:** Any action arising under this contract which is not subject to arbitration, as required in section 16 above, shall be brought either: (1) in Clackamas County Oregon in a court of proper jurisdiction; or (2), if federal jurisdiction exists, in United States District Court for the District of Oregon, in Portland Oregon. Buyer and Seller agree to waive trial by jury in any action or other such proceedings arising out of or relating to the goods or this contract.

**18. COSTS AND ATTORNEY FEES:** The prevailing party in any action or arbitration between Buyer and Seller shall be entitled to recover, as part of any judgment or award, reasonable attorney fees and costs incurred therein, including, but not limited to: investigator's fees, witness fees (including experts if necessary), court reporter fees and transcript costs, costs of videotaped testimony, if applicable, photocopy costs, and all other reasonably necessary costs of the action or arbitration.

**18. GOVERNMENT CONTRACT:** If the products to be furnished under this order are to be used in the performance of a Government contract or subcontract, and the Government terminates such contract in whole or part, this order may be cancelled in the same proportion, and the liability of Buyer of termination allowances shall be determined by the then applicable regulations of the Government regarding termination of contracts.

**19. U.S. EXPORT LAWS:** Seller's obligations are subject to the export administration and control laws and regulations of the U.S. Government. The Buyer shall comply fully with such laws and regulations in the export, resale or other disposition of products.

**20. MISCELLANEOUS PROVISIONS:** If for any reason a provision of the contract is legally invalid, then in such event the rest of the contract shall remain in full force and effect. Any amendment to any contract or contracts shall require the consent in writing of both parties. The within terms shall govern in any instance where they conflict with the provisions of any forms used by Buyer.