

The following terms and conditions apply to any Avibank MFG, INC product secured by SpecTech USA INC for our customers.

AVIBANK MFG., INC.
A PRECISION CASTPARTS CORPORATION COMPANY
TERMS AND CONDITIONS OF SALE

1. DEFINITIONS "seller" means Avibank Manufacturing, Inc., a California Corporation. "buyer" means the business entity that provides Seller with a purchase order or other procurement document.

2. CONTRACT FORMATION These terms and conditions of sale (the "seller terms and conditions") apply to all quotations and offers made by and purchase orders performed by Seller. To the extent that the Seller Terms and Conditions conflict with or are different from those contained in any Buyer purchase order or other procurement document, the Parties agree that the Seller Terms and Conditions will control and any additional or inconsistent terms are rejected by Seller unless Seller's acceptance thereof is in writing and specifically refers to each such additional or conflicting term. Buyer's acceptance of or payment for goods will conclusively confirm Buyer's assent to the Seller Terms and Conditions.

3. ORDER ACKNOWLEDGEMENT All orders and shipments are subject to approval by Seller's credit department. Seller reserves the right to accept/reject any or all orders.

4. PRICES All prices are in U.S. Dollars (USD). Prices are those in effect at the time of Seller's acceptance of an order. All prices are subject to adjustment by Seller based upon the Seller's cost, including Seller's cost of raw materials.

5. PAYMENT Unless otherwise agreed, payment terms are net 30 days from the date of invoice provided, however, that Seller may require full or partial payment in advance, whenever advance payment is advisable, as reasonably determined by Seller, based upon the financial condition and timely payment performance of the Buyer. Amounts not paid in full when due may be subject to a late payment charge of 2% of the outstanding invoice amount per month or the highest interest rate allowed under applicable law; late payment charge will be calculated from the due date as stated in the invoice. Invoices not paid in full on or before due date as stated in the invoice may result in an automatic hold on the shipping and production of any additional goods under this or any other purchase orders between the Parties until Buyer's account is current.

6. QUALIFICATION CHARGES Unless otherwise stated, Buyer agrees to pay any or all qualification charges listed on an invoice and/or purchase order within the terms stated on the invoice.

7. BUYER DIRECTED CHANGE A Buyer-directed change will need to be agreed upon prior to earlier of any of the following: confirmation of product design, change of production equipment or Seller's manufacture of modified goods. Based on the nature of the change, a change fee or a price adjustment may be assessed to cover any costs that the Seller incurs as a result of this change.

8. DISCREPANCIES Price discrepancies on invoices must be submitted to the Seller within 30 days of the invoice date. Any claimed shortages or adjustments must be made within 10 days after receipt of goods. Buyer hereby agrees to make partial payments on any invoice(s) considered to contain discrepancy(ies).

9. DELIVERY Delivery will be Ex Works (EXW) Seller's dock, per Incoterms 2000, Title and risk of loss pass to Buyer at Seller's dock, unless otherwise agreed. Seller may deliver in partial shipments, unless otherwise agreed and Buyer will accept such shipments in accordance with applicable contractual terms. Seller will make reasonable efforts to meet specified delivery dates. Seller will not be responsible for any failure, interruption or delay in manufacture or delivery that is related to sabotage, fire, flood, explosion, war, act of, or priorities granted by request of or for the benefit of, any governmental authority, shortage of raw materials or supplies, acts of God or other causes beyond Seller's reasonable control. Seller will not be liable for any damages incurred by Buyer as a result of delay in shipment.

10. ORDER CANCELLATION, MODIFICATION OR RESCHEDULING Buyer is required to request the Seller, in writing, on all order cancellation, modification or schedule changes. Unless otherwise agreed, Buyer may not cancel, modify or reschedule an order within the applicable quoted lead time. The quoted lead times vary by product and will be determined by the Seller at the time of order confirmation. A Buyer-directed rescheduling delay that exceeds 30 days may be deemed a cancellation and subject to a cancellation fee. Any modification or cancellation of order by the Buyer, within the applicable quoted lead time, may be subject up to a 100% cancellation fee. A Buyer-directed rescheduling, prior to the applicable lead time, may be subject to an administration fee of 15% of the order amount.

11. REJECTION Final acceptance or rejection of goods will be made as promptly as practicable after delivery thereof to Buyer. Any defect or non-conformance becoming apparent in the goods after such acceptance will be subject to the terms of Section 12 below.

