

U.S. EXPORT AUTHORITY INC.

250 East Gish Road
San Jose, California 95112-4706
Tel (408) 487-1700 Fax (408)-1707
Email usea@usea.com Web www.usea.com

10/31/2012

FAIRCHILD

Subject : Submit Quotation #

Reference : Preperation of travel visas

Dear Betsy:

U.S. Export Authority, Inc. is pleased to offer this quotation # our affiliated company, Best Electronics & Components Co., Inc. (BECCI) in the Philippines.

PRODUCTION PROCESSING/FLOW

1-Test Program Development Two travel visas will be prepared for a potential trip to FSC: Richelle and Adrian

PRICING

The price will be cost plus 20 %

PRODUCTS & SERVICES

Services Includes

Technical support by BECCI is available 24 hours per day for system maintenance, calibration, and repair. This '24 / 7' support virtually eliminates all downtime due to equipment problems and ensures a high level of up-time.

Service Options

BECCI can provide Materials & Assembly Management and Test Program Development using ASLs or customer supplied test platforms upon request.

Materials

Customer shall supply parts in taped reels. BECCI will supply the tape and reel materials. If additional materials are required they will be provided by the Customer. As an option, BECCI will provide said additional materials to the Customer at cost plus 18%.

Forecast

A forecast of parts to be delivered to BECCI and Customer's requested completion dates is requested in advance on this project so that BECCI can reserve capacity and insure schedule production operations.

TERMS & CONDITIONS

Freight

Prices do not include freight or forwarding charges. Freight terms are Ex-works BECCI plant in the Philippines.

Payment Terms

Net 30 days. Payment should be made to U.S. Export Authority, Inc., 250 East Gish Road, San Jose, Ca. 95112-4706. Shipments may be held if payments are not made in accordance with our terms.

Liability

U.S. Export Authority's liability is limited to the value added by BECCI. All claims for credit must be received by U.S. Export Authority, Inc. within thirty (30) days of receipt of product. Customer shall provide insurance coverage door-to-door on all consigned materials and/or equipment to and from the BECCI facility in the Philippines.

Validity

This quotation is valid for sixty (60) days.

Additional Terms and Conditions are set forth in our standard Terms and Conditions document (attached).

Regards, Martin Peacock

STANDARD TERMS AND CONDITIONS

Purchase Order

The customer will provide a Purchase Order made out to U.S. Export Authority, Inc. No work will be started by the factory (Best Electronics) without a confirmed purchase order.

Pricing

Prices acknowledged do not include freight, forwarding fees, customs clearing or duty charges and delivery/brokerage charge; the customer is responsible these charges. Prices acknowledged shall be reviewed when the cost of direct materials and / or related cost increases exceed 5 %.

Shipment

All goods shall be shipped to our affiliated production company "BECCI" Delivered Duty Paid (DDP) per INCOTERMS 2000 terms.

Best Electronics & Components Co., Inc.
Km 16 East Service Road
Perpetual Village
South Super Highway
Bicutan Paranaque City
Philippines 1700

Lot Charge

A minimum lot charge may be applied to operations as noted in Quote.

Payment

All payments are due within 30 days from the invoice date unless mutually negotiated otherwise. Payment shall be in U.S. dollars to :

U.S. Export Authority, Inc.
250 East Gish Road
San Jose, CA 95112-4706

Overdue Payment

Customers are expected to remit payment within the prescribed period. In the event of overdue payments, U.S. Export Authority reserves the right to:

- Place shipments on hold.
- Impose corresponding penalty charges and interest on past due accounts.
- Change payment terms to C.O.D. or C.I.A.

Risk of loss/insurance

Customer shall bear all risk of loss relating to all piece parts and other material provided to BECCI. Customer shall provide insurance coverage door-to-door on all material and equipment provided to BECCI.

Remedies

USEA's liability is limited to the value added by BECCI and under no condition shall USEA be liable or responsible for damages arising directly or indirectly from the sale, use, or failure of any devices assembled or tested by USEA.. Claims for defects must be made in writing within thirty (30) days of the receipt of the goods by buyer. USEA authorization is required prior to Customer returning goods to USEA or BECCI for re-work or credit.

Freight

The customer and/or its Consignee will be Importer of Record" for goods shipped by BECCI. Unless otherwise instructed by the customer, BECCI shall designate it's own forwarder and broker to handle the import and export of these devices. Delivery of goods by BECCI to carrier or forwarder will constitute delivery of goods shipped by BECCI. Freight terms are EX-Works BECCI plant in the Philippines.

Non-Disclosure / Non-Solicitation Agreement

A signed Agreement must be in place before commencing any Test Development work.

Patents

USEA/BECCI assumes no obligation or liability of any kind with respect to claims of infringement of United States or foreign patents, copyrights, trademarks or other proprietary rights arising out of or relating to the purchase, importation, use, possession, sales, or delivery of any product or services sold to the customer by USEA / BECCI, and the customer shall indemnify, defend and hold USEA harmless from any and all such claims and liabilities, damages and expenses.

Termination

In the event of order cancellation and/or termination of business relationship, the customer shall pay for work in process and raw material in stock, in-transit and on order (that are not cancelable) which was purchased solely for the production of goods and services for the customer