



Please initial and return form back as confirmation of reviewing terms. Thank you.

Invoice Terms

No. 1. PAYMENT. Terms of payment are 1/2% 10 Net 30 days. A finance charge of one and half percent (1 1/2%) per month will be added to all past due balances. Payment shall not prejudice claims on account of damages, omissions or shortages in shipment, but no such claim will be allowed unless made within THIRTY (30) DAYS AFTER RECEIPT BY BUYER. Failure of Buyer to remit within fifteen (15) days of notification shall constitute breach of contract. Buyer agrees to pay all costs of collection, including attorney's fees and trial and appellate fees, in the event of the default of Buyer. Buyer acknowledges substantial contacts with Seller in Mecklenburg County, North Carolina, and agrees to accept venue in Mecklenburg County, North Carolina, should litigation on this Credit Application become necessary.

No. 2. FREIGHT COLLECT SHIPMENTS. If shipment is sent freight collect and the account number provided by the customer is incorrect, invalid or cancelled, the freight charges will be invoiced to the customer. If the customer's payment terms are credit card, the freight charges will be charged to the same credit card as used to pay the invoice. Credit card payments will be subject to a 3% processing fee. For all other payment terms the freight charges will be due immediately upon receipt of the invoice.

No. 3. DELIVERY. Without prejudice to any of Buyer's other rights hereunder, title and risk of loss shall pass to Buyer on delivery of goods hereunder by Seller to carrier regardless of who bears the cost of freight. Seller shall not be liable for any delays in or failure of delivery due to acts of God or public authority, labor disturbance, accidents, fires, floods, extreme weather conditions, failures and delays of carriers, shortages of material, delays of a supplier due to causes beyond Seller's control, or any other causes beyond the control of Seller. Seller shall notify buyer of any such delay as soon as it becomes apparent. In no event shall Seller be liable to consequential or special damages arising out of delay on or failure of delivery.

No.4. SHIPMENT. Seller reserves the right of over or under shipment of goods manufactured to Buyer's order but not exceeding ten percent (10%) of the quantity ordered. The total price shall be adjusted to reflect the increase or decrease of quantity. This clause will not apply to items normally carried in Seller's inventory.

No.5. INSPECTION. All goods ordered by Buyer shall be subject to final inspection by Buyer, provided such inspection is completed within thirty (30) days after receipt of goods. Seller's Quality Control System is in accordance with MIL-O-9858 and NASA 200-3, and any other standards or specifications of quality control shall not be binding on Seller unless noted on the face of Buyer's order and specifically agreed to in writing by Seller, and then only those sections of the standards or specifications so noted which are directly applicable to Seller's type of manufacture of products shall be binding on Seller.

No.6. WARRANTIES. All goods sold hereunder are warranted to be free from defects in material and workmanship and/or to conform to applicable specifications, drawings, blueprints and/or samples. THE FOREGOING COMPRISES SELLER'S SOLE AND ENTIRE WARRANTY. ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, AND INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR INTENDED PURPOSE, ARE EXPRESSLY EXCLUDED. The seller's sole obligation under these warranties shall be to issue credit, repair or replace any item or part thereof which is proved to be other than as warranted. Seller shall have the sole right to determine whether such parts shall be repaired or replaced or whether credit shall be issued. No allowances shall be made for any labor charges to Buyer for replacement parts, adjustments, or repairs, or any other work unless advance written authorization for such charges is given by Seller. In no event shall Seller be liable for collateral or consequential damages. If goods are claimed to be other than as warranted, Seller, upon notice promptly given, will either examine the goods at Buyer's site or issue shipping instructions for return to Seller (transportation costs prepaid by Buyer), and if any goods are proven to be other than as warranted, transportation costs (cheapest way) to and from Seller's plant will be born by Seller and reimbursement, or credit will be made for amounts so expended by Buyer. Every such claim for breach of warranties herein contained shall be deemed to be waived by the Buyer unless made in writing within ten (10) days from the date of shipment of the goods to which such claims relates. These warranties shall not extend to any goods or parts thereof which have been subject to misuse or neglect, damaged by accident, rendered defective by reason of improper installation or by the performance of repairs or alterations outside of Seller's plant, except when performed under Seller's specific authority. These warranties shall not apply to any goods or parts furnished by Buyer or acquired from others at Buyer's request and/or to Buyer's specifications.

