

PERKINS PRECISION DEVELOPMENT TERMS AND CONDITIONS

1. **SCOPE OF AGREEMENT.** This Agreement is the general terms and conditions which shall control all purchases from Perkins Precision Development (“PPD”). These Terms and Conditions have priority over all other terms, including Buyer’s Purchase Order Terms, and may only be waived or amended by a writing signed by authorized representatives of PPD and Buyer.

2. **PURCHASE ORDERS.** PPD has no obligation with respect to any Purchase Order until it is accepted by PPD. PPD has the right to accept Purchase Orders in whole or in part. PPD quotes are based on current availability of materials and manufacturing capacity. If such material availability or manufacturing capacity changes by the time a Purchase Order is placed, PPD has the right to change the lead time when accepting the Purchase Order.

3. **TAXES AND EXPORT CHARGES.** All Prices are exclusive of all sales, excise, value-added, use, and property taxes as well as all customs, export and similar charges, all of which are the responsibility of Buyer. Some or all of these will be added to the invoice and paid by Buyer.

4. **DELIVERY; Chance Occurrences.** PPD shall use reasonable commercial efforts to deliver the Products to Buyer on the delivery dates set forth in the attached Quotation. Delivery will be made F.O.B. PPD’s plant, Longmont, CO, USA (FOB Origin). Title to such products shall pass to Buyer upon delivery of the Products by PPD to carrier; Buyer assumes all risk of loss or damage to the Products after delivery to the carrier and during shipment and shall file any damage claim forms required by the carrier or insurer. Shipping dates for the Products are approximate, and the failure to perform due to actual delivery time shall not be considered a breach by PPD. Performance by PPD will be excused without liability during any period that performance is prevented or delayed by causes beyond the commercially reasonable control of PPD.

5. **SHIPMENT.** PPD will provide at its expense standard commercial packaging to identify and protect the Products during shipments. Buyer may request special packaging at its own expense. In the absence of specific shipping instructions, PPD will ship by the method it deems most advantageous. Transportation charges will be collected on delivery or, if prepaid, will be subsequently invoiced to Buyer. Buyer may authorize PPD to utilize Buyer’s shipping account when noted on Purchase Order. If insurance is necessary, Buyer is obligated to obtain insurance against damage or loss to the Products being shipped.

6. **TERMS OF PAYMENT; SECURITY INTEREST; BANKRUPTCY.** All payments, after credit approval, are due net thirty (30) days after the original Product shipment date. Past due payments will accrue interest at the rate of 1.5% per month until paid. In states where a customer may be assessed service charges at a maximum percentage less than 1.5% per month, then the service charge shall be at the maximum rate allowed by that state’s law. If Invoices are not paid within sixty (60) days of invoice date, PPD may suspend shipment of any goods ordered by Buyer. Buyer grants a UCC security interest of PPD in all shipped Products until the contract price is fully paid. If Buyer defaults in any of its obligations to PPD, PPD will have the right to repossess the Products sold hereunder without liability to Buyer. A copy of the invoice may be filed with appropriate authorities at any time as a financing statement and/or chattel mortgage to perfect PPD’s security interest. If Buyer (i) becomes bankrupt or insolvent, (ii) makes an assignment for the benefit of its

creditors, (iii) commences to be wound up, or (iv) suffers a receiver to be appointed, PPD may cancel this agreement in writing without judicial intervention or declaration of default of Buyer and without prejudice to any other right or remedy.

7. **INTELLECTUAL PROPERTY.** PPD retains all copyright, patent, ownership of software, and all design, manufacturing, marketing and other proprietary rights in the Products.

8. **LIMITED WARRANTY, INSPECTION AND ACCEPTANCE; RETURNS.** PPD warrants that the Products comply with applicable Product specifications without defects in material and workmanship that prevent specified operation. Buyer shall have the right to inspect the Products at the time and place of delivery before paying for or accepting them. The Products shall be deemed accepted by Buyer unless notice of defect or shortage is received within sixty (60) days of shipping and any defective Product is returned to PPD within ninety (90) days of shipping. Any such products must be in their original packaging and be in new condition. Defective goods may be returned freight prepaid after obtaining a customer return order number from PPD. If after testing and inspection any such returned product is determined by PPD to be defective, PPD shall promptly repair or replace the product and return it to Buyer freight prepaid, or refund the purchase price at PPD's option. Goods or parts that have been subject to any misuse or accident are not covered by warranty. **BUYER HAS NO OTHER REMEDY FOR BREACH OF WARRANTY OR FAILURE TO MEET PRODUCT SPECIFICATIONS.**

