

AirBorn Interconnect, Inc. Sales Order Standard Terms & Conditions

1. TAXES:

Prices do not include taxes, now or thereafter enacted, applicable to the goods sold or this transaction; any such taxes will be added by SELLER to the sales price where SELLER is required by law to collect the same, and will be paid by BUYER unless BUYER provides SELLER with a proper tax-exemption certificate.

2. PRICES AND RELEASES:

Prices apply only if the quantity ordered hereunder is released within twelve (12) months and shipments scheduled no more than eighteen (18) months from the date SELLER received BUYER'S order; otherwise, SELLER'S standard price in effect on such receipt date for the quantity actually shipped apply, and BUYER shall pay the difference in price, if any. Minimum order is \$250.00. In the event of extraordinary increases in the market price of fuels, metals, raw materials, equipment, and other production costs, SELLER shall have the right and BUYER shall have the obligation to renegotiate in good faith the price of the goods hereunder not yet shipped, and if, in good faith, agreement is not reached, each party shall have the right to cancel this contract without liability. Prices shown herein are subject to a surcharge to be assessed on the date of shipment to reflect increases (if any) in the market price of Gold and Silver or other identified materials between a reference market price and the market price on date of shipment.

3. TITLE AND DELIVERY:

Domestic shipments of goods within the U.S. shall be delivered F.O.B. SELLER'S plant, and title and liability for loss or damage thereto shall pass to BUYER upon SELLER'S tender of delivery of the goods to a carrier for shipment to BUYER, and any loss or damage thereafter shall not relieve BUYER from any obligation hereunder. Seller may deliver the goods in installments. Shipping dates are approximate only.

4. QUANTITIES:

Any variation in quantities of goods shipped over or under the quantities ordered (not to exceed 5%) shall constitute compliance with BUYER'S order and the unit price shall continue to apply.

5. TERMS AND METHOD OF PAYMENT:

Where SELLER has extended credit to BUYER, terms of payment shall be net thirty (30) days from date of invoice. The amount of credit of terms of payment may be changed or credit withdrawn by SELLER at any time. If the goods are delivered in installments, BUYER shall pay for each installment in accordance with the terms of payment hereof. Payment shall be made for the goods without regard to whether BUYER has made or may make any inspection of the goods. If shipments are delayed by BUYER, payments are due from the date when SELLER is prepared to make shipments. Goods held for BUYER are at BUYER'S sole risk and expense. In the event of a bonafide dispute of SELLER'S invoice amount, BUYER shall deduct the disputed portion and remit the balance with a detailed written explanation of such dispute. Delinquent invoices are subject to a monthly service charge of 1.5% (or highest % allowed by law), which shall be added to the invoice amount.

6. CONTINGENCIES:

Either party shall be excused from performance and shall not be liable for any delay in delivery or for non-delivery, in whole or in part, caused by the occurrence of any contingency beyond their control, including, but not limited to, war (whether an actual declaration thereof is made or not), sabotage, insurrection, riot or other act of civil disobedience, act of public enemy, failure or delay in transportation, act of government or any agency or subdivision thereof affecting the terms of this contract or otherwise, judicial action, labor dispute, accident, fire, explosion, flood, storm or other acts of God, shortage of labor, fuel, raw material or machinery or technical or yield failure where each party has exercised ordinary care in the prevention thereof. If any contingencies occur, SELLER may equitably allocate production and deliveries among SELLER'S customers.

7. SUBSTITUTIONS AND MODIFICATIONS OF GOODS:

SELLER may modify the specifications of goods designed by SELLER and substitute goods manufactured to such modified specifications for those specified herein provided such goods conform to this contract.

8. WARRANTIES:

THE FOLLOWING ARE IN LIEU OF ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND OF ANY OTHER WARRANTY OBLIGATION ON THE PART OF SELLER. SELLER, except as otherwise hereinafter provided, warrants the goods against faulty workmanship or the use of defective materials and that such goods will conform to mutually agreed upon written specifications, drawings, and other descriptions for a period of six (6) months from date of shipment. SELLER also warrants that at the time of delivery, SELLER has title to the goods free and clear of any and all liens and encumbrances.