No. 7. CHANGE IN SPECIFICATIONS OR DESIGN. Should Buyer request that changes be made in the specifications or design relating to any goods, delivery dates and schedules shall be revised accordingly, if necessary, and an equitable adjustment (upward or downward) shall be made in price so far as warranted.

No. 8. TERMINATION., REDUCTION IN QUALITY, RESCHEDULING DEIVERY. In the event Buyer desires to terminate any part or all of the work to be done hereunder, reduce the quantity of goods ordered, or reschedule the delivery of any goods, fair compensation shall be made to Seller. Seller shall recover without duplication the contract price for articles which have been completed, the actual costs incurred by Seller which are properly



applicable or apportionable under recognized commercial accounting practices to terminate work (including the cost of discharging liabilities) plus a reasonable profit, the reasonable costs and expenses incurred by Seller in making settlement hereunder and in protecting property in which Buyer has interest, and/or the increased costs incurred by Seller by reason of a revision in the delivery schedule.

No. 9. BUYER'S PROPERTY. Any patterns, equipment or materials furnished by Buyer shall be used only in the production of goods ordered by the Buyer and not otherwise, unless with Buyer's written consent. Seller agrees to exercise reasonable care with respect to such property while in Seller's possession and control, but shall not be responsible for loss or for damage occurring without Seller's fault or negligence or for ordinary wear and tear for two (2) consecutive years no orders are received from Buyer for a particular product, any tooling or equipment, whether owned by Buyer or Seller, required for producing such product, as well as any inventory of such product, may be destroyed by Seller without any notice to Buyer or liability to Seller.

No.10. PARTS SUPPLIED BY BUYER. Where Buyer supplies parts and/or materials to be bonded, fabricated or otherwise used in connection with the works to be performed by Seller, Buyer agrees to supply Seller with such parts and/or materials in quantities at least five percent (5%), or some other pre-negotiated amount, in excess of that required to fill Buyer's order to cover possible production loss. All such parts and/or materials that are not used in filling Buyer's order shall be returned to Buyer at Buyer's expense. Whatever amount of parts and/or materials Buyer furnishes Seller, Seller shall be permitted a reasonable amount for production loss, and the order shall be considered filled at the lesser quantity completed.

No. 11. PATENT INFRINGEMENT. Unless the design for the goods shall have been furnished by Buyer to Seller and used by Seller in manufacturing the goods, Seller shall defend and save harmless Buyer from any claim that any claim that any product or article sold to Buyer hereunder in and of itself infringes any United States letters patent by reason of its sale, provided further that Seller is permitted to defend the same in Buyer's name if action be brought. If the product or article sold to Buyer hereunder is manufactured by Seller according to a design or specification furnished by Buyer, Buyer will defend and save harmless Seller from any if infringement of any letters patent.

No. 12. PATENT AND DATA RIGHTS. Notwithstanding anything to the contrary in Buyer's terms and conditions, unless a specific order or contract is such that A.S.P.R. paragraph 9.107, et. seq., would require a patent rights clause to be applicable thereto, and/or related data clause to be applicable thereto, or A.S.P.R. paragraph 9-203.1, et. seq., would require a basic data and related data clause to be applicable thereto, all patents, inventions, improvements, discoveries, writings, recordings, pictorial reproductions, drawings, data, graphic representations, proprietary information, copyrights, trademarks or works of a similar nature originated or owned by Seller, used in, arising out of or derived from the performance of Buyer's contract, shall be the sole and exclusive property of Seller. Seller shall be under no obligation to deliver any of the foregoing to Buyer, and Seller's right hereunder may take place unless specifically agreed to and acknowledged by Seller.