12. RETURNS Buyer may request the Seller an authorization for the return of goods within 12 months from the date of invoice. Seller reserves the right to reject a return request from the buyer at Seller's sole discretion. Prior to return of goods, a Return Material Authorization (RMA) must be obtained from the Seller. Buyer hereby agrees to provide Seller with the Seller's invoice number and product number relating to the product to be returned. ALL RETURNS MUST HAVE RMA NUMBER CLEARLY VISIBLE ON THE OUTSIDE OF THE BOX. Returns may be rejected and parts may be returned back to the Seller if a valid RMA number is not included and/or appropriate directions are not adhered to; any pending credits may be denied by the Seller. Buyers located within U.S. and Canada must return parts to Seller's location within 10 business days of receipt of an RMA number from the Seller. Buyers located outside of U.S. and Canada must return parts to Seller's location within 30 business days of receipt of an RMA number from the Seller.

13. LIMITATION OF LIABILITY IN NO EVENT WILL SELLER BE LIABLE FOR INDIRECT, SPECIAL INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING LOSS OF PROFITS OR USE AND INTERRUPTION OF BUSINESS) SUSTAINED FROM ANY CAUSE OR ARISING OUT OF ANY LEGAL THEORY, WHETHER BASED IN CONTRACT, NEGLIGENCE STRICT TORT LIABILITY OR OTHERWISE. In no event will Seller be liable to Buyer in an aggregate amount exceeding the total purchase price of the goods delivered to Buyer under the purchase order giving rise to the claims of liability. The limitations also apply to any liability that may arise out of third-party claims.

14. INFRINGEMENT INDEMNIFICATION If goods are made according to Buyer's design, specifications or instructions, Buyer will indemnify, hold harmless and defend Seller against any liability whatsoever for patent, trademark, trade name or other intellectual property right infringement resulting from such design, specifications or instructions. Seller will indemnify, hold harmless and defend Buyer against any liability whatsoever for patent, trademark, trade name or other intellectual property right infringement resulting from Seller's manufacturing processes and procedures. The foregoing states the entire obligation of Buyer and Seller with regard to infringement of intellectual property rights.

15. SELLER-OWNED TOOLING Unless otherwise agreed, all tooling and fixturing will be and remain Seller's property and will be owned by Seller. Seller will be responsible for maintenance associated with normal wear-and-tear. Buyer will be responsible for all costs of repair and replacement of any such items if used exclusively for the manufacture or processing of materials or goods by Seller for Buyer. If any such items remain inactive for a period of more than 12 months, Seller reserves the right to dispose of such items at its discretion.

16. INTELLECTUAL PROPERTY OWNERSHIP The parties agree that: (i) each party retains ownership of all intellectual property rights that existed as of the date hereof: and (ii) any intellectual property related solely to the design of the goods generated hereunder is owned by Buyer, provided, however, that any intellectual property (a) suggested, derived or arising as a result of the manufacture of goods hereunder and (b) related to manufacturing processes and procedures based in whole or in part upon Seller's intellectual property rights is owned by Seller, including without limitation any intellectual property related to the design know-how associated with tooling used to manufacture goods hereunder.

17. DISPUTE RESOLUTION The interpretation of the terms and obligations hereunder will be construed and governed by the laws enacted in the state of California, excluding its choice of law rules and excluding the U N Convention on Contracts for the International Sale of Goods. The parties agree that, in any effort to enforce the terms and obligations hereunder, the complaining party will first notify the other party in writing of the alleged dispute and the parties will attempt in good faith to resolve the dispute through prompt discussion and meeting between representatives having decision-making authority regarding the dispute. If the dispute is not resolved by the 30th day after written notice of the dispute was first made, the parties agree to engage in non-binding mediation in the city of Seller's location, using a neutral mediator mutually agreed to and paid for by the parties. If mediation does not resolve the dispute, the parties may resolve the dispute through appropriate legal action. Legal action may be brought only in the state and federal courts located in the state of Los Angeles County, California, and the parties consent to the jurisdiction of and venue in such courts.

18. ASSIGNMENT Neither party will assign its rights or obligations hereunder without the prior written consent of the other party, which consent will not unreasonably be withheld.

19. SET-OFF Neither party will have any rights to set-off hereunder.

20. FORCE MAJEURE With the exception of any payment obligations contained herein, a party is not liable for failure to perform its obligations if such failure is as a result of Acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, government decree, labor dispute, strike, lockout or interruption or failure of electricity or telephone service.

21. ENTIRE AGREEMENT These Terms and Conditions (and any long term agreement under which an order is issued) constitute the entire agreement between the parties with respect to the subject matter herein and supersede all previous proposals, both oral and written, negotiations, commitments, writings and all other communications between the parties. No waiver, alteration, modification of or addition to these Terms and Conditions will be binding unless expressly agreed to in writing and signed by duly authorized representatives of Buyer and Seller. A waiver of any of the terms or conditions hereof will not be deemed a continuing waiver, but will apply solely to the instance to which the waiver is directed.