

Terms & Conditions

In consideration of the Products and Services to be provided by Wright Armory, LLC ("WA or Seller") and payment to be made by Customer or ("Buyer"), WA and Customer agree to the following Terms and Conditions ("Agreement").

- 1. Parties. You ("Customer"), by placing an order, hereby acknowledge and accept the following terms and conditions and acknowledge that these terms and conditions apply to all Services and Products provided by WA.
- 2. Description of Services. WA shall provide electroplating and metal finishing services for Customer ("Services").
- 3. Quotations. WA may provide a price quotation to Customer ("Quotation"). Quotations may be accepted by Customer no more than sixty (60) days after the date of issuance defined by the Quotation. After sixty (60) days, Quotation prices and terms are subject to change without notice. Engineering changes submitted by Customer require a new Quotation.
- 4. Acceptance. Upon receipt of a Quotation, Customer may accept the offer provided in the Quotation by:
- (a) Executing a separate written agreement with WA,, incorporating these terms and conditions;
- (b) Delivering to WA a purchase order for Products and/or Services with quantities and delivery dates acceptable to WA:
- (c) Accepting delivery of the Products and/or Services; or
- (d) Paying the price for Products and/or Services as agreed to in writing by WA and Customer and/or set forth in the Agreement.
- 5. Price Terms.
- (a) Part Price. Customer agrees to pay the part price for each individual part as detailed in the Quotation ("Part Price"). Unless otherwise stated herein, the prices for the services purchased are F.O.B. Seller's plant.
- (b) Revised Part Price. Except as indicated above, the Part Price for any part is subject to change at any time in the sole discretion of WA. WA shall be under no obligation to continue to process parts at the agreed Part Price. In the event that WA elects to revise the Part Price, WA shall provide Customer written notice (by U.S. Mail, E-mail, Common Carrier, or Facsimile) ("Written Notice") ten (10) calendar days prior to the imposition of a Revised Part Price. The Written Notice shall indicate the part number(s) subject to Part Price revision, state the new Revised Part Price for each part ("Revised Part Price"), and state the date that the Revised Part Price will be imposed (the "Revised Price Date"). If proper notice is given to Customer, any parts processed after the Revised Price Date shall be subject to the Revised Part Price. Customer, by delivering any additional parts for processing by WA or by accepting delivery of any goods from WA that were processed after the Revised Price Date, shall be deemed to accept the Revised Part Price. If Customer wishes to contest the Revised Part Price, they must provide Written Notice to WA five (5) calendar days prior to the Revised Purchase Date.



- (c) Part Price for New Orders and Parts. Customer and WA acknowledge that, due to the nature of the metal finishing industry, new parts are frequently shipped to WA prior to any discussion concerning the price term for such new parts. In such a case, WA and Customer shall execute a new agreement stating the part number(s) and the part price(s) for each new part. In the event that WA and Customer cannot agree on a Part Price for new or additional parts, WA shall have the right to cease processing any new parts for which the parties have failed to agree on a price term. In no event shall the part price for a previously quoted part be construed to apply to a distinct or different part for which the parties have been unable to agree on a price term.
- (d) Minimum Lot Charges. WA employs minimum charges for all processes. When a part price total falls under the minimum lot charge the minimum lot charge will be the prevailing price.
- (e) Environmental Fee. WA charges a fee to assist in offsetting WA's environmental compliance costs. The environmental fee is assessed to all processing charges and is imposed as a percentage of the processing charges. Any modification or waiver of the environmental fee must be approved in writing by a duly authorized WA representative.
- (e) Termination. Except as indicated in Paragraph above, WA shall be under no obligation to continue to process parts at the agreed Part Price, Revised Part Price, or the Minimum Lot Charge. In the event that WA elects to terminate the Agreement, WA shall provide Customer Written Notice of such election ten (10) days prior to the date of termination of service. WA shall not be required to furnish Written Notice if the termination is due to Customer's failure to make any payment as detailed below.
- 6. Payment Terms. For Customers with established credit, terms are net fifteen (15) days or net thirty (30) days from the date of shipment based on Customers eligibility, order volume, and approved credit limits. Customers must have 6 consecutive orders of on-time payments to be eligible to apply for Net 15 extended credit terms. If Customer's average monthly purchasing volume exceeds \$50,000 with WA, after 6 consecutive on-time payments at Net 15 Customer may apply for Net 30 extended payment terms. If customers per part pricing was negotiated on a COD schedule, 4% and 5% respectively will be added to per part pricing when approved for net 15 and net 30 as the cash discount for COD terms does not carry over to extended credit terms. Credit is extended solely at WA's discretion and is subject to revocation at any time. Customer's approved credit limit shall not exceed the average calculated using the Customer's most recent 6 orders. Credit limits are reviewed and approved by management and do not automatically adjust based on order size. Regardless of invoice date, no more than two (2) open unpaid invoices will be released for shipping at any given time. If an order exceeds the client's approved credit limit: - The amount above the approved limit must be paid in advance before that order will ship. Requests for credit limit increases must be submitted in writing and require management review and approval. Increases are not automatic and are not guaranteed, even if order sizes grow. Net 15 & Net 30 terms are calculated from the invoice date to the date payment is received in full by WA. Cutting a check or initiating a payment on the due date does not meet the terms; funds must be received by the due date to avoid late charges.

