



Terms and Conditions of Sale

Rocket Machine Works Inc (Rocket) offers to sell to the Buyer named on the Quote attached hereto (the "Quote"), the labor, material, construction, equipment, products, and goods (collectively, the "Products" or "Goods") and services (the "Services") and any or all items described on the Quote, and any specifications or other documents attached hereto, for the price and terms set forth on the Quote, and subject to the following terms and conditions of sale.

The following terms and conditions of sale are a part of any contract of sale entered into between Rocket and Buyer. Any terms and conditions in Buyer's purchase order, acknowledgement or any other writing pertaining to such order, irrespective of its wording or of when received by Rocket, which are in conflict or inconsistent with or add to the terms and conditions hereof, will not be acceptable or become a part of any resulting contract without Rocket's express typed or handwritten consent. Neither acknowledgements nor return of a copy of Buyer's purchase order or other form, irrespective of its terms, nor the filling and shipment of such order shall constitute acceptance of such conflicting, inconsistent, or additional terms, nor shall they in any way operate to modify or change the full effect of the terms and conditions stated herein.

Unless otherwise agreed upon in writing, the following terms and conditions of sale apply to all Rocket sales and/or offers to sell its products and services:

1. PRICES AND TERMS OF PAYMENT

- A. Buyer acknowledges and agrees that this contract of sale was entered into and accepted at Rocket's place of business which is located in Fresno, County of Fresno, and State of California.
- B. Prices, freight policy and terms of payment relating to Products and Services are set forth on the Quote. All payments are to be made in United States funds at par, F.O.B. point of manufacture, unless otherwise specified. Any unpaid balance thereafter shall be subject to a service charge of 1½% per month.
- C. Export orders shall be prepaid before shipment or accompanied by a confirmed irrevocable letter of credit for our account with an accredited United States bank, subject to our draft with shipping documents attached, payable in United States funds. All documentary collection costs will be charged to buyer.
- D. The prices at which Rocket invoices will be those set forth on the Quote. The offer to sell at the prices in our quotation may be withdrawn at any time prior to the receipt of signed Quote by Rocket. **A signed Rocket quotation or written acknowledgement of quotation with terms is acceptable in lieu of and is considered to be a purchase order.**
- E. Unless otherwise indicated, no Sales, Use, Retailers Occupation, Service Occupation, Service Use or other similar taxes which are paid or payable, or assessed, in connection with any order, and which are not specifically stated as being included in the purchase price, shall be paid by the Buyer to us or, if authorized by law, by the Buyer directly to the taxing authority.
- F. There shall be no extension or change in the time of payment due to delays in installation and/or delays in operation of the equipment caused by damage, warranty service, or warranty replacement parts.
- G. In the event the contract of sale and/or the terms and conditions of sale must be enforced by legal means, Buyer agrees to pay Rocket its attorney's fees and all related collection costs incurred in any enforcement proceedings, including any incurred during any litigation to enforce or interpret the contract of sale and/or these terms and conditions.

2. SHIPMENT

- A. Buyer acknowledges and agrees that performance and delivery under the contract of sale will occur at Rocket's place of business.
- B. Buyer's approval to ship product constitutes Buyer's acceptance of performance of that equipment and Buyer agrees and acknowledges that acceptance will only occur at Rocket's place of business.
- C. The time of delivery named by Rocket on the Quote is the approximate date for shipping from its place of business. Rocket will not be liable for delays in delivery caused by any reason beyond Rocket's control, including but not limited to acts of God, casualty, civil disturbance, labor disputes, transportation or supply difficulties, any interruption of its facilities including strikes by its own labor force, or act of government or licensing authority, or any factors outside its control. The time for delivery specified herein shall be extended during the continuance of such conditions and for a reasonable time thereafter. Reasonable effort will be made by Rocket to ship within the time estimated.
- D. All shipments are F.O.B. at Rocket's place of business. Rocket is not responsible for damage or loss of product after delivery to the respective transportation company. Rocket will cooperate in attempting to secure an adjustment when so requested.
- E. Rocket will decide how to pack and ship unless specific instructions are given. Rocket will pack all goods for shipment in a reasonable and industry standard manner for delivery to Buyer.
- F. Where shipment from stock is indicated, material is subject to prior sale.

3. INSPECTION AND REJECTION

Buyer has the right to inspect the Goods prior to delivery. Buyer, at its sole option, may inspect the Goods and reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Rocket, to: (a) accept the Goods at a reasonably and mutually agreed upon price; or (b) reject the Goods and require replacement of the rejected Goods. Any inspection or other action by Buyer under this Section shall not reduce or otherwise affect Rocket's obligations under the Agreement, and Buyer shall have the right to conduct further inspections after Rocket has carried out its remedial actions.

4. TRANSPORTATION CHARGES

- A. On export orders, inland freight charges for all shipments will be prepaid and added to the invoice. On domestic orders, freight charges for all shipments will be collect or pre-paid and issued.
- B. All shipments will be made at the lowest attainable freight unless otherwise requested by Buyer. Rocket will be responsible for shipping and crating and will notify Buyer in advance of the proposed charges so that Buyer may at its option either approve the costs of shipping and crating or arrange for shipping and crating on its own. On shipments subject to freight allowance additional costs for premium rate services such as Express (rail or air), Air Freight, etc., will be charged to Buyer.
- C. Products shipped by Parcel Post will be prepaid and added to invoice.
- D. Charges for crating are not included. Cost of special boxing, export boxing, cartage to steamer, or transfer expense will be added to the Buyer's invoice, unless the charges are shown to be included in the quoted price on the reverse page.

