



ACCURATE METAL FINISHING OF FLORIDA, INC.

STANDARD TERMS AND CONDITIONS OF SERVICES AND STATEMENT OF POLICY

These Standard Terms and Conditions of Services and Statement of Policy (these "**Terms**") are the only terms that govern the provision of services by Accurate Metal Finishing of Florida, Inc., a Florida Corporation ("**AMF**") to its CUSTOMER ("**Customer**" and, together with AMF, the "**Parties**"). These Terms, the Purchase Order Requirements (as defined below) and the accompanying Quote, if a Quote is submitted by AMF in connection with the Services (a "**Quote**" and, together with these Terms and the Purchase Order Requirements, this "**Agreement**") collectively comprise the entire agreement between the Parties and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. For purposes of this Agreement, any and all services provided by AMF to Customer shall be referred to herein as the "**Services**" and shall include any coating, plating, cleaning and other finishing and processing services provided by AMF to Customer.

1. QUOTES. Quotes are typically communicated via email and are valid for ninety (90) days from issuance by AMF unless otherwise agreed in writing. After ninety (90) days, prices and terms are subject to change without notice unless otherwise specified. Prices estimated from a blueprint, drawing or verbal description are subject to revision on the basis of viewing a physical sample or a detailed review of the specifications and / or specific processes required to complete the project.

All quotations, orders, agreements, or modifications thereof, are contingent upon and subject to any and all occurrences beyond our control, including but not limited to strikes or boycotts (whether occurring at AMF's factory, customer's plant or factory, the plant or factory of any supplier, either of the customer or of ourselves, or elsewhere), accident, thefts, fires, war, shortage of materials or equipment, casualty, or acts of God, and, we shall not be liable for failure to perform any agreement for such causes.

2. PRICING AND MINIMUM CHARGES. AMF determines pricing based on the type of process and quantity of parts per batch size. Batches are based on the size/shape, complexity, and processing requirements for each part. For AMF to continue to provide excellent services while remaining profitable, minimum lot charges are applied to purchase orders with dollar amounts less than the total piece part price quoted times the quantity of parts being finished. Minimum lot charges are stated on each Quote.

3. PURCHASE ORDER REQUIREMENTS. AMF's Purchase Order Requirements are attached to, incorporated in and made a part of these Terms (the "**Purchase Order Requirements**").

- a) General requirements and instructions are stated in writing on the Customer Purchase Order and related documentation consisting of the type of material, tolerances, specifications for processing, and / or treatments prior to AMF's processing.
- b) Customer shall make every effort to verify that all of the requirements set forth in the Purchase Order Requirements are complete and achievable for each project or order for Services.
- c) Customer's failure to accurately specify or provide Purchase Order Requirements may result in delays or inaccuracies in the Services.
- d) Any lead times and/or delivery dates shall be automatically extended on a day-by-day basis for any delays in Customer providing the Purchase Order Requirements including the issuance of documentation.
- e) Special instructions over and above the stated Purchase Order requirements, including any rework instructions, shall be provided to AMF in writing.
- f) For reasons of processing and traceability, separate PO's are required when specifying multiple finishes and colors while acknowledging that this will affect the minimum lot charge which is applied on a per PO basis.



4. CHANGE ORDERS. If Customer wishes to change the scope or performance of the Services or the applicable delivery date(s), in each case as outlined in the applicable Quote or purchase order, Customer shall submit details of the requested change to AMF, and AMF shall, within a reasonable time after such request provide a written estimate to Customer of the feasibility of the change and any associated lead times and costs. Once the change is agreed to by AMF the customer shall issue a revised Purchase or Change Order reflective of the change.

5. SERVICES AND PROCESSING. AMF will provide services to Customer in accordance with this agreement. By issuing a purchase order for these services Customer agrees to the terms and conditions as set forth herein.

