

TERMS AND CONDITIONS OF SALE

Except as otherwise expressly agreed in writing by FINELINE (the SELLER) in a separate agreement, the following terms and conditions shall constitute the entire Agreement between SELLER and BUYER and shall govern all sales of the SELLER. ANY ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS ARE HEREBY EXPRESSLY OBJECTED TO AND REJECTED.

1. PRICES. Published prices are: a) Subject to change at any time in the event of any change in BUYER'S requirements, specifically including a change in BUYER'S delivery or production requirements and purchase items specifications. b) Subject to such changes as may be required because of financial or credit conditions existing during the terms of this Agreement

2. PAYMENT. Invoices will be issued under date of shipment with payment due from date of invoice as stated on the invoice, subject to such changes as may be required by SELLER because of financial or credit conditions existing at time of shipment. In the event of an order for several shipments, each shipment will be invoiced when shipped. Interest will be added to and be payable at the rate of two (2) percent per month or the maximum rate allowed under state law if it is a lesser rate on all invoices not paid when due. SELLER reserves the right to modify these terms and conditions for export business and special projects. Payments shall be made in U.S. Dollars. The BUYER hereby agrees to pay all costs of collection, including interest, reasonable attorney's fees costs and expenses, and the cost, if any, of financial or credit checks or investigation on accounts sixty (60) or more days past due. A\$20.00 FEE MINIMUM WILL BE CHARGED ON RETURNED CHECKS.

3. DELIVERY. All products shall be shipped F.O.B. SELLER'S plant. Upon SELLER'S delivery of the products to the carrier, the carrier shall be deemed to be the agent of BUYER and all risk of loss, liability and responsibility shall thereafter be on the BUYER. SELLER shall have the right to select the carrier unless the carrier is designated by BUYER. The SELLER assumes no obligation whatsoever with respect to damage in transit. Shipment will be made collect unless the BUYER specifies other transportation. Shipments specifying "prepay and charge" are subject to additional handling charges of \$9.75 per shipment. BUYER shall promptly notify SELLER in no event later than five (5) business days after deliveries of any shortages or rejections of any deliveries. Failure to give any notice within 5 working days shall deem an acceptance to full of deliveries.

4a. SCHEDULED SHIPPING DATE. The shipping date specified in this document is approximate only and may be affected by prior sales or circumstances beyond SELLER'S control.

4b. Every effort made to effect shipment within the times specified by BUYER. However, SELLER - shall not be liable for any damages resulting directly or indirectly from delays in the manufacture, shipping or delivery of any product caused by fire, flood, war or riot, embargo, strikes, acts of God, acts of civil or military authority, civil strife or insurrection, transportation delay, whether at place of manufacture elsewhere, fuel, power or other energy or material shortages, or from delay by reason or any rule, regulation or order of any governmental authority, or from any other causes beyond SELLER'S control in the event of such delay. The shipping date shall be extended for a reasonably length of time, but not less than the time actually lost by reason of delay.

4c. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES OCCASIONED BY DELAYS WHETHER OR NOT BEYOND SELLER'S CONTROL.

5. FAIR LABOR STANDARDS ACT The SELLER certifies that the products are or will be produced in compliance with all applicable requirements of Section 6.7 and 12 of the Fair Labor Standards Act as amend and of the regulations and orders of the United States Department of Labor issued under Section 14 thereof.

6a. PATENT INDEMNITY SELLER retains for itself any and all property rights in and to all designs. Inventions and improvements pertaining to any products designed in connection with the products noted on the face of this document, and to all patents, trademarks, copyrights and related industrial property rights arising out of the work done in connection therewith. BUYER expressly agrees that it will not assert any rights to property rights retained herein by SELLER.

6b. SELLER will indemnify BUYER from any suit or proceeding against BUYER based on a claim that any products, or parts thereof, furnished hereunder constitute an infringement of a patent of the United States, if notified promptly and in writing and given authority, information and assistance (at SELLER'S expense) for the defense of same, and SELLER shall pay all damages and costs, if any, awarded therein against BUYER. The preceding sentence shall not apply to any products, or parts thereof, manufactured to BUYER'S design specifications. As to such products, SELLER assumes no liability whatsoever for Patent infringement and the BUYER shall indemnify and hold, SELLER harmless from any liability arising Out of the infringement of any patent in the manufacture, sale or use of any product described in BUYER'S specifications.

7. CANCELLATION, No order for any product shall be subject to stoppage of work, rescheduling or cancellation except by mutual written agreement between BUYER and SELLER. In the event a cancellation is agreed upon which involves any portion of a quantity order, the price for the units shipped prior to the date of cancellation will revert to the applicable quantity price in effect at the date of cancellation. Any shipment that has a confirmed delivery schedule and is subsequently Cancelled shall be subject to the following cancellation fees: All non recurring engineering and tooling costs will be paid by BUYER. All work in process material, labor costs and prorated factory overhead costs will be paid by BUYER. All unique special materials costs will be paid by BUYER. RESCHEDULED ORDERS WHICH ARE SUBSEQUENTLY CANCELLED WILL BE INVOICED FOR BILL BACKAND/OR CANCELLATION AS IF THE RESCHEDULING HAD NOT OCCURRED.

