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www.HybridSources.com

Terms and Conditions

SCOPE: These Terms & Conditions apply to all Purchase Orders entered into by HYBRID SOURCES, INC., and supersede and replace any terms and conditions attached to buyer's order. HSI's performance is expressly conditioned upon buyer's acceptance of these terms & conditions.

ACCEPTANCE OF ORDERS: All orders are dependent upon credit verification and must be approved and accepted in writing by an officer of HYBRID SOURCES, INC.

ACCEPTANCE OF GOODS: Buyer shall give written notice of claim that goods do not conform within thirty (30) days. If buyer fails to give such notice, the goods shall be deemed to conform, and buyer shall be bound to accept and pay for the goods in accord with the Purchase Order.

QUANTITY: HSI reserves the right to deliver quantities specified in the buyers Purchase Order $\pm 20\%$ for unit quantities of 500 or less, and $\pm 10\%$ for unit quantities greater than 500.

PRICES: Unit prices do not include applicable taxes. Buyer shall pay any applicable tax, or in lieu thereof, shall provide HYBRID SOURCES with an acceptable tax exemption certificate.

TERMS OF PAYMENT: Invoices are due and payable Net Thirty (30) days from the date of the invoice. Tooling and screen mask charges are invoiced when engineering effort is completed.

SCHEDULING: All units shall be scheduled by the buyer upon order placement. There shall be no right to delay manufacture or shipment of purchased articles without prior written consent.

CANCELLATION: In the event of buyer's cancellation, HSI shall be entitled to cancel its outstanding orders, and shall receive reimbursement for cancellation charges which include, but are not limited to, all costs, direct or indirect, for labor, materials, tools, overhead and profit which HSI would be entitled had the order not been cancelled.

DELIVERY: All shipping dates are approximate, and subject to change. Delivery shall be FOB HSI's plant, Vero Beach, FL. Buyer assumes all risk of loss or damage in transit.

EXCUSABLE DELAY: HYBRID SOURCES shall not be liable for delivery delays or failure to manufacture due to acts of God, the buyer, civil or military authority, fire, strike, flood, riot, delays in transportation or other causes beyond HSI's control including, but not limited to, obtaining labor, material, components, or manufacturing facilities.

TOOLING AND MASKS: Non-recurring expense, including tooling and mask charges are quoted as a partial charge of the total tooling cost. All tools shall remain the property of HYBRID SOURCES. HSI agrees to maintain such tools in good working order, normal wear and tear and damage by casualty excepted, for a period of eighteen months following last usage.

PATENTS: As articles which are the subject hereof are produced to buyer's specifications, buyer guarantees that no US or foreign patents are infringed, and agrees to indemnify HSI, and save HSI harmless, from any expense, loss, cost, or liability which may be incurred, and to defend at buyer's own expense, any action or claim if such infringement is alleged.

DESIGNS/SPECIFICATIONS/FURNISHED MATERIAL: HSI assumes no responsibility for the performance of products manufactured to buyer's design or specifications, nor for defects in raw material, parts or subassemblies furnished by the buyer or his agents.

WARRANTY: HYBRID SOURCES warrants all products of its manufacture to be free from defects in material and workmanship and to meet all applicable specifications. In discharge of this warranty HSI agrees to repair or replace any product which under proper and normal use shall within three (3) months after delivery, prove to be defective due to faulty material or poor workmanship. The foregoing warranty and remedy are exclusive. HSI assumes no liability for general or consequential damages claimed to arise in connection with the installation or use of material furnished hereunder. The buyer, by accepting the material, assumes all liability for any damage resulting from its use or misuse by the buyer, or by others.

LIABILITY: HYBRID SOURCES' liability on any claim, including negligence, for loss or damages resulting from this agreement, or from the performance or breach thereof, or from the manufacture, sale, delivery, repair or use of any item or service furnished under this agreement shall in no case exceed the price of the item, or service, or part furnished which gives rise to the claim. In the event HSI attempts but fails to manufacture or deliver a custom product, HSI's exclusive liability and buyer's exclusive remedy shall be the release of the buyer from the obligation to pay the purchase price. In no event shall HSI be liable for consequential damages.

ENTIRE CONTRACT: This writing, and the Buyer's Purchase Order, less its terms and conditions, is intended by both parties to be a final expression of their agreement and a complete and exclusive statement of the terms thereof. HSI shall not be bound by any agent's or employee's representation not set forth herein. No prior dealings and no usage of trade shall supplement, explain or vary the terms of this agreement.

Agreed to by Authorized Representative (Buyer): _____

Company: _____ Date: _____