9. **NO ADDITIONAL WARRANTIES.** This warranty is the only warranty made by PPD with respect to the Products delivered hereunder. No warranty is made with respect to custom equipment or goods produced to Buyer's specifications except as specifically stated in writing by PPD in the contract for such custom goods. PPD disclaims all other express or implied warranties, including any warranty for non-infringement, merchantability or fitness for a particular purpose. To the extent an implied warranty cannot be excluded, it is limited in duration to the warranty period.

10. **LIMITATION OF LIABILITY.** PPD shall not be liable for injury to any property other than the products, including third-party claims, and in all cases shall be limited to the refund of the purchase price. **IN NO EVENT SHALL PPD BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES.** Buyer shall defend and indemnify PPD against any claims that are based upon any subsequent resale of the Products by Buyer or upon any sale by Buyer of any of its goods that contain PPD's Products.

11. **LIMITATION OF LIABILITY FOR CUSTOMER-OWNED PARTS.** PPD shall not be liable for injury to any customer-owned property delivered to PPD unless specifically agreed in writing, and shall be limited to the refund of the purchase price. Buyer must carry business insurance on all customer-owned material sent to PPD. **IN NO EVENT SHALL PPD BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES.** Buyer shall defend and indemnify PPD against any claims that are based upon any subsequent resale or use of the Products by or through Buyer or upon any sale or use by or through Buyer of any of its goods that contain PPD's Products.

12. **EXPORT CONTROL, ITAR, U.S. EXPORT ADMINISTRATION REGULATIONS.** These products may be controlled by the U.S. Government for export purposes. The products, technical

data, and any related services may not be exported, re-exported, or transferred directly or indirectly without first consulting relevant U.S. Export Administration Regulations, International Traffic in Arms Regulations or other applicable regulations and obtaining the proper authorization. Contact the U.S. Departments of Commerce, State and Treasury for guidance and additional information.

13. CANCELLATION. This Agreement may be canceled by Buyer only upon the payment of reasonable cancellation charges, which will include expenses already incurred for labor and material costs, overhead, commitments made by PPD, and a reasonable profit.

14. INTELLECTUAL PROPERTY INFRINGEMENT DEFENSE AND INDEMNITIES. PPD shall defend and indemnify Buyer, with Buyer's cooperation, against any claims that the manufacture or sale of the PPD's product or that ordinary use of PPD's product constitutes an infringement of a US patent (except Process Patents) or Trademark. Buyer shall defend and indemnify PPD against any claims that manufacture or sale of Products manufactured to Buyer's specifications constitutes an infringement of any US or foreign patents, trademarks or other intellectual property rights. THIS AGREEMENT STATES PPD'S ENTIRE LIABILITY AND OBLIGATION WITH RESPECT TO INTELLECTUAL PROPERTY CLAIMS.

15. ENTIRE AGREEMENT. The terms and conditions set forth herein constitute the entire agreement between PPD and Buyer and supersede any other agreements or offers including any purchase order of Buyer. PPD'S ACCEPTANCE OF ANY BUYER PURCHASE ORDER IS EXPRESSLY CONDITIONED ON BUYER'S ASSENT TO THIS AGREEMENT. This Agreement may not be modified or interpreted by any trade usage or prior course of dealing not expressly made part of this agreement. Buyer hereby acknowledges that it has not entered into this Agreement in reliance upon any warranty or representation unless specifically set forth herein.

16. APPLICABLE LAW. This Agreement, and any disagreement arising thereof, will be governed by the internal laws of the State of Colorado without regard to its conflicts of laws provisions, with exclusive jurisdiction and venue in the Colorado state courts of Weld County, Colorado (or, if there is applicable federal jurisdiction, the United States District Court for the State of Colorado). Buyer shall bring action relating to any dispute Buyer may have hereunder within one (1) year of the accrual of such dispute.

COMPANY NAME OF BUYER: _____

Signature: _____

Name of Person Signing: _____

Title of Person Signing: _____

Date: _____