8a. WARRANTY. SELLER warrants to the original BUYER only that the products delivered will be free from defects in material or workmanship upon delivery. This warranty is in effect up 1 month from date of shipment. Any product or part which proves defective in material or workmanship within the 1 month warranty period, as determined by an inspection by SELLER, will be repaired or replaced at SELLER'S option, free of charge provided BUYER (i) Promptly notifies SELLER of the defect; (ii) Returns the defective product to SELLER in accordance with SELLER'S procedures, transportation prepaid, and. (iii) Established that the product has been properly handled by BUYER. ALL WARRANTIES ARE NULL AND VOID ONCE THE PRODUCT HAS BEEN IN INSTALLED OR ASSEMBLED BY BUYER.

8b. All replacement products, or parts thereof, furnished under this warranty will be involved in the usual manner and adjustments will be made after the product, Of part thereof, claimed to be defective has been returned to and inspected at SELLER'S plant. Replacement products, or parts thereof, furnished under this warranty shall be F.O.B. SELLER'S plant, and SELLER shall not be responsible for installation costs. (For all international transactions, replacement products shall be furnished F.O.B. SELLER'S plant and BUYER shall be responsible for all customs and brokerage fees.) BUYER shall be liable for all freight, inspection and handling costs if such product or such parts do not prove to be defective, in no event will any claim for labor or incidental or consequential damages be allowed for removing or replacing a defective product. No warranty is made as to any product or part which has been subject to misuse, abuse, or handling.

8c. The liability of SELLER under this warranty, or for any loss or damage to the products whether the claim is based on contractor negligence, shall not in any case exceed the purchase price of products and upon the expiration of the warranty period all such liability shall terminate. The forgoing shall constitute the exclusive remedy of BUYER and the exclusive liability of SELLER.

8d. The liability of SELLER under this warranty does not in any way extend to any product delivered which was not manufactured by SELLER or an affiliate of SELLER.

8e. This warranty shall be void and SELLER shall not be liable for any breach of warranty, if the products or parts delivered shall have been repaired or altered by persons other than SELLER, unless expressly authorized by SELLER in writing.

8f. THE FORGOING WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED. WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY DISCLAIMED BY, SELLER AND ARE EXCLUDED FROM THIS AGREEMENT. SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY BREACH OF WARRANTY.

9a. LIMITATIONS OF LIABILITY BUYER'S EXCLUSIVE REMEDY FOR BREACH OF WARRANTY SHALL BE REPAIR OR REPLACEMENT OF DEFECTIVE PRODUCTS. Provided, if the products are incapable, of being repaired or replaced BUYER'S exclusive remedy shall be money damages, but such damages shall be exceed the purchase price of the products

9b. Any claim for breach of SELLER'S warranty must be made in writing addressed to SELLER and must set forth the alleged defect in sufficient detail to permit its easy identification by SELLER. All breach of warranty claims must be made within thirty(30) days after expiration of the warranty period which is applicable to the defective product. The applicable, time periods are set forth in the above warranty terms. Any breach of warranty claim not timely made will not be honored by SELLER and will be of no force and effect.

9c. On any claim of any kind, including negligence, SELLER'S liability for any loss or damage arising cur of connected with or from the performance of breach thereof, or from the design, manufacture, sales, delivery, resale, installation, technical direction of installation, inspection, repair, operation or use of any products furnished by SELLER shall in no case (except as provided in the term entitled Patent Indemnity) exceed the purchase price of the products,

9d. IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT OR WARRANTY OR ALLEGED NEGLIGENCE, SHALL SELLER BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL, DAMAGES, INCLUDING, BUT NOT LIMITED TO LOSS OF PROFITS OR REVENUE, LOSS OF USE OF THE EQUIPMENT OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, OR CLAIMS OF CUSTOMERS OF BUYERS FOR SUCH DAMAGES.

10. RETURNED GOODS. No product or part may be returned without SELLER'S prior authorization and issuance of a Return Material Authorization (RMA) number. Products or parts returned without said RMA number will be refunded

11. APPLICABLE LAW. The rights, obligations and liabilities of the parties shall be construed pursuant to the laws of the State of California.

12. LEGAL ACTION. Any legal action between SELLER and BUYER shall be held in Orange county, California

13. COMPLETE AGREEMENT. The Terms and Conditions stated herein, except as noted in the preamble, constitute the entire Agreement between the parties relating to the subject matter hereof. No alterations or additions to this Agreement shall have any force and effect unless it is in writing and signed by duly authorized representatives of both BUYER and SELLER.

14. WAIVER OF TERMS AND CONDITIONS. Failure or delay of SELLER to insist upon strict performance of any of any of the terms and conditions, or to exercise any rights or remedies provided herein or by law, shall not release BUYER from any of the obligations of this Agreement and shall not be deemed a waiver of any rights of SELLER to insist upon strict performance hereof or of any right or remedy of SELLER as to any prior or subsequent default hereunder