



RECEIVED JUN 6 2000

The Gaffoglio Family

— **Metalcrafters** —
Inc.

Mike Alexander
Chief Operating Officer

June 5, 2000

Mr. William A. [REDACTED]
William [REDACTED] & Associates
150 [REDACTED]
Suite 285
Costa Mesa, CA 92626

Dear Mr. [REDACTED]:

Please accept the following letter with attachments as a flat-rate quote for tasks to be performed by the Gaffoglio Family Metalcrafters, Inc., as requested by your office. The attached quotation is for a full-size clay model and concept car only, not an engineered vehicle.

WILLIAM [REDACTED] & ASSOCIATES DELIVERABLES:

- 1/4 Size Clay Model
- Wheel Design
- Paint
- Upholstery Materials
- Color Sketches (Interior and Exterior)
- Engine and Drive train

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GAFFOGLIO FAMILY METALCRAFTERS, INC. DELIVERABLES:

1. Build Complete – 40 Weeks following the delivery of the clay.
2. Customer Driven Changes – Changes will only proceed after the Concept Car Vehicle Specialist has approved the change. An estimate cost of the change will be provided with an Engineering Change Notice (ECN) document. William Packard & Associates will only be responsible for actual costs of the change (including materials). Change Rate will be \$60.00 dollars per hour:

TIME FRAME:

It is our understanding that this project must be completed 40 weeks from inception of the contract.

PAYMENT TERMS:

The full quotation value is \$3,432,000. In consideration of sweat equity of \$575,128, the final quotation value is \$2,856,872. (See Attached) The payment terms are as follows:

- 50% Upon Inception of the Contract
- Ten (10) Equal Monthly Payments of \$171,600 Beginning One (1) Month After Inception of the Contract

Thank you for giving us the opportunity to work with you and your company. Please do not hesitate to contact me should you have any questions.

Best regards,


Mike Alexander *05:50 PM 2000*
Chief Operating Officer

MA:ttt

cc: George Gaffoglio – CEO