A. Continued use or possession of the goods after expiration of the applicable warranty period shall be conclusive evidence that the warranty is fulfilled to the full satisfaction of BUYER.

B. SELLER makes no warranty as to the experimental or developmental goods or goods not manufactured by SELLER, provided that as to goods not manufactured by SELLER, to the extent permitted by SELLER'S contract with its supplier, shall assign to BUYER any rights SELLER may have under any warranty of the supplier thereof.

C. SELLER'S warranties as hereinabove set forth shall not be enlarged, diminished or affected by, and no obligation or liability shall arise or grow out of, SELLER'S rendering of technical advice or service in connection with BUYER'S order of the goods furnished hereunder.

THESE WARRANTIES ARE THE ONLY WARRANTIES MADE BY SELLER AND CAN BE AMENDED ONLY BY A WRITTEN INSTRUMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF SELLER.

9. PATENT AND COPYRIGHT INDEMNITY:

A. SELLER shall defend any suit or proceeding brought against BUYER which is based on a claim that any goods supplied hereunder constitute infringement of any duty assigned U.S. patent or copyright or other industrial property rights of third parties, and SELLER shall pay all damages and loss, finally awarded herein against BUYER, provided that SELLER is promptly informed and furnished a copy of each communication, notice or other action relating to the alleged infringement and is given authority, information, and assistance (at SELLER'S expense) necessary to defend or settle said suit or processing. SELLER shall not be obligated to defend or be liable for costs and damages if the infringement arises out of compliance with BUYER'S designed and specifications, or indemnity obligations herein stated with respect to SELLER shall reciprocally apply with respect to BUYER.

B. If any goods manufactured and supplied by SELLER to BUYER shall be held to infringe any UNITED STATES patent, copyright, or other property right, and BUYER shall be enjoined from using same, SELLER will exert its best efforts, at its option and at its expense, (I) to procure for BUYER the right to use such goods free of any liability for infringement, or (II) to replace such goods with a no infringing substitute otherwise complying substantially with all requirements of this contract or, (III) refund the purchase price and the transportation costs of such goods.

C. If the infringement by BUYER is alleged prior to completion of delivery of the goods under this contract, SELLER may decline to make further shipments without being in breach of this contract, and provided SELLER has not been enjoined from selling said goods to BUYER, SELLER agrees to supply said goods to BUYER at BUYER'S option, whereupon the indemnity obligations herein states with respect to SELLER shall reciprocally apply with respect to BUYER.

D. The sale by SELLER of the items ordered hereunder does not grant to, convey, nor confer upon BUYER or BUYER'S customers, nor upon anyone claiming under BUYER, a license, express or implied, under any patent rights of SELLER covering or relating to any combination, machine, or process in which said items might be or are used.

THE FOREGOING STATES THE SOLE AND EXCLUSIVE LIABILITY OF THE PARTIES HERETO FOR PATENT INFRINGEMENT AND IS IN LIEU OF ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, IN REGARD THERETO.

10. TOOLS AND DIES:

All tools and dies, e.g., fixtures, gauges, assembly equipment (not specifically ordered on the face hereof and separately paid for), which are made in the performance hereof, shall be SELLER'S sole property.

BUYER furnished materials, tools, dies, and equipment shall be at BUYER'S sole use and expense, and any requested repair, replacement, or maintenance thereof shall be done by BUYER. If BUYER deems to remove such items from SELLER'S property, it shall request SELLER for permission to remove, which shall NOT BE UNREASONABLY WITHHELD.