- a) **CONDITION OF MATERIAL:** In the event that results of metal finishing operations are unsatisfactory due to metal imperfections, parts below standard cleanliness (e.g. excess machine oil, mill marks) changes or mixing of alloy of materials, manufacturing and/or fabrication imperfections, usage for which the plating or other finishing operation was not reasonably designed, and similar variables over which AMF has no control, the customer will be required to pay the contracted amount for the finishing operation performed. AMF reserves the right to reject work or to make an extra charge for finishing any customer's parts below standard cleanliness and surface finish conditions.
- b) **REWOK OF PREVIOUS PLATING:** AMF assumes no responsibility for the outcome of the rework of plating or finishes on materials or merchandise previously plated or finished by others.
- c) **RACKING:** Special handling, racking areas, or critical to quality surfaces and features shall be indicated in writing and included as part of the customer purchase order requirements. In lue of such information, rack marks shall be permissible per the applicable specification and will be left up to AMF's discretion as to the quantity and location.
- d) **INSPECTION:** AMF performs sample visual receiving inspections in accordance with published standards. Non-conforming product will be identified, segregated and subject to customer disposition. Additional fees shall apply to special or additional protocols such as 100% or reference magnification inspections.
- e) **PACKAGING FOR DELIVERY:** Customer packaging is re-used unless deemed nonconforming as such that its use would risk the integrity of the parts during transit. If new replacement packaging must be needed due to previously damaged packing material, the customer will be notified and billed accordingly.
- f) **SHIPPING CHARGES:** Unless agreed otherwise by the parties, Customer hereby agrees to be responsible for any and all costs or charges for common or freight carriers and transfer. The cost of deliveries and pickups made by AMF vehicles are included in the cost of AMF's services.
- g) **STORAGE AND DELIVERY:** AMF assumes no liability for any loss or damage to merchandise or material while in transit to or from our factory, whether in trucks or vehicles owned by us, the customer, or any third party acting in the customer's behalf, or for any loss of or damage to said merchandise or materials while the same are in our possession for any cause whatsoever, including, but not limited to theft, fire, casualty or act of God. AMF shall not under any circumstances be considered an insurer of any Customer parts and shall not be liable, regardless of cause for loss by fire, explosion, accident, theft, vandalism, casualty, or acts of God while parts are in AMF possession. The provisions of this section may be modified only by separate written agreement signed by AMF, and any liability AMF assumes will be covered by a separate charge for such coverage.
- h) **TOOLS, RACKS AND FIXTURES:** Tools, racks and fixtures used for the performance of the work described herein, designated and built by AMF, shall remain AMF's property whether or not customer is charged for time and/or material in connection herewith. A tooling charge is not meant to imply that the customer becomes the owner of any tooling or appliance required to aid in metal finishing operations. The charge merely covers a nominal amount for labor and materials and does not include the cost of maintaining a materials stock or reflect the accepted mark-ups



for such work. The associated design work and any subsequent development work and modifications are considered to be of a proprietary nature. These services are rendered as an expense and any resulting tooling, appliances or racks are accordingly retained by AMF.

- i) **DESTRUCTIVE TESTS; THIRD-PARTY TESTS:** AMF is not obligated to perform tests (even when required by specification) that are destructive in nature and/or that require completion by a third party unless such tests are indicated in writing on the Customer's purchase order, included in the pricing for the Quote and paid for by Customer. If such testing is indicated in writing on the Customer's purchase order, Customer agrees to provide sufficient extra parts or specimens made from the same material for such testing. AMF may perform such tests in-house or through a third party provider, at AMF's option.

6. WARRANTY. AMF warrants that processing and finishing shall meet customer's specifications supplied in writing with the order and that such processing and finishing shall be free from defects in workmanship and finish. If there are no specifications provided and no drawing provided, AMF will assume no responsibility for misinformation provided at time of order. AMF will call for verbal or written clarification if there is a discrepancy with the specifications on the purchase order and/or drawing. If the customer specifies methods and procedures to be followed, AMF will assume no responsibility for the correctness of such methods and procedures or the results when they are followed. The warranties of merchantability and fitness for a particular purpose are hereby expressly made non-applicable. Compensation will only be given in the form of credit towards future processing unless agreed otherwise, in writing, prior to processing the job.

- a) If Customer specifies methods and procedures, including any rework instructions, to be followed over and above or not part of the purchase order requirements, AMF's responsibility shall be limited to carrying out those instructions and shall not be held liable for the resulting outcome. Any such instructions shall be provided in writing by the customer.
- b) In the absence of full disclosure by Customer of the intended use of material or parts to be processed and finished, AMF assumes no liability for subsequent failures or defects.
- c) For experimental samples or first article processing or finishing, AMF's charges are not contingent upon the success of the work or the benefit derived therefrom.
- d) Type of material, specific alloy, tolerances and specifications for processing and/or treatments shall be declared in writing prior to AMF processing and shall specify all processes, including preparation, which customer requires AMF to perform.
- e) AMF's liability for any cause is limited to the cost of customer's direct labor and material of product loss directly damaged by AMF's processing or two times the processing charges on such material, whichever is the lesser. AMF's pricing and charges are based on this limited liability policy.
- f) No claim for shortage will be allowed unless made in writing and presented within two (2) working days after receipt of materials by the customer. On small parts (less than 0.125 cubic inches and greater than 200 pcs.) shrinkage of quantity in processing of up to two percent (2%) shall be allowed without charge or liability.
- g) In order to assert a warranty claim, any material found to be improperly processed by AMF will be refinished and/or reworked (if possible) without charge provided that:
- The material is returned to AMF for full inspection;
 - Materials returned are found to be in the same condition as when originally delivered by AMF, i.e. processing, assembly or signs of related wear of any such rejects by customer or any other party shall constitute a waiver of any liability on the part of AMF;
 - The base material (alloy and temper) furnished for processing was designated on the customer's purchase order information;
 - Notice of defect is given, in writing, within five (5) business days from the date of delivery.