For Customers without established credit, or for any other reason at the sole discretion of WA, the terms shall be COD. All payments must be in U.S. dollars. WA shall have the right of set-off and deduction for any sums owed. If Customer fails to make timely payment, WA, at its sole option, reserves the right to defer any shipment until such payment is made, or may cancel any or all of the remaining unshipped order. A service charge in the amount of 2% per month (24% per annum) will be added to all invoices that are ten (10) days past due as of the due date of the invoice. Customer shall be liable for all costs and expenses incurred by WA if Customer fails to perform its obligations



pursuant to this Agreement, including, but not limited to, collection costs, attorneys' fees and expenses, and all other expenses incurred by WA to collect on any unpaid amount. WA shall have a lien on Customer's property in WA's possession until the outstanding balance on the property is satisfied which may extend to property that is subject to an installment contract. WA's right shall be considered a security interest under the Uniform Commercial Code and foreclosure thereon shall be in the manner prescribed for security interests in the Uniform Commercial Code.

- 8. Modification. None of the terms and conditions contained in this Agreement may be added to, modified, superseded or otherwise altered except by written agreement of the parties. Terms from Customer are not accepted and do not constitute part of this Agreement unless expressly agreed to in writing by the WA and Customer. Any change in circumstance in materials, application or product will constitute a modification that shall be approved by Customer and reflected in the final price.
- 9. Special Orders. Special orders or accounts may require WA to stock ample volumes of product to meet production requirements. Upon termination of a Special Order contract, or inactivity, Customer agrees to purchase the product so ordered, at cost, from WA. Special tools, racks and fixtures required for the performance of the work herein described which have been designed and/or built by WA shall be and remain WA property whether or not the Customer is charged with time and/or material in connection therewith.
- 10. Cancellation. No order may be cancelled, withdrawn, or changed without Seller's prior written approval. In the event of cancellation of any or all of the order for products and/or services under this Agreement by Customer, Customer shall reimburse WA for all work completed, work in process and for tooling and engineering expenses incurred in connection with such order, including any lost profit.
- 11. Force Majeure. Unless otherwise stated herein, title in and risk of loss for all products delivered to Seller by Buyer upon which Seller performed services, is, and shall remain, at all times with Buyer. WA shall not be liable for any delay in or impairment of performance resulting in whole or in part from catastrophic events, labor disruptions, shortages, inability to procure product, supplies or raw materials, severe weather, acts of war, acts of terrorism, accidents, thefts, fires, acts of God, or any other circumstance or cause beyond the control of WA. In the event that such occurrences prevent or interfere with WA's ability to complete the Agreement, Customer shall accept as full and complete fulfillment of the order such portion of the goods as WA is able, under the circumstances to procure and deliver in accordance with the same. The provisions stated in this paragraph are for the sole benefit of WA and Customer, and confer no rights, benefits or claims upon any person or entity not a party hereto.
- 12. Risk of Loss. Notwithstanding any agreement to pay freight or other transportation charges, the risk of loss shall remain with Customer through receipt of the product by WA and, upon receipt, is the responsibility of Customer once work is completed. Ownership and risk of loss pass to Customer on delivery of the product to the common carrier, or any other person or entity that receives the product for delivery to Customer. During storage and transportation of Customer's material and/or merchandise, Customer's containers, used for delivery to WA, shall be used for storage and/or reshipment, and any damage resulting from reuse of customer supplied containers shall be the sole responsibility of Customer. WA shall not, under any circumstances, be considered as an insurer of Customer's material or merchandise and shall not be liable, regardless of cause, for loss by fire, explosion, theft, pilferage, vandalism, casualty or acts of God while such material or merchandise is in WA's possession. Should Customer desire other packaging or containers, WA will charge for material and handling, only upon receipt of a written order. Additional charges may be incurred by Customer for repackaging goods to other specifications. If product is damaged



