

Terms and Conditions of Quotation and Sale

1. ACCEPTANCE OF ORDERS:

All sales require acceptance and acknowledgment by an authorized officer of Precision Resistive Products, Inc. at Mediapolis, Iowa. Quoted pricing is valid for 30 days only. All sales are non-cancelable and non-returnable.

2. SHIPMENT; RISK OF LOSS:

(a) SHIPMENT: All shipment will be made F.O.B. our plant, unless otherwise stated on the face hereof.

Absent specific shipping instructions, methods of shipment will be determined by us.

(b) RISK OF LOSS: Risk of loss shall pass to the buyer upon delivery of goods to the carrier, irrespective of methods of shipment or payment.

3. DELIVERY:

We will attempt to meet requested delivery dates, but in no event shall we be subject to liquidated, special, consequential or other damages for any delays or failures to comply with requested delivery dates, however caused.

4. PRICES; QUANTITY; TERMS OF PAYMENT; TAXES:

(a) PRICES: Offers to sell are subject to change without notice, unless expressly stated to be firm for a definite period, and in all cases are subject to withdrawal at any time before acknowledgment by Buyer. Under no condition will a quotation remain in effect for longer than 30 days. The prices stated herein are based upon shipment of the quantities shown and on the basis of the delivery schedule described. In the event the quantity of material ordered is reduced and/or the delivery schedule is extended, the price for the material already shipped, as well as the price of the material for future delivery, will be adjusted to conform to the price schedule applicable for the smaller quantity and/or extended delivery.

(b) QUANTITY: Buyer agrees to accept deliveries of goods shipped by us which are not less than or in excess of 10 percent of the quantity ordered.

(c) TERMS OF PAYMENT: Pre-approved credit terms, C.O.D., credit cards (Discover, Master Card, Visa). Unless otherwise stated on the face hereof, payments against invoices shall be due and payable thirty (30) days from the date of shipment. If, in our opinion, Buyer's financial condition does not justify continuation of productions or shipment on the terms of payment specified, we may, upon written notice to Buyer, cancel or suspend any outstanding order or part thereof, unless Buyer shall promptly pay for all goods delivered or shall make advance payments to us as we at our option, shall determine.

(d) TAXES: Buyer shall pay all taxes imposed upon or in any way connected with the manufacture, use, sale, possession or delivery of goods ordered, unless Buyer furnishes us with appropriate tax exemption certificates. Such taxes shall be billed separately, unless otherwise required by law.

5. CANCELLATION; TERMINATION:

(a) CANCELLATION: No cancellation of orders will be permitted, unless agreed to in writing by an authorized representative of us. Upon cancellation of any order, Buyer shall reimburse us for all costs resulting from cancellation of the order including labor, material, set-up, manufacturing and all other costs incidental to cancellation of such order.

(b) TERMINATION: We may terminate this quotation/order in whole or in part if (i) Buyer fails to comply with any one or more of the terms and conditions contained herein; (ii) Buyer ceases to conduct its operations in the normal course of business or is unable to meet its obligations as they mature; (iii) any proceedings in bankruptcy or insolvency are brought by or against Buyer; (iv) a receiver for Buyer is appointed or applied for; (v) an assignment for the benefit of creditors is made by Buyer.

(6) PATENTS:

Buyer shall promptly notify us and indemnify us against any claims, damages, judgments, expenses, or losses arising from the infringement or alleged infringement of any patent of the United States or any foreign country by reason of our manufacture, assembly or sale of goods pursuant to drawings, blueprints or specifications furnished by Buyer to us. We shall be entitled to assume control of any settlement negotiations or the defense of any such proceedings or actions commenced against us, and Buyer shall not settle or compromise any such proceedings or action without first receiving the prior written consent from an authorized representative of ours.

(7) SELECTION OF MATERIALS:

The determinations of the adaptability of any of our materials to the specific needs of the purchaser is solely the purchaser's prerogative and responsibility.

(8) WARRANTIES:

Seller warrants all of its goods to be free from defects in materials and workmanship and in accordance with agreed specifications for a period of thirty (30) days from the date of invoice. Materials that are defective or not in accordance with agreed specifications shall be called to our attention immediately. If authorization is given for return, shipment will be made within 30 days of receipt of materials. Our only obligations shall be to replace such quantity of the product proved to be defective. We shall not be liable for any injury, loss or damage, direct or consequential, arising out of the use of, or the inability to use, the product. Before using, user shall determine the suitability of the product for their intended use; and user assumes all risk and liability whatsoever in connection therewith. The foregoing may not be charged except by an agreement signed by an officer of the seller, AND IS OFFERED IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED.

(9) TOOLS:

Unless otherwise agreed to in writing and signed by the parties hereto, all tools, dies, fixtures, jigs, set-ups or other items used in connection with this quotation order shall be retained at our plant.

(10) ASSIGNMENT:

We shall be entitled to assign payments due or to become due pursuant to this quotation/order.

(11) DRAWINGS; BLUEPRINTS; SPECIFICATIONS:

All drawings, blueprints and specifications submitted by the Buyer to us in connection with this quotation/order shall remain the property of Buyer, and upon completion of deliveries hereunder, or upon termination or cancellation thereof, shall be promptly returned to Buyer, upon written request by the Buyer.

(12) DELINQUENCY CHARGES:

In the event that payment is not made within thirty (30) days from the date of shipment, there will be a delinquency charge of 1-1/2 percent of the total amount due for each month that the payment is in arrears. Acceptance of the delinquency charge by the Seller shall not be deemed a waiver of any rights that Seller may have by reason of non-payment by the Buyer.