7. INTELLECTUAL PROPERTY. All intellectual property rights, including copyrights, patents, patent disclosures and inventions (whether patentable or not), trademarks service marks, trade secrets,



know-how and other confidential information, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith, derivative works and all other rights (collectively, "Intellectual Property Rights") in and to (a) all documents, work product and other materials that are delivered to Customer under this Agreement or prepared by or on behalf of AMF in the course of performing the Services and (b) any special tooling required for performance of work herein described that has been designed and/or built by AMF shall be owned by AMF and shall be and remain AMF's property, whether or not Customer is charged for time and material in connection therewith.

8. **TAXES.** Customer shall be responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state or local governmental entity on any amounts payable by Customer hereunder.

9. **PAYMENT TERMS.** For Customers with established AMF credit, terms are net thirty (30) days from the date of shipment. Credit is extended solely at AMF's discretion and is subject to revocation at any time. For Customers without established credit, or for any other reason at the sole discretion of AMF, the terms shall be COD. All payments must be in U.S. dollars. AMF shall have the right of set-off and deduction for any sums owed. If Customer fails to make timely payment, AMF, 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 1.5 % per month (18% per annum) will be added to all invoices that are sixty (60) days past due as of the tenth day of the month following the due date of the invoice. Customer shall be liable for all costs and expenses incurred by AMF 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 AMF to collect on any unpaid amount. AMF shall have a lien on Customer's property in AMF's possession until the outstanding balance on the property is satisfied which may extend to property that is subject to an installment contract. AMF'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 Article 9 of the Uniform Commercial Code.

10. **TERMINATION.** Either party may terminate the purchase order agreement at any time. As such, AMF shall be under no obligation to continue to process parts at the agreed Part Price, Modified Part Price, or Fixed Price. Any work performed will be invoiced at the per piece price or as a percentage of the remaining PO total. In the event that AMF elects to terminate the Agreement, AMF shall provide Customer Written Notice of such election ten (10) days prior to the date of termination of service. AMF shall not be required to furnish Written Notice if the termination is due to Customer's failure to make any payment as detailed in section (9) above.

11. **GOVERNING LAW.** This Agreement shall be constructed in accordance with the laws of the State of Florida.

12. **INDEMNITY.** The Customer agrees that the Customer will defend, indemnify and hold AMF harmless from all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, fees, costs, including attorneys' fees and costs, expenses or disbursements of whatever kind which may at any time be imposed upon, incurred by or asserted against AMF or its officers, employees, affiliates or representatives in any way relating to or arising out of the Services provided to Customer or attributable to any defect from such Services. The Customer bears the risk of any loss, damage or casualty occurrence regarding the Services.

13. **AUTHORITY.** This Agreement shall apply to this and any future order or agreement for processing or finishing of any Customer parts. The Customer (a) acknowledges that Customer has read and understands this Agreement and the Standard Terms and Conditions of Sale and Statement of Policy as set out herein, and each and every term thereof, and agrees to be bound by this Agreement, and (b) warrants that Customer is authorized to enter into this Agreement, and that this Agreement is an integral part of all invoices and purchase orders, specifications, drawings, bills of material, written instructions,



email communications and other communications between Customer and AMF and governs all such documents and instruments and all matters set forth herein and therein.

14. **SEVERABILITY.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the terms of this Agreement are fulfilled to the fullest extent possible.

15. **CONTROLLING EFFECT.** Nothing to the contrary notwithstanding, it is specifically agreed and understood that if there is any ambiguity or conflict between any purchase order, specification, drawing, bill of material, written or verbal instructions or other printed form or email communications of Customer and this Agreement, then this Agreement shall control and prevail. Customer acknowledges that AMF only accepts Customer purchase orders, and agrees to perform Services for Customer solely upon Customer agreeing and assenting that this Agreement, and the Standard Terms and Conditions of Service and Statement of Policy contained herein, are controlling.

16. **ENTIRETY.** This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, with respect to the subject matter hereof.