5. WARRANTY LIABILITY

- A. Rocket warrants for a period of one (1) year on all parts and on all labor from the date of delivery to Buyer that (i) all Products manufactured by it will be free from defects in material, design, and workmanship at the time of shipment to Buyer, (ii) conform to applicable specifications and other requirements set forth in the Quote; (iii) be fit for their intended purpose and operate as intended; (iv) be merchantable; (v) be free and clear of all liens, security interests or other encumbrances; and (vi) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by Buyer.
- B. The warranties set forth in this Section 5 are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Goods or Services with the foregoing warranties. If Buyer gives Rocket notice of noncompliance pursuant to this Section, Rocket shall, at its own cost and expense, within a reasonable amount of time of receipt of notice, (i) replace or repair the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or

nonconforming goods to Rocket and the delivery of repaired or replacement Goods to Buyer, and, if applicable, (ii) repair or re-perform the applicable Services. To the greatest extent possible, Rocket will perform warranty repairs at the Buyer's location.

- C. All warranty claims must be submitted to Rocket in writing within the warranty period or the claim shall be deemed waived.
- D. This warranty shall not apply to any product which has been subject to misuse, misapplication, neglect (including but not limited to improper maintenance and storage), accident, improper installation, modification (including but not limited to the use of unauthorized parts or attachments), adjustments of repair, improper lubrication, deterioration by chemical action, and wear caused by abrasive materials.
- E. Rocket assumes no responsibility, liability, or warranty for identifiable items manufactured by others which are affixed to or become a part of Rocket products.
- F. **THE FOREGOING IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS OF ANY PRODUCT FOR A SPECIFIC PURPOSE, AND OF ANY OTHER OBLIGATION OR LIABILITY ON OUR PARTS OF ANY KIND OR NATURE WHATSOEVER.**

6. GENERAL INDEMNIFICATION

Rocket and Buyer (and Buyer's parent company, their subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders and employees collectively, "Indemnitees" mutually agree to hold each other harmless against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney (collectively, "Losses") arising out of the Goods purchased from Rocket or Rocket' or Buyer's negligence, willful misconduct or breach of the terms of this Agreement.

7. INTELLECTUAL PROPERTY INDEMNIFICATION

Rocket shall indemnify and hold harmless Buyer and any Indemnitee against any and all Losses arising out of or in connection with any claim that Buyer's or Indemnitee's use or possession of the Goods or use of the Services infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party.

8. COMPLIANCE WITH LAW

Rocket shall comply with all applicable laws, regulations and ordinances. Rocket shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement.

9. LIMITATION OF LIABILITY AND RIGHT TO CURE

The remedies provided herein are the sole and exclusive remedies of Buyer. It is expressly understood that Rocket's liability for any damages arising out of or related to this contract of sale, or for its products, whether in contract or in tort, is limited solely to the repair and replacement of the products, or the parts thereof, F.O.B. its factory. Rocket will not be liable for any other injury, loss, damage, or expense, whether direct or consequential, including but not limited to labor, loss of use, income, profit or production, increased cost of operation, spoilage or damage to material, arising in connection with the sale, installation, use of, inability to use, or the repair or replacement of, or late delivery of its products. Buyer understands and agrees that Rocket has the right to cure any defects in material and workmanship and as such Buyer must give Rocket a reasonable opportunity to effectuate such a cure. Absent such notice and opportunity to cure by Buyer no liability of any kind shall be imposed upon Rocket and Rocket shall not be required to take the action set forth in this paragraph.

10. TESTING MATERIAL AND INFORMATION

Buyer understands and acknowledges that this contract of sale, and the prices quoted therein, is contingent upon Buyer providing Rocket with correct tolerance requirements by print, or sample part, or product. Buyer agrees to promptly deliver upon request, without charge, sufficient product, sample packaging, packaging material, complete manufacturing data and other material and information necessary to complete the manufacturing and testing of the equipment. Buyer understands that the shipping date is contingent upon prompt receipt of such material. If changes in fabrication or design are required by reason of Buyer providing incorrect tolerances or deviations from print, sample part, or product submitted, or requesting changes thereto, Buyer will be informed of the cost of any such change or deviations in advance, if any, and if approved by Buyer, the cost of such changes shall be added to the Quote and Buyer agrees to pay these additional charges.

11. RETURNED GOODS

No goods will be accepted for return unless authorized in writing by an officer of the company.

12. CANCELLATION OR SUSPENSION

Cancellation or suspension of the contract of sale may be made only upon written approval by an officer of Rocket and only upon terms that indemnify Rocket against any loss.

13. GENERAL TERMS

- A. Unless otherwise stated, a written Quote is valid for a period of thirty (30) days from the date of the initial Quote.
- B. No employee, agent, salesman, or distributor has any authority to bind or obligate Rocket to any terms, stipulations, or conditions not herein expressed.
- C. Any clerical errors are subject to correction and must be brought to the attention of Rocket as soon as suspected.
- D. The execution, validity, construction, and performance of this contract of sale shall be held to be void, voidable, illegal, or otherwise unenforceable, the remaining portions will remain in force and effect.