

Factoria Industrial, S.A. de C.V.
General Terms and Conditions of Sale and Delivery

1. Parties

Factoria Industrial, S.A. de C.V. sells goods and services under these terms and conditions and is referred to herein as "Factoria". The customer of such goods and services under this contract is referred to herein as "Customer".

2. General conditions

A. All deliveries and performances shall be based on these General Terms and Conditions, as well as on any separate written contractual agreements. If Customer's conditions of purchase diverge, they shall not become a subject matter of the contract even on acceptance of the order, unless such terms are expressly agreed to in a separate writing signed by Factoria. The contract shall be brought about - in lieu of particular agreements - with Customer's written order confirmation or with acceptance of our offer.

B. Factoria reserves property rights and copyrights for prototypes, cost estimates, drawings and other information of a physical and non-physical nature -including all electronic forms; they must not be made accessible to third parties. Factoria expressly undertakes to allow third parties access to information and documents designated by Customer as being confidential only with Customer's written approval.

3. Industrial property rights

A. Factoria reserves its property and intellectual rights to any illustrations, drawings, sketches and other documents supplied to Customer in order to process an order. They must not be made accessible to third parties in any form without Factoria's written approval.

B. If Customer has provided Factoria with proprietary drawings, Customer must ensure that they do not affect industrial property rights of third parties. Factoria shall be under no obligation to Customer to review whether any industrial property rights of third parties may be violated. Should Factoria nevertheless be held liable, Customer shall hold Factoria free and harmless in the event of recourse claims.

4. Price

Quoted prices are net without deductions, ex-works our plant located on Avenida Oscar Wilde 11376 inside the Chihuahua Industrial Complex, in Chihuahua, Chihuahua, Mexico (INCOTERMS 2000), excluding any packaging and any transport. The respective statutory value-added tax must be added to the prices for any service and product deliveries.

5. Terms of payment

A. Payments shall be made within 30 days from the date of delivery of the invoice (also applicable for partial deliveries) without any deductions (including tax deductions applicable in the jurisdiction of the Client). Accepted claims for reperformance shall not entitle Customer to hold back payments.

B. Payments shall be made in U.S. Dollars by direct deposit or wire transfer made to Factoria's following checking account, or at Factoria's address.

C. In the event of late payment, the Client will be obligated to pay a late interest charge equal to 1% of the balance due per month, until the payment is made together with interest accrued thereon.

D. In case of claims, setting off or holding back of payments is only permissible with or because of such claims have been explicitly recognized in writing by an authorized agent of Factoria.

E. In case payment by a bill of exchange or other means for payment are agreed, all Factoria's claims with respect to Customer will be due for immediate payment, if Customer has any protested bills of exchange or checks, foreclosure of its assets or if bankruptcy proceedings have been initiated or opened.

F. Representatives of Factoria are not authorized to accept payments without a written authority from Factoria's legal representative.

6. Delivery time

A. The period for delivery shall commence as soon as all details of the performance have been clarified and both parties have agreed on all conditions of the transaction, particularly the technical specifications agreed with Factoria's Engineering Department. The delivery time shall be based on completion of the work or notification to Customer of readiness of shipment. Unforeseen events that lie outside Factoria's control, for example, operational disruptions, strikes, lock-outs, delayed deliveries by a sub-contractor, exclusion in our own works or a subcontractor's, shall extend the delivery deadline appropriately, and this shall also apply to the event that official or other approvals for the performance of the delivery required by third parties and documents or information from Customer required for the performance of the delivery are not received on time; this shall also apply to a subsequent alteration of the order.

B. Partial deliveries are permissible.

C. If Just-In-Time service is needed, Customer should expressly request it. Factoria will quote this as a value-added service and it shall be billed separately.

D. For on-site personnel requests, Factoria's commitment is to have personnel at the plant within 24 hours from receipt of the formal written request of the service by Customer.

7. Claims from defects

Factoria shall warrant its own work from defects, excluding further claims - subject to clauses 7E and 7F - as follows:

A. All the parts that prove to be defective as a result of a circumstance before shipment shall be reworked free of defects, free of charge. This rework shall be limited to the particular lot or shipment where defects were found. Ascertainment of such defects must be reported to Factoria in writing within a term of 10 working days. If such a claim is not received within such term, all parts will be deemed accepted and Factoria will be released from any responsibility thereof.

B. After consultation with Factoria, Customer shall give the necessary time and opportunity to Factoria to carry out all the improvements and replacement deliveries that appear necessary to Factoria; if not, Factoria shall be released from liability for the resulting consequences.

