

MASTER SERVICE AGREEMENT

ADVANCED SURFACE TECHNOLOGIES

This Master Service Agreement (this “**Agreement**”) is entered into by and between **Advanced Surface Technologies**, a Colorado company with its principal place of business at 6155 W. 54th Ave., Arvada, CO 80002 (“**AST**” or “**Provider**”), and each customer that accepts a serve quote from AST under the terms set forth herein (“**Customer**”). AST and Customer are each referred to individually as a “**Party**” and together as the “**Parties.**”

RECITALS

WHEREAS, AST is engaged in the business of providing metal plating, finishing, and related surface treatment services (the “**Services**”); and

WHEREAS, Customer wishes to engage AST from time to time to perform Services on parts, components, and materials supplied by Customer, and AST wishes to perform such Services, in each case subject to the terms of this Agreement and the specific quotations and purchase orders issued hereunder;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Structure of the Agreement; Quotations and Orders

(a) This Agreement establishes the general terms and conditions that will govern all Services performed by AST for Customer. Specific jobs will be initiated by a written quotation issued by AST (a “**Quotation**”) and a corresponding purchase order issued by Customer (a “**Purchase Order**,” and together with the accepted Quotation, an “**Order**”). Each Order is incorporated into and governed by this Agreement.

(b) Quotations are open for acceptance for thirty (30) days from the date of issuance. After thirty (30) days, prices and terms stated in a Quotation are subject to change without notice.

(c) In the event of any conflict between the terms of this Agreement and the terms of an Order, this Agreement shall govern unless the Order expressly states that it is amending a specific provision of this Agreement and references that provision by section number.

(d) This Agreement, together with all Orders issued hereunder, constitutes the entire agreement between the Parties with respect to the Services and supersedes all prior or contemporaneous agreements, understandings, and communications, whether written or oral, relating to the subject matter hereof.

(e) This Agreement is shall become effective upon Customer’s first acceptance of any Quotation (“**Effective Date**”) and shall remain in effect until terminated under Section 13 of this Agreement.

2. Services and Performance Standards

(a) AST will perform the Services in accordance with the specifications supplied by Customer in writing with the applicable Order, and such processing and finishing shall meet those specifications. Where the Order specifies particular methods or procedures to be followed, AST will comply, whether or not

such methods or procedures produce Customer's desired result. AST assumes no responsibility for the correctness of methods or procedures specified by Customer, or for the result obtained when such methods or procedures are followed.

(b) AST does not warrant that any material furnished by Customer is suitable or fit for the processing and finishing requested.

(c) AST reserves the right, at its option, to reject work or to make an additional charge for finishing any base metal that does not meet AST's required standard.

(d) AST assumes no responsibility for defective plating or other finish applied to materials or merchandise previously plated or finished by others. Any such defective merchandise will be returned to Customer for refinishing, or refinished at AST's option, stripped and refinished at Customer's expense.

(e) For special or experimental processing and finishing, charges are not contingent upon the success of the work or the benefit derived from it by Customer.

(f) AST's quality standard for the Services will be ANSI/ASQ Z1.4, General Inspection Level I, Reduced, with an Acceptable Quality Level (AQL) of 1.5 under a Single Sample Plan, unless a different standard is specified in writing in the applicable Order.

3. Pricing and Payment Terms

(a) Pricing for each Order will be as set forth in the applicable Quotation. Unit prices will apply if the total of the Purchase Order's part quantities, multiplied by the applicable unit prices, exceeds the minimum lot charge.

(b) Parts made of the same material may be run together and combined on the same Purchase Order.

(c) Where a Quotation involves a precious metal such as gold, pricing is based on the market price of that metal as of the date of the Quotation. AST reserves the right to adjust pricing to reflect market fluctuations in the cost of precious metals with each Order, as disclosed in the applicable Quotation.

(d) Payment is due on delivery (COD), unless a Net 30 account is preapproved by AST. Credit card payments are subject to an additional processing charge as disclosed in the applicable Quotation.

(e) Certification of processing, where required by Customer, will be provided at the additional charge disclosed in the applicable Quotation.