No. 13. RESTRICTIVE USE OF DATA. Any data, proprietary information or other works set forth in paragraph 11 hereof, furnished by Seller pursuant to obtaining or fulfilling this order, shall not be disclosed by Buyer to anyone outside of Buyer's organization, except the United States government where required by law, nor shall be duplicated or used in whole or in part within Buyer's own organization for any purpose other than to evaluate Seller's quotation and assist in fulfilling this order.

No.14. PRICE REVISION. Notwithstanding any other items shown hereon, all prices listed hereon are subject to adjustment. Pricing in effect on the date of shipment shall apply at Seller's option.

No.15. PRODUCTION PREPERATION CHARGE. Any physical equipment involved in Seller's item designated as "Production Preparation Charge" shall remain the sole and exclusive property of Seller, and Buyer hereby waives all rights therein. All tooling remains property of Wyatt Seal, Inc.

No. 16. BUYER-SPECIFIED SOURCES. Where any plating, heat treating, finishing or subcontract work of any kind is performed for Seller by a source specified or selected by Buyer, Buyer assumes, and Seller is correspondingly relieved from, all responsibility where the merchandise supplied by Seller is other than as warranted and where the reason thereof is due to the work performed by the source so specified or selected by Buyer.

No.17. AUDIT AND INSPECTION. Seller's plant, books and records shall, at all times, be open to inspection and audit by any person designated by the head of any executive department of the government, subject to the limitations set forth in A.S.P.R. paragraphs 7-104.15, 7-104.29, 7-104.41 and 7-104.42.

No.18. TAXES. Sales and use taxes, payable to Buyer, which are presently or may hereafter be imposed by any taxing authority, are not included sale price; any direct or excise tax, payable by Seller, which may hereafter imposed by any taxing authority upon the manufacture, sale or delivery of products covered by this ordered, or any increases in rate of any such tax now in force, shall be added to the sale prices if not collected at the time of payment of the sale price. Buyer will hold Seller harmless.



No. 19. APPLICABLE LAW. Seller agrees to comply with all federal, state and local laws which may be applicable to the manufacture or sale of the products furnished hereunder. This Credit Application shall be governed by the law of the place of the making hereof. The invalidity of any one clause or portion of this Credit Application shall have no effect on the validity of any other clause or portion hereof. Failure at any time of Seller to enforce any provision of this Credit Application, or to exercise any option hereunder, or to require performance by Buyer of any provision hereof, shall in no way be construed as a waiver nor in any way affect the right of Seller to thereafter enforce each and every provision. A waiver by Seller of any term or condition hereof shall not be deemed as a waiver of any other term or condition hereof nor as future waiver thereof. The use of the phrase "A.S.P.R." refers to the Armed Services Procurement Regulations, and any sections or clauses thereof referred to herein by reference and made a part hereof as thought specifically set forth herein.

No. 20. PREVAILING TERMS. Seller expressly conditions acceptance of Buyer's offer on Buyer's acceptance of all additional terms contained herein. Seller expressly rejects any terms or conditions contained herein. Buyer shall manifest acceptance of any additional terms by accepting possession of goods from Seller. All additional terms contained herein are material to the formation of the Credit Application.

No.21. GUARANTOR. The undersigned personally guarantees Buyer's obligations under this Credit Application and also agrees to pay any costs of collection, including attorneys' fees, incurred as a result of Buyer's default.

No.22. Buyer and Seller agree that if Seller procures, obtains, manufactures or in any way provides Buyer with goods that are special or unique and are not resalable because no ready market exists, then Seller may maintain an action on the price pursuant to Fla. Stat., 6672.2-709, and Seller's damages shall include reasonable attorney fees and costs.

WE HEREBY CERTIFY THAT THESE GOODS WERE PRODUCED IN COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF SECTIONS 6, 7 AND 12 OF THE FAIR LABOR STANDARDS ACT, AS AMENDED, AND OF REGULATIONS AND ORDERS OF THE UNITED STATES DEPARTMENT OF LABOR ISSUED UNDER SECTION 14 THEREOF.

(Initials)

Form 104 Rev. 2