C. Factoria shall bear the costs of the rework including dispatch - to the extent that the complaint proves to be justified. If there is only an inconsiderable defect, Customer shall only be entitled to a reduction of the contractual price. Apart from this, the right to a reduction of the contractual price shall remain excluded. Further claims are governed by clauses 7E and 7F of these Terms and Conditions.

D. No warranty shall be assumed, in particular, in the following cases: unsuitable or improper use by Customer or third parties, incorrect or incomplete instructions by Customer or third parties, natural wear and tear, unsuitable operating equipment or media used by Customer or third parties, faulty training given by Customer to Factoria's personnel, any chemical, electrochemical or electrical influences to the extent that Factoria is not answerable for them. Factoria shall only be liable for defects in the material supplied by Customer only in as far as Factoria's application of professional care should have led him to recognize such defects. If Factoria's

personnel follows all drawings, specs and instructions agreed upon by Factoria's Engineering department with the Customer, Factoria is only liable for proper workmanship in compliance with said documents.

E. No warranty or liability is accepted for any defects coming from a visual inspection yielding results of 200 PPM's or less.

F. No warranty or liability is accepted for any defects coming from a gage or fixture inspection yielding results of 20 PPM's or less.

8. Packaging

Factoria shall package all processed material in the same packaging it was received. In case this is not possible and for partial deliveries, Customer shall designate the best way to do it, accruing a charge for any additional packing material used by Factoria.

9. Factoria and Customer's liabilities

A. For work done on-site at Customer's plant or at a Third Party's as requested by Customer, Customer/Third Party shall be responsible for providing Factoria's personnel with all necessary and adequate work conditions, tools and equipment. Factoria shall be responsible of providing all personal safety equipment (shoes, glasses, mocks and anti-static straps, as required).

B. For work done at Factoria, normal shifts hours are from 06:30 to 15:30 and from 15:30 to 00:30. Special arrangements can be done for urgent, one-day or special requirements, for which these special shifts would be set by mutual written agreement of both Factoria and Customer. The scope of the service will be subject to available personnel at the time of the request.

C. Special third shift services requested by Customer can only be cancelled with at least 24-hour advance written notice. If Factoria does not receive written cancellation notice in due time, Customer shall still be liable for payment of the order and Factoria's personnel will still be available for any other work Customer may require.

D. Factoria's liability for any event will be limited to 5% of the value of the work order, without exceeding \$500 USD per event. This shall only be exercised with Factoria's written acceptance of such liability.

E. The liability of Factoria in any event shall not exceed the sale price of the products and services sold by Factoria to the Client during the term hereof and Factoria shall not be liable for any other damages, including but not limited to indirect, special, incidental, consequential or exemplary damages. Factoria provides no warranty for any products or services sold to the Client by any third party.

10. Factoria's right to withdraw from the contract

If, after conclusion of the sales contract, Factoria learns that Customer is in an unfavorable financial position, Factoria can demand security for any work done or withdraw from the contract with deduction of any expenses incurred.

11. Place of performance and place of jurisdiction

A. Customer and Factoria submit themselves to the jurisdiction and venue of the competent courts located in Chihuahua, Chihuahua, United Mexican States, and agree that the commercial and civil laws of the United Mexican States shall control interpretation, compliance and enforcement of this agreement.

B. Any and all disputes arising from the contractual relationship, including disputes related to the payment shall be brought before the local courts located in the City of Chihuahua, Chihuahua, Mexico.

12. Miscellaneous

Should any provisions or a single clause of these General Terms and Conditions be or become invalid, this shall not affect validity of any other provisions of the agreement.

13. Notices

All notices, demands and requests required hereto shall be in writing, and shall be deemed to have been properly given if served personally or if sent by registered or certified mail return receipt requested, confirmed fax, or confirmed e-mail addressed to Factoria or Client, as the case may be, at their respective address last designated by notice to the other party for that purpose. For all legal effects, each party designates as its domicile the address established in:

Factoria Industrial, S.A. de C.V. Ave. Oscar Wilde 11376 Complejo Industrial Chihuahua Chihuahua, Chihuahua 31109 MEXICO Tel: +52 (614) 158-4700 Fax: +52 (614) 158-4701 e-mail: info@factoria.com	Customer data goes here
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Note:

This is a translation of the Spanish version. In cases of uncertainty or conflict, the Spanish version shall prevail.