(f) All jobs are FOB AST's facility in Arvada, Colorado, unless otherwise agreed in writing.

(g) Customer is responsible for all sales, use, excise, and similar taxes applicable to the Services, other than taxes based on AST's net income.

4. Delivery Time

(a) Typical lead time for Services is seven (7) to ten (10) business days from AST's receipt of Customer's materials, unless otherwise specified in the applicable Order. Parts received after 12:00 p.m. local time will be considered received on the next business day.

(b) Deliveries made by AST within ten (10) days of the time specified in the applicable Order shall be deemed in full compliance with the Order. AST shall have the right to make partial or installment deliveries, for which Customer shall pay at the applicable contract price. Defective delivery or non-delivery with respect to any installment or partial delivery under an Order shall be a severable breach and shall not entitle Customer to treat the entire Order as breached.

(c) Subject to AST's capacity, parts may be expedited for an additional charge as quoted at the time of the request.

(d) Packaging of finished parts will be as received from Customer, unless Customer requests and pays for alternate packaging or containers.

5. Special Requirements

(a) Baking will be performed only if specified in the applicable Order. Baking charges will be as set forth in the applicable Quotation.

(b) Special tools, racks, and fixtures required for performance of the Services and built by AST shall remain AST's property, whether or not Customer is charged for the time and/or materials used in connection with such tools, racks, or fixtures, unless otherwise agreed in writing.

(c) Tooling charges, if applicable to an Order, will be quoted and agreed to separately.

6. Inspection and Claims for Shortage or Defect

(a) No claim for shortage in weight or count, or for defect in quality, whether latent or patent, will be allowed unless presented in writing, by certified mail, within ten (10) days after receipt of the material by Customer, or by Customer's consignee to whom it is delivered. Any material found upon inspection by AST to be defective in workmanship or material will be refinished by AST without charge, provided that such material is returned to AST FOB its Arvada, Colorado plant in the same condition as when originally shipped by AST.

(b) By submitting materials for processing, Customer expressly assumes the risk of discovering any shortage or defect within the time period described in Section 6(a).

7. Warranty and Limitation of Liability

(a) AST warrants that its processing and finishing shall meet the specifications supplied by Customer in writing with the applicable Order, and that such processing and finishing shall be free from defect in material or workmanship, subject to Section 2 above regarding methods and procedures specified by Customer.

(b) THE WARRANTY SET FORTH IN SECTION 7(a) IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. AST'S LIABILITY FOR ANY LOSS OR DAMAGE OF ANY NATURE, INCLUDING WITHOUT LIMITATION DIRECT, INDIRECT, AND CONSEQUENTIAL DAMAGE, ARISING FROM OR RELATING TO THE SERVICES, IS LIMITED TO CUSTOMER'S COST OF THE MATERIAL OR MERCHANDISE, OR AST'S PROCESSING AND FINISHING PRICE FOR SUCH MATERIAL, WHICHEVER AMOUNT IS LESSER.

(c) No claim will be allowed for shrinkage, expansion, deformity, rupture, or other alteration of material in finishing, nor for breakage in straightening, except pursuant to a separate written agreement between the Parties.

(d) AST assumes no liability for any loss of or damage to merchandise or material while in transit to or from AST's facility, whether in trucks or vehicles owned by AST, Customer, or any third person acting on behalf of either, or for any loss of or damage to such merchandise or material while it is in AST's possession, for any cause whatsoever, including without limitation theft, fire, casualty, or act of God.

(e) This Agreement does not include, and AST does not provide, insurance covering Customer's manufacturing costs, including labor and material costs incurred up to the point of finishing. Customer is responsible for obtaining any insurance coverage it deems necessary for such costs.

(f) Where AST undertakes salvage work at Customer's request, such work is performed on a best-efforts basis only. AST accepts no liability for the value of the part(s) involved and will charge for the time expended regardless of the results obtained.