11. REMEDIES AND DAMAGES:

A. If SELLER breaches its warranties as contained in paragraph 8 herein, SELLER'S sole and exclusive liability shall be (at SELLER'S option) to repair, replace, or credit BUYER'S account for any such goods which are returned by BUYER during the applicable warranty period provided that (I) SELLER is promptly notified in writing upon discovery by BUYER that such goods failed to conform to this contract with a detailed explanation of any alleged deficiencies, (II) such goods are returned to SELLER, F.O.B. SELLER'S plant from which goods were shipped, and (III) SELLER'S EXAMINATION OF SUCH GOODS SHALL DISCLOSE THAT SUCH ALLEGED DEFICIENCIES ACTUALLY EXIST AND WERE NOT CAUSED BY ACCIDENT, MISUSE, NEGLIGENCE, ALTERATION, IMPROPER INSTALLATION, UNAUTHORIZED REPAIR OR IMPROPER TESTING: If such goods fail to conform to the warranty, SELLER shall reimburse BUYER for the transportation charges paid by BUYER for such goods. If SELLER elects to repair or replace such goods, SELLER shall have a reasonable time to make such repairs or replace such goods. AUTHORIZATION MUST BE OBTAINED FROM AIRBORN PRIOR TO THE RETURN OF ANY MATERIAL FOR ANY REASON WHATSOEVER.

12. TERMINATION AND CANCELLATION:

A. BUYER may terminate this contract in whole or, from time to time, in part upon sixty (60) days' advance written notice to SELLER. In such event BUYER shall be liable for termination charges which shall include a price adjustment based on the quantity of goods actually delivered, and all costs, direct or indirect, incurred or committed for this contract together with a reasonable allowance for prorated expenses and anticipated profits. Any such termination shall be subject to a minimum termination charge of ten percent (10%) of the dollar amount of sales terminated. Orders placed through SELLER'S AirBorn Distribution Service may not be cancelled.

B. If in the SELLER'S judgment, BUYER'S financial condition does not justify the terms of payment specified herein, SELLER may cancel this contract unless BUYER shall immediately pay for all goods which have been delivered and pay in advance for all goods to be delivered.

13. NON-WAIVER OF DEFAULT:

In the event of any default by BUYER, SELLER may decline to make further shipments. If SELLER elects to continue to make shipments, SELLER'S action shall not constitute a waiver of any default by BUYER or in any way affect SELLER'S legal remedies for any such default.

14. APPLICABLE LAW:

The validity, performance, and construction of this contract shall be governed by the laws of the state of Texas.

15. U.S. GOVERNMENT CONTRACTS:

If the goods to be furnished under this contract are to be used in the performance of a U.S. government contract or subcontract and a U.S. government contract number shall appear on BUYER'S purchase order. Those clauses of the applicable U.S. government procurement regulation which are mandatorily required by federal statute to be included in U.S. government subcontracts shall be incorporated herein by reference.

16. RIGHTS IN TECHNICAL DATA:

The SELLER is not willing to accept the unlimited availability of its data to any procurement activity.

A. Detailed part drawings and manufacturing processes are considered proprietary.

B. Outline drawings, material specifications and military specification slash sheets are available on the majority of SELLER'S parts.

C. The special detailed and processes developed to competitively manufacture the goods sold hereunder are proprietary and serve to protect our commercial position.

D. If multiple sources are required, the SELLER will consider providing technical assistance under license to enable an industrial enterprise with the proper credentials to manufacture the goods in question.

17. ASSIGNMENT:

This contract shall be binding upon and inure to the benefit of the parties and the successors and assigns of the entire business and goodwill of either SELLER or BUYER or of that part of the business of either used in the performance of this contract, but shall not be otherwise assignable.

18. MODIFICATION:

This contract constitutes the entire agreement between the parties relating to the sale of goods described on the face or reverse hereof and supersedes all previous communications, representations, or agreements, either oral or written, with respect to the subject matter here for, and on representations or statements of any kind made by any representative of SELLER, which are not stated herein, upon the face or reverse of this contract shall be binding upon SELLER unless made in writing and signed by a duly authorized representative of SELLER. No course of dealing or usage of trade or course of performance shall be relevant to explain or supplement any term expressed in this contract.