

STANDARD TERMS & CONDITIONS OF SALE

1.0 ACCEPTANCE: Acknowledgment is made in conformance with **CYPRESS HOLDINGS LTD.**, doing business as **CYPRESS INDUSTRIES**, quotation that resulted in your order. Your order is accepted subject to the terms hereof and such acceptance is conditioned upon your waiver of any terms and conditions of your order or of any documents incorporated therein that differ from or are in addition to those herein. Failure of the Buyer to object to the foregoing upon receipt of this acknowledgment is deemed the Buyer's consent to such waiver, unless the Buyer objects in writing within 10-days of receipt of Cypress' Confirming Sales Order.

2.0 DELIVERY: Estimates as to time of delivery are based upon conditions prevailing at the time of offer date and apply from the date of receipt of a definite contract and approved drawings. All agreements as to delivery are subject to contingencies beyond Cypress Industries' control, including but not limited to strikes, fires, accidents, military actions or acts of God. In no way shall Cypress Industries be liable to the Buyer for any damages whatsoever, including but not limited to loss of use, profit or other collateral, special or consequential damages resulting from delays experienced by the Buyer in production or delivery due to Cypress Industries inability to deliver. Should such delay occur, the delivery shall be deferred for a period equal to the time of the delay.

3.0 PRICE: Price is **ExWorks (EXW)** Cypress Industries' dock Austin, Texas U.S.A. or the country of origin which ever is applicable. The Buyer is responsible for all costs and risks associated with the loading and delivery of the goods to the Buyer's destination, and for clearing the goods for export unless otherwise stated in Cypress Industries' Quotation that resulted in this order. **1) Extraordinary Raw Material Pass-through Charges.** Due to wide variances and rapidly changing raw material costs, Cypress Industries reserves the right to charge the Buyer raw material prices in effect on the day of shipment for all affected product herein. **2) Currency Fluctuations.** Cypress Industries reserves the right to adjust unit pricing for products fabricated or supplied from offshore locations if the quoted unit price increases 2% or more due to currency fluctuations. **3) Prepaid & Add Shipping Costs.** Cypress Industries' quotation that resulted in this order provided the Buyer an estimated freight cost for the product herein; Cypress reserves right to pay the actual freight charges to the carrier and then bill the Buyer for the freight forwarder's actual freight charges.

4.0 PAYMENT TERMS: **1) Production Deliveries** without approved credit require a 75% down payment prior to the start of production with the 25% open balance due before shipment. **2) Tooling and Design** without approved credit requires a 75% down payment and 25% upon written acceptance. **3) Without approved credit, all payments** are due by bank transfer or company check. Cypress reserves the right to delay starting any customer order pending verification of funds availability on company checks. **4) Payments with approved credit,** payment for production is due within 30-days after leaving EXW point on quotation; partial payment is required on the basis of partial shipments of the total order. With approved credit Design/Prototype/Tooling orders are due 50% prior to beginning work and 50% upon delivery of the agreed upon work product. Invoices not paid within 30-days after receipt shall be charged an additional **1 1/2% per month service charge** on the unpaid balance. This provision shall be effective to charge an interest rate not to exceed that provided by the applicable usury laws. Buyer grants to Cypress Industries a security interest in all materials, tooling, design technology, software source code, supplies, goods, and equipment heretofore and hereafter sold by Cypress Industries to the Buyer for securing the payment of the purchase price of same.

5.0 FEDERAL, STATE AND LOCAL TAXES: *This offer does not contain any amount for federal, state or local taxes; if there are any such taxes validly imposed by the country, state and/or locality of destination the Buyer agrees to make any necessary reports to the taxing authority or authorities and to pay such taxes.*

6.0 CANCELLATION: Cypress Industries at its option may cancel this order if: **1)** Buyer's payments are in default or Buyer breaches any material provisions hereof; **2)** Causes beyond Cypress Industries reasonable control as specified in Paragraph 2. ~ Delivery makes it impossible to assure shipment; **3)** Substantial changes in raw materials occur; or, **4)** Buyer becomes insolvent or petitions for bankruptcy. **BUYER** may cancel the remaining balance of this order by written notice to and by receipt of written acknowledgment from Cypress Industries **Buyer will be liable for reasonable cancellation charges**, which shall include materials ordered, work in process for this order, and profit to be made on this order. In no case shall the cancellation charges exceed the purchase price of the canceled portion of this order.

7.0 INDEMNIFICATION: Customer expressly agrees to indemnify and hold Cypress Industries harmless from any claim of violation or infringement upon any rights, including without limitation, patent, trademark, trade secret and/or copyright rights, made by anyone against Cypress Industries for any product sold to the Customer by Cypress Industries. Customer further agrees that its obligation of indemnification includes without limitations, all damages, out of pocket expenses, attorneys' fees and the reasonable value of all engineering and management costs expended by Cypress Industries in defense of any such Claim.

8.0 WARRANTY: Cypress Industries warrants that the item(s) manufactured or sold under the Buyer's contract shall be free from defects in materials and workmanship furnished by Cypress Industries and shall conform to the applicable drawings and specifications. **Cypress Industries' liability herein, for breach of warranty, contract or negligence in manufacturing, shall be limited to repair or replacement.** Repair or replacement of defective items will be applicable only if the Buyer notifies Cypress Industries by written notice within 30-days of delivery. All claims shall be addressed to **Cypress Industries, 13581 Pond Springs Road - Suite 315, Austin, Texas 78729 USA; ATTENTION: Quality Assurance Manager.** Cypress Industries reserves the right to inspect at the Buyer's plant all items claimed to be defective or nonconforming prior to authorizing their return. **Cypress Industries assumes no liability for the results of the use of its components in conjunction with other electric, electronic, optical or mechanical components, circuits and/or systems. The foregoing constitutes the sole and exclusive remedy of the Buyer and the exclusive liability of Cypress Industries, and is IN LIEU OF ANY AND ALL OTHER WARRANTIES, STATUTORY, IMPLIED OR EXPRESSED AS TO MERCHANTABILITY, FITNESS FOR THE PURPOSE SOLD, DESCRIPTION, QUALITY, PRODUCTIVENESS OR ANY OTHER MATTER. Without limiting the foregoing, in no event shall Cypress Industries be liable for loss of use, profit or other collateral, or for special and/or consequential damages.**

9.0 RETURNED GOODS: Cypress Industries will accept only those goods for return that have been authorized for return. All goods authorized for return shall be assigned a **Returned Material Authorization Number (RMAN)**. The RMAN shall be clearly marked on the shipping container(s) and all documentation accompanying the goods authorized for return. The Buyer is responsible for all packaging and freight costs. The RMAN shall be assigned by Cypress Industries pursuant to the conditions set forth in Paragraph 8. ~ **WARRANTY.**

10.0 UNITED STATES GOVERNMENT CONTRACTS: Provided the Customer has properly specified and documented the product herein, and this offer is accepted under Government contract, Cypress Industries agrees to accept clauses required by Government regulations and to waive Cypress Industries conditions inconsistent therewith. Cypress Industries certifies that it is a regular manufacturer or dealer of the goods and/or services offered herein and that the prices offered do not exceed those charged to any customer for like quantities, services or materials under the same conditions.