in transit, Customer must file any claim with the carrier and WA shall have no liability as a result of any damage occurring in transit.

- 13. Shipping Charges. Unless agreed otherwise by the parties, Customer hereby agrees to be responsible for any and all costs or charges for freight transfer and delivery of the product.
- 14. Limited Warranty and Exclusion. WA warrants that the product conforms to Customer's specifications supplied by Customer, in writing, and that such processing and finishing shall be free from defects in material or workmanship at the time of delivery. **EXCEPT AS EXPRESSLY PROVIDED HEREIN, SELLER MAKES NO OTHER WARRANTY WHATSOEVER.** Buyer acknowledges that all services are provided with the understanding that Buyer has independently determined the suitability or compatibility of such services for its purposes. Warranty coverage applies on a case-by case-basis and subject to the following:
- (a) If Customer specifies methods and procedures to be followed, WA assumes no responsibility for the correctness of such method and procedure or the results due to compliance with said instructions. In the absence of full disclosure by Customer of the use of material or parts to be processed and finished, WA assumes no liability for subsequent failures or defects. Seller makes no warranty with respect to services performed to Buyer's or any other party's specifications, or with respect to any material selection by any party other than Seller. Buyer shall, at its own expense, defend and hold Seller harmless against any claim, suit, or expense arising from such services.
- (b) Due to the nature of the plating process there is a risk that a small percentage of parts will be lost in the plating tanks. No claim for shortage in weight, defect or count will be allowed unless made, in writing, within five (5) calendar days after receipt of product by Customer or the Customer's consignee to whom it was delivered ("Notice of Defect"), provided however, a shrinkage or defective quantity in bulk processing of two (2%), shall be allowed without charge or liability. WA shall not be responsible for weight counts or their inspection functions or for merchandise received from third parties on behalf of Customer.
- (c) Metal finishing over anything other than raw, new metal may cause problems with the final finish. Specifically, previous organic coatings, hot rolled steel, pre-plating, corrosion, pickling, stripping, polishing compounds, or others, can cause problems with subsequent coatings. Pre-production samples are recommended but even successful samples do not insure perfect results in production. WA will not bear responsibility for these issues.
- (d) In the event that results of metal finishing operations are unsatisfactory due to metal imperfections, changes in grade or composition of materials, manufacturing and/or fabrication imperfections, usages for which the plating or other finishing operation was not reasonably designed, and similar variables over which WA has no control, Customer will be required to pay the contracted amount for the finishing operation performed.
- (e) Upon receipt of timely notice of defect from Customer or Customer's consignee, and, unless otherwise specified in writing, any defect that has been reported by Customer as defective in material or workmanship shall be examined by WA, at WA's facilities, with no charge to Customer for service time expended. It shall be the sole responsibility of Customer to return the Product to WA for inspection within fourteen (14) calendar days of the Notice of Default. Should Customer fail to return the Product to WA within the allotted time for inspection, no claim shall be allowed. If examined product is found not to be defective or is not, for some other reason, within the warranty coverage, WA's service time expended shall be charged to Customer. WA's total liability in any case shall be limited to the amount paid to WA for the Products and Services. Seller, at its sole option, will re-perform only those services that fail to meet