8. Force Majeure

All Orders and this Agreement are contingent upon, and subject to, events beyond AST's reasonable control, including without limitation strikes or boycotts (whether occurring at AST's plant or factory, the plant or factory of any supplier, or at the premises of Customer or elsewhere), accidents, theft, fire, war, shortage of materials or equipment, casualty, or acts of God. AST shall not be liable for failure to perform any Order due to such causes, and shall notify Customer of its inability to perform. In such event, Customer shall, at its own risk, cost, and expense, be responsible for pick-up at AST's facility of any raw, finished, or unfinished materials belonging to Customer.

9. Cancellation

Any cancellation of an Order by Customer shall be valid and effective only if accompanied by payment to AST of an amount equal to twice the cost of actual labor and materials devoted to performance of the Order to date, if any, plus ten percent (10%) of the total Order price. The Parties agree that such amount constitutes reasonable liquidated damages, and not a penalty, in light of the difficulty of ascertaining AST's actual damages resulting from such cancellation.

10. Handling of Customer Materials

(a) All Customer merchandise and material in AST's possession shall be subject to a general lien in favor of AST for all monies owed to AST by Customer, whether or not due or payable, and whether or not such monies are owed for the Services performed on such specific merchandise or material.

(b) During storage and transportation of Customer's material, any containers used for delivery to AST shall be used, and any damage resulting from the use of such containers shall be at Customer's risk. Should Customer desire other packaging or containers, AST will charge for such material and handling and will provide such service upon receipt of a written order.

11. Regulatory Compliance

AST is registered under the U.S. International Traffic in Arms Regulations (ITAR) and maintains ISO 9001 certification. Customer is responsible for accurately identifying, in writing with each Order, whether the parts or materials submitted for processing are subject to ITAR, the Export Administration Regulations (EAR), or any other applicable export control or regulatory regime, and for providing AST with any information reasonably necessary for AST to process such materials in compliance with applicable law.

12. Confidentiality

Each Party agrees to hold in confidence, and not disclose to any third party, any proprietary or confidential technical, business, or pricing information disclosed by the other Party in connection with this Agreement, except as required to perform its obligations under an Order, as required by law, or as otherwise agreed in writing by the disclosing Party. This Section shall survive termination or expiration of this Agreement for a period of three (3) years.

13. Term and Termination

- (a) This Agreement shall commence on the Effective Date and shall continue indefinitely, or until terminated under Section 13(b) of this Agreement.
- (b) Either Party may terminate this Agreement for convenience upon thirty (30) days' prior written notice to the other Party. Either Party may terminate this Agreement immediately upon written notice if the other Party materially breaches this Agreement and fails to cure such breach within fifteen (15) days after receiving written notice describing the breach. Termination by Customer shall result in AST's refusal to continue providing Services to Customer.
- (c) Termination of this Agreement shall not affect any Order accepted prior to the effective date of termination, and such Orders shall continue to be governed by the terms of this Agreement through completion, including with respect to cancellation charges under Section 9.

14. General Provisions

- (a) Amendments. The provisions of this Agreement constitute the entire agreement between the Parties. Any changes, alterations, waivers, or modifications with respect to the Services performed, the terms of sale, or any other matter set forth herein, must be in writing and signed by a duly authorized representative of each Party. These terms and conditions shall apply to any Order or agreement for the processing of any materials or merchandise between the Parties.
- (b) Industry Standard Terms. The standard terms and conditions of sale reflected in this Agreement have been adopted as standard practices of the metal finishing industry by the National Association of Metal Finishers, and are incorporated herein as the baseline commercial terms between the Parties.
- (c) Independent Contractor. AST is an independent contractor, and nothing in this Agreement shall be construed to create a partnership, joint venture, agency, or employment relationship between the Parties.

(d) Assignment. Neither Party may assign this Agreement, in whole or in part, without the prior written consent of the other Party, except that either Party may assign this Agreement without consent in connection with a merger, acquisition, or sale of substantially all of its assets.

(e) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Colorado, without regard to its conflict of laws principles.

(f) Notices. All notices under this Agreement shall be in writing and delivered to the addresses set forth in the applicable Order or such other address as either Party may designate in writing.

(g) Severability. If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect.

(h) Counterparts. This Agreement may be executed in counterparts, including by electronic signature, each of which shall be deemed an original, and all of which together shall constitute one instrument.