
TERMS AND CONDITIONS OF SALE
SPECTRUM COMPONENT SALES, INC. ("SCS")

1. **APPLICATION OF CONDITIONS.** Any Purchase Order given or delivered to SCS shall be considered as an offer to purchase on the part of Buyer, and shall be subject to acceptance in writing by SCS. These terms and conditions of sale are a part of such acceptance and shall prevail over any inconsistent terms of any offer of Buyer, except as specifically objected to in writing subsequently by Buyer and waived, altered or modified in writing by SCS's authorized representative.

2. **ACKNOWLEDGMENT.** If this form is a sales Order Acknowledgment, then this instrument constitutes an acknowledgment of Buyer's order as SCS has entered it. If not correct in every particular, Buyer must notify SCS at once. Failure to notify SCS promptly shall constitute confirmation and approval by Buyer of the terms set forth in this Acknowledgment.

3. **PRICES.** The prices stated in SCS's quotations and acceptances may be adjusted by SCS before shipment to reflect changes in rates for import duties, precious metals and currency exchange, and to reflect SCS's general prices in effect at the time of shipment. If prices are increased, the prices in effect immediately prior to the increase will apply to shipments made during a period of thirty (30) days from the effective date of the increase against orders received prior to said effective date. Partial shipments made within said thirty (30) day protection period will not obligate SCS to make further shipments after the protection period at the lower price. If prices are decreased, the price in effect on the date of shipment will apply in all cases.

4. **TERMS OF SHIPMENT AND PAYMENT.** Terms of payment are net thirty (30) days from date of shipment, unless different terms are written on the obverse hereof or otherwise agreed in writing signed by an authorized representative of SCS. All prices for domestic or export shipments are F.O.B. point of shipment. Cost of any special packaging for export shipments shall be the responsibility of Buyer and shall be in addition to the quoted prices. Payment for export shipments must be by advance payment or by irrevocable letter of credit payable at site in U.S. funds at par, issued and confirmed by banks acceptable to SCS, unless other arrangements are agreed by authorized representatives of SCS in writing. If Buyer's account with SCS is past due, SCS may reschedule or cancel any deliveries of goods subject to this contract. If Buyer voluntarily or involuntarily becomes a debtor in any bankruptcy proceeding under the United States Bankruptcy Code, then payment for goods subject to this contract shall be by cash to SCS sixty (60) days in advance of delivery to Buyer, SCS may suspend all work towards completion of goods to be delivered hereunder until payment is made, and the date of delivery of any goods subject to this contract is on or before the sixtieth (60th) day following payment.

5. **QUANTITIES.** Quantities specified for each multiple shipments are minimum quantities and may be increased by SCS to the limit of total quantity ordered. Claims for shortages in any shipment not made within two (2) weeks after receipt by Buyer are waived by Buyer. SCS may over-ship or under-ship any order to the extent of ten percent (10%) of the total specified quantity. In determining the quantity of small parts shipped, weight count is used, which is considered within five percent (5%) (generally accepted commercial tolerance on quantity) of the actual count. In case of a discrepancy in shipment greater than five percent (5%), the packing slip shall be returned immediately with necessary comment.

6. **WARRANTY, LIMITATION OF REMEDY AND LIABILITY THEREFOR.** SCS warrants only to Buyer that goods subject to this contract are free from defect in material and workmanship, and, as the remedy of Buyer for breach of this warranty, SCS shall replace goods sold by this contract which are proven defective in material or workmanship, provided (i) Buyer notifies SCS of any claims of such defect within thirty (30) days after shipment by SCS, (ii) the return of such goods is authorized by SCS and is made to SCS within fifteen (15) days of such authorization, transportation charges prepaid and (iii) such goods are found to be defective in material or workmanship upon examination by SCS.

No item shall be considered defective if it substantially fulfills

performance requirements and is manufactured in accordance with SCS specifications or other specifications agreed in writing between the parties. No warranty shall extend to goods which have been subjected after shipment by SCS to misuse, neglect, accident or improper installation, or which have been repaired or altered other than by SCS. Goods purchased hereunder, whether manufactured by SCS or otherwise obtained by SCS, shall be subject to the limited warranty and the limitations of liability of SCS to Buyer as herein provided.

THE FOREGOING WARRANTY AND REMEDY IS IN LIEU OF ALL OTHER WARRANTIES AND REMEDIES FOR PERFORMANCE AND CONDITION OF THE GOODS, AND SCS MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING WARRANTIES FOR MERCHANTABILITY OR OF FITNESS FOR USE FOR A PARTICULAR PURPOSE.

The parties agree that should the exclusive remedy to replace fail of its essential purpose, SCS's liability shall not exceed the payments made or due to SCS from Buyer for the defective goods. SCS shall not be liable in any event for any other expense incurred by Buyer nor for any special, consequential, liquidated or other damages, losses of penalties suffered by Buyer or anyone else with respect to the performance or condition of goods subject to this contract, whether or not such loss is reasonably contemplated or foreseeable by the parties or due to a breach of warranty or contract, negligence or strict liability.

7. **PATENTS.** Buyer will indemnify and save SCS harmless against any claim for any damages or costs in any suit alleging infringement of any United States or foreign patent by the manufacture, use or sale of materials supplied by SCS pursuant to Buyer's order and made in accordance with the design or specifications furnished to SCS. SCS shall give prompt written notice of the claim or the bringing of such suit, and an opportunity shall be given to Buyer to settle or defend the same on its own account.

8. **TERMINATION AND CHANGES.** Order delivery push outs are allowed prior to 30 days of confirmed delivery date for a maximum of 60 days from the original confirmed delivery date. No order delivery push outs are allowed within 30 days of confirmed delivery date. This contract cannot be modified or terminated except with SCS's written consent and upon such terms which will indemnify and protect SCS against all losses.

9. **TOOLS.** Tools, dies, fixtures or machine setups, expressly paid for by Buyer, will be used for the production of goods for Buyer, and shall not be withdrawn without SCS's written consent. Items identified as partial tooling shall remain the property of SCS. SCS reserves the right to scrap any tool after two (2) years during with time no order has been received from Buyer requiring the use of that tool. It shall be the Buyer's responsibility to furnish new or rebuilt tooling to replace worn out or obsolete tooling previously paid for by Buyer or additional tooling as may be required to meet Buyer's delivery requirements if tooling previously paid for by Buyer is inadequate. Alteration to tooling necessitated by a change in Buyer's specifications shall be at Buyer's expense.

10. **TAXES.** Any present or future taxes which SCS may be required to pay or collect with respect to the sale, purchase, delivery, storage, use, consumption or transportation of the subject matter of the accompanying quotation, acceptance or invoice shall be charged to Buyer.

11. **ADJUSTMENTS.** Any claims adjusted by SCS's sales representative are subject to SCS's written approval.

12. **DELIVERY.** Goods shall be shipped by SCS when prepared in the ordinary course of business. Dates of shipment specified in this contract are targets but not commitments of SCS. SCS will endeavor to schedule shipments in accordance with Buyer's requirements. SCS shall not be liable for delay in performance due to acts of God, war, riot, legal restrictions, labor controversies, delays in transportation, delays caused by SCS's suppliers or any other foreseeable or any other foreseeable or unforeseeable cause beyond its reasonable control.