Buyer's specifications or that are due to Seller's defective materials or workmanship. If Seller determines that re-performance is not commercially practicable, Buyer's sole and exclusive remedy shall be a credit not to exceed the cost of the services performed.

- (f) Product returned to WA under claim of defect must not be altered structurally or chemically after it was processed by WA. Processing or assembly of any such product by Customer or its consignee, or any other party, shall constitute a waiver of this warranty and any liability by WA.
- (g) WA hereby disclaims any warranty under this Agreement if the product is subject to abuse, misuse, negligence accident or any other damage, not caused by WA, or if Customer fails to perform any of its duties under this Agreement.
- (h) WA reserves the right, in its sole and absolute discretion, either to reject work or to charge for finishing any base metal that is below our agreed standard.
- (i) WA assumes no responsibility for defective plating or other finish on materials or merchandise previously plated or finished by others.
- (j) Localities may have varying regulations governing sales, construction, installation, and/or use of products for certain purposes. WA does not guarantee compliance with such regulations and is not responsible for how the product is used. Before placing an order with WA, it is the sole responsibility of Customer to review the product application, and any applicable statute, ordinance or other regulation which may govern the use of the product. It shall be the sole responsibility of Customer to inform WA, in writing, of any such need for compliance. WA shall not be liable for any claim based upon the failure of Customer to comply with this Paragraph.
- (k) No specification with respect to any part of this Agreement shall constitute a warranty, express or implied, against any claims for infringement of patents, copyrights or trademarks. WA shall not be responsible to Customer, or any other person or entity, for or on account of any such claim or liability. Should any party make a claim against WA under this paragraph, Customer hereby agrees to indemnify, defend and hold harmless WA for any damages, including attorneys' fees and expenses, incurred by WA for defending such claim.
- (I) EXCEPT FOR THE EXPRESS WARRANTY STATED ABOVE, THERE ARE NO OTHER WARRANTIES OR GUARANTEES, EITHER EXPRESS OR IMPLIED, WRITTEN, ORAL OR ARISING UNDER CUSTOM OF TRADE, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. No warranties or representations at any time made by any representative of Seller shall be effective to vary or expand the express warranty set forth herein.WA makes no warranties or representations, express or implied, as to workmanship, performance, quality, durability, fitness for purpose or merchantability for any of the articles we process except as otherwise stated herein. This disclaimer is for all liability including, but not limited to, consequential, incidental and special damages. The only warranties applying to the Products and Services are those which are written and are specifically provided by WA. The warranty contained herein is the only warranty applicable to this Agreement.
- 15. Waiver. Except as expressly provided in this Agreement or in a writing signed by the parties to this Agreement, the failure or delay of either party to this Agreement to insist in any instance on strict performance of any provision of this



Agreement shall not be construed as a waiver of that provision or the relinquishment of any rights under that provision in the future, but the provision shall continue and remain in full force and effect.

