

## FORTIMING CORPORATION TERMS & CONDITIONS OF SALE

1. **PRICE:** All prices are based on shipments made Ex Works Seller's factory. Prices are subject to change without notice and billing will be based on prices in effect at the time of shipment. Price quotations shall remain in effect for the period of time specified in the quotation, but if no such time period is specified, billing shall be based on prices in effect at the time of shipment. Unless specifically included in the price quotation, such quotations will not include supplying pre-production or evaluation samples or supplying test data of any kind.
2. **DELIVERY:** Seller shall use its best efforts to make deliveries in the quantities and at the times specified in this order. Unless the Buyer specifies shipping instructions, shipment and delivery will be made by the carrier and in the manner designated by the Seller. Seller shall not be liable for delays or defaults in deliveries due to causes beyond Seller's control and without its fault or negligence.
3. **RISK OF LOSS:** Unless otherwise specifically agreed to in writing by the Seller, all sales made hereunder shall be Ex Works Seller's factory and title to products priced Ex Works Seller's factory shall pass to Buyer upon delivery at such shipping point.
4. **INSPECTION:** Buyer shall perform incoming inspection and testing on a statistical basis or as otherwise necessary to monitor the quality of the products shipped hereunder. Buyer may reject those products that do not meet specifications. Provided however, that any such inspection or testing performed by the Buyer hereunder must be done within thirty (30) days of the receipt of any shipment included hereunder. Buyer's failure to perform as specified herein shall result in a waiver of his right to rejection.
5. **PAYMENT:** Payment terms are net thirty (30) days from date of invoice unless otherwise specified on the face of this document. A one percent (1%) service charge will be added for every month or part of a month that the amount due remains unpaid after its due date.
6. **DAMAGES:** Seller will replace, at the delivery point specified herein, any product furnished hereunder that is found to be defective or otherwise fails to conform to the terms and conditions included herein or, and at Seller's option, Seller will repay the price paid for such product. The Buyer hereunder must make claims in writing to the Seller within thirty (30) days of the receipt of shipment. Upon receipt of any notice of claim as provided hereunder, Seller shall be given a reasonable time within which to investigate the Buyer's claim and to cure all defects. Buyer's legal remedies with respect to any products furnished by Seller hereunder that are found to be defective or otherwise fail to conform to the terms and conditions included herein, shall be limited exclusively to the right to replacement thereof or to repayment of the price, as provided above. No legal action shall be commenced against Seller with respect to the liability of Seller hereunder more than twelve (12) months after the occurrence alleged to give rise to such liability. In no event shall Seller be liable to Buyer for consequential, incidental or exemplary damages, including but not limited to, loss of profit or revenue, loss of use of machinery or equipment, labor costs, downtime costs or claims of Buyer's customers for damages.
7. **WARRANTY:** Seller warrants that (a) upon delivery good title to the products included hereunder, free and clear of all liens of whatsoever kind or nature, will vest in the Buyer, and (b) that the products delivered will conform to the specifications and be free of defects in material and workmanship for a period of one (1) year from date of delivery. Notwithstanding the foregoing, samples and prototypes are provided "AS IS," WITHOUT WARRANTY OF ANY KIND. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE UNLESS OTHERWISE SPECIFICALLY STATED IN WRITING BY SELLER.
8. **CHANGES:** Buyer may from time to time request changes in this order, including but not limited to, changes in drawings, designs, specifications, method of inspection, method of packaging, order period, rate of shipment, method of shipment, and/or place of delivery, or other provisions contained herein, by written instruction to Seller in a change order notice or letter from Buyer's Purchasing Department. Seller shall determine whether such change causes an increase or decrease in cost or time of performance of this order and thereafter shall notify Buyer's Purchasing Department in writing within sixty (60) days from the date of receipt of such change order notice, or letter, or within such other time limit as agreed to by Buyer and Seller, and a mutually satisfactory adjustment shall be negotiated. The agreed to adjustment shall be incorporated as part of this agreement by means of a written change order notice from Buyer's Purchasing Department. In the event that the requested change order notice is of such a nature and scope as to preclude mutual agreement between Buyer and Seller, Buyer or Seller may terminate this order. Any termination hereunder shall be considered a termination for the convenience of the Buyer and governed by paragraph 9(b) of this contract.
