



FS-Precision Tech, Co. LLC  
3025 East Victoria Street  
Compton, CA 90221

### **STANDARD CONDITIONS OF SALE**

The provisions of our Offer, including all drawings, specifications, descriptions and other documents referenced or incorporated therein, and Seller's Standard Conditions of Sale set forth hereafter constitute the entire contract between Seller and Buyer, and supersede all prior quotations, purchase orders, correspondence and other communications, written or oral, between Seller and Buyer. Failure of Seller to object to any provision in conflict herewith contained in Buyer's purchase order or elsewhere shall not constitute a waiver of the provisions hereof, nor an acceptance of Buyer's provisions. No waiver, alteration or modification of the terms herein, nor representations or warranties other than expressly herein contained shall be binding unless explicitly made or accepted in writing by an Officer of the Seller. Buyer's acceptance of Supplier's Offer, or delivery of any shipment of merchandise covered by this Offer shall constitute acceptance in full by Buyer of these Standard Terms and Conditions of Sale.

**Prices.** Seller's prices are Exworks. They do not include sales, export-import duties, use, or excise taxes, or any taxes of similar nature now or hereafter imposed with respect to the manufacture, sale, or use of the merchandise covered hereby. The amount of any such taxes which Seller may be requested to pay or to collect shall be for the account of Buyer and will be added to and become a part of the price payable by Buyer.

**Payment.** Unless otherwise agreed and specified on the face of this quotation or an acknowledgement by Seller, all orders are payable in cash not later than thirty (30) days from date of delivery. All past due amounts shall be subject to a five one-hundredths of one percent (0.05%) per day late fee. In the event of Buyer's failure to make timely payments as determined by Seller, Buyer shall be liable to Seller for all costs associated with collections, including but not limited to third party collection fees, court fees, and attorney fees. All payments shall be made to Seller without deduction or setoff. In the event that there is any dispute regarding any invoice line item, Buyer shall not withhold payment for any other line item or a portion of any line item which is not explicitly under dispute, and shall make prompt payment for all undisputed items and portions thereof. Seller may, whenever in its opinion a reasonable doubt as to Buyer's responsibility exists, suspend or alter credit terms previously quoted and require payment before shipment or delivery, or before manufacture in case of merchandise to be made to special order. Seller shall not be liable for non-performance of this sales agreement, in whole or in part.

**Delivery.** Unless otherwise agreed, shipments will be made as soon as merchandise is manufactured. Otherwise, Seller will use its best efforts to meet any scheduled delivery date agreed as part of the Offer, but will not be responsible for its failure to do so. Buyer agrees that Seller shall have no liability for any loss, damages, loss of profits, loss of business, or other direct, indirect, or consequential damages resulting from Seller's failure to deliver merchandise within the time specified herein. Seller may make early and/or partial shipments without penalty in accordance with its own production schedules.

**Cancellations.** Orders may be canceled for the convenience of the Buyer only upon condition that Buyer makes immediate payment to Seller for (1) all completed work at the contract price and (2) any amounts for which Seller shall be liable by reason of commitments made by it to its suppliers for raw materials or components or finished parts applicable to the order and (3) an amount for any portion of the Work performed prior to cancellation and (4) an amount for the allocation of future production resources. If this acknowledgement relates to a government prime or subcontract and termination charges computed as above provided are in excess of those allowable under such contracts, the termination provision set forth in Section VII of the Armed Services Procurement Regulations, as amended, and in effect on the date of this acknowledgement, shall supersede the preceding paragraph.

**Tooling Charges.** Seller shall retain title to and the right to possession of all special tooling used in the fabrication of articles to Buyer's blueprints and specifications, even though Buyer may be separately billed for any such tooling. Such tooling paid for by Buyer shall be used exclusively for the manufacture of goods by Seller in support of Buyer's orders, unless both Buyer and Seller otherwise agree in writing. Seller shall perform routine cleaning and maintenance of tooling. Buyer shall be responsible for other periodic maintenance related to tooling wear and other normal aging related to tooling use. Since all special tooling



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contains protected proprietary technology of Seller, tooling may not be removed from Seller's premises for any reason, unless approved by Seller. Under no circumstances may such tooling be transferred to any third party without the express written authorization of Seller. If no orders are received from Buyer requiring the use of such tooling for a period of three (3) years, Seller may consider the same obsolete and destroy any such tooling. Seller shall be under no liability for loss resulting from fire, theft, or other causes beyond its reasonable control, whether or not this results from the negligence of any employee or subcontractor of Seller.

**Warranty.** Seller warrants articles manufactured by it to be free of defects in workmanship or material. Any defective article for which Seller has received payment from Buyer shall be returned to the Seller within thirty (30) days from the date of receipt and before the article is modified in any way by Buyer or any other party. Buyer shall be deemed to have waived any claim on account of defective material or workmanship or for any other cause which is not made in writing within such period. Articles which, upon return to Seller's factory, are determined by Seller to have been defective in workmanship or material, will be replaced, repaired or returned for credit at Seller's sole option. Seller shall have no liability for any labor costs incident to replacement and shall not accept for return of any article which has been modified or has failed because of improper installation, maintenance or operation. **SELLER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** Seller shall have no liability for any loss, damage or expense directly or indirectly arising from the purchase or use of Seller's merchandise. Seller shall not be liable for any loss of profits, any liabilities of Buyer to its customers or third persons, or any consequential damages. Buyer's sole remedy for defective merchandise shall be limited expressly to the replacement, repair or return for credit for such defective articles. Buyer shall not withhold payments due for any reason as a result of any warranty claim.

**Intellectual Property (as "IP").** Seller shall hold Buyer harmless from any expense, injury or loss arising out of any claim of IP infringement against Buyer by reason of its sale or use of any articles subject to this order which are not made to Buyer's design, specifications, blueprints, drawings or samples. Buyer shall hold Seller harmless from any expense, injury or loss arising out of any claim of patent infringement against Seller by reason of its manufacture or sale of any articles made to Buyer's design specifications, blueprints, drawings or samples. Seller hereby makes no representation or warranty of any kind that the provided product or work will not infringe any third parties' patent, trademark, copyright, trade secret or any other IP rights. Buyer hereby agrees to assume all the expenses and/or damages which derived from any claim of IP infringement and waive all rights and/or remedies against Seller.

**Delays.** Seller shall have no liability for any loss or delays in delivery owing to strikes, accidents, fire, transportation or any other causes beyond the reasonable control of Seller.

**Compliance with Law.** Seller agrees that, in the performance of all work hereunder, it will comply with all applicable laws, rules, regulations, ordinances and orders of the United States Government and of all applicable State or political subdivisions thereof in effect at the time of its offer, except provisions which would provide access to records containing cost and/or pricing information or technical data not specifically called out as a deliverable item.

**Limitation of Liability.** Under no conditions shall Seller's liability in the aggregate exceed the price paid by Buyer for Goods or Services provided.

**Mutual Understanding.** The foregoing items and conditions shall constitute the entire agreement of the parties with respect to the order, receipt of which is hereby acknowledged. This shall be construed as an agreement made and to be performed in the State of California, and the rights and duties of the parties hereto shall be determined in accordance with the laws of that State.