- 16. Liquidated Damages. It is understood and agreed that WA's liability, whether in contract, tort, or any other legal theory, under any warranty, in negligence or otherwise, shall not exceed the amount of the processing charges paid by Customer and under no circumstances shall WA be liable for special, indirect or consequential damages. Buyer's sole and exclusive remedy shall be re-performance or credit.
- 17. Indemnification. Customer agrees that WA shall not be held liable for, and hereby agrees to indemnify, defend and hold harmless WA for (1) loss of use resulting from pre-existing damage to Customer's property while in WA's possession, custody or control, (2) demands, claims suits losses, damages, costs and expenses, including attorneys' fees, arising out of bodily injury to any person or damage to any property caused by or resulting from the negligence of Customer or (3) loss resulting from damage to Product due to WA's application process. Customer states and warrants that it has sufficiently investigated and approved WA's application processes and applications and assumes full responsibility for any alteration or damage to Customer's product during or as a result of WA's application process. WA shall reimburse Customer only for damage to Customer's product due to WA's gross negligence. Buyer also indemnifies Seller for IP infringement, property damage, injury, or death claims.
- 18. Severability. If any provision of this Agreement shall be deemed unenforceable or invalid by operation of law, the remaining parts of this Agreement shall remain in full force and effect.
- 19. Attorneys' Fees. If any action at law or in equity is commenced by either party to enforce or interpret the terms of this Agreement, the party finally prevailing in such proceeding or action (after appeal, if any) shall be entitled to recover from the unsuccessful party reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which the prevailing party may be entitled.
- 20. Governing Law; Forum Selection. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ARIZONA (WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES). EACH PARTY HERETO IRREVOCABLY AGREES THAT ANY AND ALL ACTIONS OR PROCEEDINGS BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY IN ANY WAY, MANNER OR RESPECT ARISING OUT OF OR FROM OR RELATED TO THIS AGREEMENT SHALL BE ADJUDICATED IN THE COURTS LOCATED IN MARICOPA COUNTY IN THE STATE OF ARIZONA.
- 21. Uniform Commercial Code. This Agreement shall govern the relationship between the parties. To the extent this Agreement is inconsistent with the Uniform Commercial Code of the State of Arizona, this Agreement shall prevail. To the extent this Agreement is silent, the Uniform Commercial Code of the State of Arizona shall control.
- 22. Integration. There are no understandings between the parties hereto as to the subject matter of this contract other than as set forth herein. All previous communications between the parties hereto concerning the subject matter of this contract, whether verbal or written, except for Seller's quotation, if any, including, but not limited to, Buyer's purchase order, are hereby abrogated and withdrawn, and this contract constitutes the whole of the agreement between the parties hereto. Any additional terms and conditions of a purchase order or change order shall not apply hereto unless agreed to by the parties in writing. Receipt of the goods delivered hereunder shall be deemed to be an acceptance by Buyer of the terms and conditions of this invoice and the terms and conditions included herein. Any different terms or conditions in Buyer's purchase order, regardless of whether



such terms and conditions are material or not, shall not be binding unless expressly accepted in writing by Seller and Seller specifically objects to the inclusion of any different or additional terms or conditions by Buyer. If Buyer has included or includes different or additional terms and conditions in its purchase order, acceptance, confirmation or other written form sent in response to this invoice, neither Seller's delivery of all or part of the goods, nor any other action except a written notice from Seller, shall constitute acceptance of such additional or different terms, but instead the terms and conditions of this invoice and Seller's quotation, if any, shall govern.

Customer has thoroughly examined and become familiar with the terms of this Agreement. Customer's acceptance of this Agreement or Customer's delivery of any parts to WA or the acceptance of any finished parts by Customer shall constitute agreement by Customer to all of this Agreement's specifications, terms and conditions. Acceptance of the terms contained herein is expressly conditional to the formation of a contract between WA and Customer. Any other paperwork on Customer's own form(s) containing statements, clauses or conditions modifying, adding to, repugnant to, or inconsistent with the terms in this Agreement are not accepted and do not constitute part of the Agreement between the parties unless expressly agreed to in writing by WA and Customer. WA's failure to object to provisions contained in any communication from Customer shall not be deemed an acceptance of those provisions or as a waiver of the provisions of this Agreement. None of WA's representatives have authority orally to modify, rescind, or revise any of these terms, and these terms constitute the entire agreement of the parties with respect to the subject matter of this Agreement. Any waiver or revision of the terms of this Agreement to be effective must be in writing and signed by WA and Customer.

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