

# HAI Advanced Material Specialists INC. (“SELLER”)

## TERMS AND CONDITIONS OF SALE

The sale of any service (including, without limitation, coating, engraving, repairing, plating or other processing services) or articles (including without limitation, powders, slurries, ceramic materials, equipment, parts or supplies) shall be governed by the terms and conditions contained in this contract. Seller hereby offers to sell such services or articles to Buyer only upon the following terms and conditions; and the submission of any articles by Buyer to Seller for processing as described herein or Buyer's accepting any services or articles described herein shall constitute assent to said terms and conditions:

1. The terms of payment shall be net thirty (30) days after the date of Seller's invoice. Seller reserves the right, among other remedies either to terminate this contract or to suspend further deliveries upon failure of Buyer to make any payment pursuant to this contract or any other agreement between the parties hereto. If, in the judgment of Seller, Buyer's financial responsibility becomes impaired, Seller may refuse to deliver except for cash on delivery or, at seller's option, prepayment of the total price; and Seller may demand immediate payment in full for all services performed or articles previously delivered hereunder. A late charge of one and one-half percent (1-1/2%) per month (but not in excess of the lawful maximum) will be imposed on all past due balances, prorated on a daily basis for each day that payment is due. The prices quoted herein will be applicable only to those services provided, or that portion of the quantity of articles which are scheduled for shipment to Buyer, by Seller within ninety (90) days from the date of this contract. The remaining portion of the services or articles will be subject to the prices in effect at the time of providing the services or shipping the articles, unless otherwise specified in this contract or in a writing signed by one of Seller's officers or managers.

2. If under the terms herein Buyer is required to supply Seller with articles for further processing, Buyer shall supply articles meeting the specifications referenced on the face of this contract. Seller shall not be responsible for any claims with respect to any articles furnished Seller which do not conform to such specifications. All costs incurred by Seller in removing defective coating from any articles submitted to Seller hereunder by any means other than the standard stripping procedures developed and used by Seller shall be for Buyer's account, and in addition to the prices quoted. Any fixtures will remain the property of Seller and will be available for use on subsequent orders.

3. Title and risk loss of articles shipped hereunder shall pass to Buyer upon delivery to a carrier at Seller's plant. In addition to the prices quoted on the face of this contract, Buyer shall pay Seller the amount of all taxes, excises and/ or other governmental charges (except taxes on or measured by net income) that Seller may be required to pay with respect to the services performed or articles sold hereunder. All transportation charges on articles processed or manufactured by Seller shall be the account of Buyer.

4. Seller warrants that at the time of delivery each of the articles and/or services supplied under this contract will meet Seller's applicable standard specifications for such articles or services in effect at that time or such other specifications as have been expressly agreed upon with Buyer and referenced on the face of this contract. THERE ARE NO EXPRESS WARRANTIES BY SELLER OTHER THAN SPECIFIED IN THIS PARAGRAPH 4. NO WARRANTIES BY SELLER (OTHER THAN WARRANTY TITLE) SHALL BE IMPLIED OR OTHERWISE CREATED INCLUDING BUT NOT LIMITED TO WARRANTY OF MERCHANTABILITY AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, EACH OF WHICH IS EXPRESSLY DISCLAIMED HEREIN. Without limiting the generality of the foregoing, Buyer assumes all risk and liability for the results obtained by the use of any articles processed or sold hereunder in any manufacturing processes or in combination with any substances or articles.

5. Buyer shall make an examination both as to quantity of articles delivered and as to the quality of work performed hereunder immediately upon receipt of the articles processed or sold hereunder, and failure of Buyer to give notice of any claims within thirty (30) days after receipt of the articles shall be an unqualified acceptance of the services or articles described hereunder and a waiver by Buyer of all claims with respect thereto. No claims against Seller of any kind, whether based on warranty, contract, negligence or other legal theory, shall be greater in aggregate amount than the price charged by Seller to process or sell the articles in respect of which such claims are made. In no event shall Seller be liable for any special, indirect, incidental or consequential damages.

6. Neither party shall be liable for its delay or failure to perform hereunder (except payments as they become due) due to contingencies beyond its control, including but limited to, acts of God, fires, floods, wars, sabotage, accidents, labor disputes or shortages, governmental laws, ordinances, rules and regulations, whether valid or invalid (including but not limited to, priorities, requisitions, allocations and price adjustment restrictions), inability to obtain coating or other materials, electrical power, equipment or transportation or any other similar or different contingency. If Seller cannot, due to any of the aforesaid contingencies, supply Buyer's total demand for any services or articles ordered hereunder, Seller may allocate its available production capacity of such services or articles among Buyer and Seller's other customers ( including its internal components) on any basis which it deems to be fair and reasonable, without any liability for an failure of performance that may result.

7. Seller does not, by reason of the performance of service or sale of articles described herein, grant Buyer any right to use the articles processed or sold hereunder in the practice of any process or in combination with any other materials under any patent of Seller or any third party covering such process or combination. Buyer assumes all responsibility for demanding whether relevant patents exist covering the processing or use articles processed or sold hereunder.

8. The validity, interpretation and performance of this contract shall be governed in accordance with the laws of the State of California referenced to its conflicts of laws principles. No modifications by Buyer of these terms and conditions shall be valid unless accepted in writing by one of Seller's officers or managers and, without limiting the generality of the foregoing, no such modification shall be effected by the acknowledgement or furnishing of purchase order forms containing other or different terms or conditions, whether or not signed by any representative of Seller, all of which are expressly rejected herein. Failure of either party to exercise any right under this contract on one occasion shall not waive the right to exercise the same on another occasion. This contract is not assignable, in whole or in part, without the prior written consent of Seller.

9. Because of the difficulties inherent in electroplating and metal finishing, in the event that the result of Seller's services are unsatisfactory due to metal imperfections, changes in grade or composition of materials, original manufacturing and/or fabrication imperfections, uses for which the plating or other finishing operation was not reasonably designed, or similar variables over which Seller has no control, Buyer shall pay in full the prices for the services performed, and no liability shall attach to Seller, regardless of the results. Where Seller's services, including any operations or processes performed by Seller are in the nature of "salvaging" parts or materials, such work will be performed on a "reasonable efforts" basis. Buyer shall pay in full the prices for the services performed, and no liability shall attach to Seller, regardless of the results.