9. **TERMINATION:** (a) Seller shall have the right to cancel purchase orders of the Buyer in the event the Buyer fails to comply with the terms of payment specified in this contract or in any prior or subsequent purchase order included herein. In the event Seller shall have reasonable grounds to doubt, at any time, the Buyer's financial responsibility to perform under this contract, the Seller shall demand, in writing, adequate assurances of performance from the Buyer and shall, until such assurances are received from Buyer, suspend its performance under this contract. Upon receipt of a justified demand, as provided hereunder, Buyer's failure to provide adequate assurances of performance, acceptable to the Seller, within thirty (30) days of the receipt of such notice, shall be considered a repudiation of the contract and shall entitle the Seller to proceed as specified in section (b) of this paragraph. (b) Except as otherwise provided herein, this order is subject to termination in whole or in part, at the election of Buyer upon delivering thirty (30) days advance written notice to Seller. Upon receipt of such termination notice, Seller shall forthwith discontinue all work and the incurring of any additional expenses relating hereto except as may be directed by Buyer in the termination notice. In such event, Buyer shall pay such amount as Seller and Buyer may agree is to be paid by reason of the termination. In the event of failure to agree upon the amount to be paid by reason of the termination, Buyer will pay to Seller and Seller agrees to accept in full payment: (i) The stipulated price with respect to products completed in accordance with Buyer's order, (ii) Seller's cost and expense, including a reasonable allowance for profit, in connection with the unfinished work and raw materials on hand acquired for the completion of this order, (iii) Cost or damages of completion or cancellation (as the case may be and at the election of Seller) of contracts for raw materials ordered specifically for this order and (iv) Seller's un-captured amortized capital expenditures, if no further reasonable volume is expected. (c) Notwithstanding any other provision, Seller may for any reason, without liability, terminate purchase orders upon thirty (30) days written notice to Buyer ("Notification Period"). Unless the parties otherwise agree in writing to make adjustments to production and/or delivery schedules, any products on order with delivery scheduled outside the Notification Period will be canceled, without liability to Seller. Nothing in this paragraph shall in any way modify any other provision of these terms and conditions relating to cancellation or termination by Buyer.
10. **SALES AND OTHER TAXES:** The purchase price does not include sales, use, excise or other taxes. Consequently, in addition to the purchase price specified herein, the amount of any present or future sales, use, excise or other tax applicable to the sale of products sold hereunder or the use of such products by the Buyer shall be paid by the Buyer or, in lieu thereof, the Buyer shall furnish Seller with a tax exemption certificate acceptable to the appropriate taxing authority.
11. **EXPORT:** Buyer is responsible to ensure that it complies with all applicable U.S. export and international trade control laws, including but not limited to the U.S. Department of Commerce's Export Administration Regulations (EAR), the U.S. Department of State's International Traffic in Arms Regulations (ITAR), and all economic and trade sanctions administered by the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC). Buyer will indemnify Seller for Buyer's non-compliance with applicable export control laws.
12. **PATENTS:** Seller shall indemnify Buyer for all direct and actual damages recovered from Buyer by a third person in any legal proceedings for infringement of United States Letters Patent by the products furnished hereunder, provided that Buyer promptly notifies Seller of the claimed infringement, permits Seller to assume the defense thereof, and cooperates with Seller with respect to such defense. If Seller elects not to assume the defense, Seller shall also indemnify Buyer for all expenses incurred in the defense of such infringement action. In the event products furnished hereunder are produced under specifications of Buyer, no liability under this paragraph shall arise against Seller. Buyer agrees to save Seller harmless from patent and any other intellectual property infringements resulting from Seller's compliance with designs and/or specifications (unless originating with Seller) now or hereafter forming a part of this contract or with specific written instructions given by Buyer for the purpose of directing the manner in which Seller shall perform this contract.
13. **FORCE MAJEURE:** Neither Seller nor Buyer shall be liable to the other for default or delay in delivering or accepting goods hereunder if caused by an Act of God, war, mobilization, riot, strike, embargo, shortage of utility, facility, material or labor, delay in transportation, breakdown or accident, or compliance with or action taken to carry out the extent or purpose of any law or regulation. When only a part of Seller's or Buyer's capacity to perform is excused under this paragraph, Seller or Buyer must allocate production, deliveries, or receipt of deliveries among various customers or suppliers then under contract for similar products during the period when Buyer or Seller is unable to perform. The allocation must be effected in a commercially fair and equitable manner. When either Seller or Buyer claims an excuse for nonperformance under this paragraph, it must give notice in writing to the other party. When an allocation has been made, notice of the estimated quota made available for Buyer or Seller, as the case may be, must be given. Should such inability to perform continue for a period in excess of sixty (60) days Seller shall not be obligated to sell, nor shall Buyer be obligated to purchase, at a later date, that portion of the goods which Seller is unable to deliver or Buyer is unable to receive or use because of any of the aforementioned causes beyond the control of the parties.
14. **GENERAL:** (a) Any clause required to be included in a contract of this type by any applicable law or administrative regulation having the effect of law shall be deemed to be incorporated herein. (b) No terms or conditions other than those stated herein, and no agreement or understanding, oral or written, in any way purporting to modify these terms or conditions, whether contained in Buyer's purchase or shipping release forms or elsewhere, shall be binding on Seller unless hereafter made in writing and signed by its authorized representative. All proposals, negotiations, and representations, if any made prior to and with reference hereto, are merged herein. (c) Waiver by Seller or Buyer of any breach of these provisions shall not be construed as a waiver of any other breach. (d) The validity, construction and performance of the parties' agreement are governed by the law of the State of Nevada, without regard to its conflicts of law provisions. The U.N. Convention on Contracts for the International Sales of Goods does not apply; all terms must be construed in accordance with the Uniform Commercial Code as enacted in the State of Nevada. (e) The parties irrevocably submit and agree to the jurisdiction of the state and federal courts of the State of Nevada. (f) If any provision of these Terms of Sale is held by a court of competent jurisdiction to be contrary to law or public policy, the remaining provisions will remain in full force and effect.