

# TERMS AND CONDITIONS

Metron Inc. (the "Seller") and the company or individual named on the face of this invoice (the "Buyer") agree to the following terms and conditions:

- 1. NONCONFORMING TERMS.** No terms contained in any purchase order or other document received from the Buyer, either prior to or subsequent to the date of this invoice, shall be binding upon the Seller unless expressly accepted in writing by an authorized representative of the Seller.
- 2. TAXES.** Except as otherwise provided on the face of this invoice, the price does not include federal, state or local taxes which may be payable with respect to the manufacture, sale, delivery or use of the goods. The Buyer agrees to pay all such taxes.
- 3. SHIPMENT.** All prices are F.O.B. Seller's factory, Denver, Colorado. The Seller reserves the right, in its sole discretion, to determine the method and route of shipment. The Buyer assumes the risk of loss or damage upon delivery of the goods to the carrier at point of shipment.
- 4. PAYMENT TERMS.** Unless otherwise specified by the Seller, the terms of payment shall be net 30 days, from the date of invoice. The Seller reserves the right at any time and in its sole discretion to require payment in full in advance or C.O.D. or to otherwise modify the payment terms. Past due amounts shall bear interest at the rate of 18% per annum or the highest rate permitted by law, whichever is less.
- 5. MINIMUM BILLING.** All orders of \$50.00 net or less will be invoices at the minimum rate (\$50.00 net) with transportation charges added.
- 6. TOOLING CHARGES.** The Buyer shall pay all tooling charges for tools, dies, jigs and fixtures acquired or constructed by the Seller for use in filling the Buyer's order. All such tools, dies, jigs and fixtures shall remain the sole property of the Seller. The Seller will endeavor to retain such tools, dies, jigs and fixtures for a period of one year from the date of the most recent order at no additional charge to the Buyer, if no orders are received and accepted after the one year period, the Seller may make any use or disposition of such tools, dies, jigs and fixtures as it desires, without accounting to the Buyer for such use or disposition, or the proceeds hereof.
- 8. CANCELLATION AND CHANGE.** Orders are subject to cancellation, partial cancellation or change only with the consent of the Seller and only upon such terms as the Seller may impose. Prices are set on the basis of the total quantity ordered, even though shipment may be made in stages. Cancellation of a portion of an order after an earlier portion has been shipped and invoiced will result in an adjustment to the purchase price and an additional charge to the Buyer.
- 9. LIMITED WARRANTY.** The Seller warrants that all goods manufactured and sold by it are and will be free from defects in materials and workmanship for a period of one year from the initial operation not to exceed 18 months from the date of shipment, whichever comes first. Goods which are found defective will be replaced or repaired, at the option of the Seller. The Seller shall be under no obligation to the Buyer if the goods have not been used under normal operating conditions or have been altered, modified or repaired without the Seller's prior written consent. In no event will the Seller be liable for consequential or special damages or for transportation, installation, adjustment or other expenses which the Buyer may incur in exercising its rights under this limited warranty. THIS WARRANTY IS EXPRESSLY MADE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE OR PURPOSE.
- 10. DEFECTIVE GOODS AND TESTING.** If the Buyer believes that goods purchased from the Seller are defective, it must notify the Seller immediately in writing. The goods shall not be returned to the Seller without the prior written authorization of the Seller. If the Buyer wishes to conduct tests to determine whether the goods are conforming, it must notify the Seller prior to conducting such tests, endeavor to reach agreement with the Seller on testing procedures and provide the Seller with an opportunity to witness such tests.
- 11. INFRINGEMENT.** The Seller agrees to defend any suit brought against the Buyer to the extent that such suit is based on a claim that the goods or any part thereof, in the particular form sold by the Seller, infringe a United States patent, provided such goods were not manufactured by the Seller pursuant to designs or specifications furnished by the Buyer, but only on condition that the Buyer shall promptly notify the Seller in writing of any such claim, shall give the Seller full authority for the conduct of such suit and shall render to the Seller whatever information and assistance may be reasonably required for such defense. Subject to such conditions, the Seller shall pay damages and costs, if any, awarded against the Buyer in such suit and in the event the goods are held to infringer and the use of the goods is enjoined, the Seller shall have the option of procuring for the Buyer the right to continue using the goods, replacing the goods with noninfringing product, modifying the goods so as to avoid infringement or removing the goods and refunding the purchase price. The Seller shall have no further liability for patent-infringement. The Buyer agree to indemnify and hold the Seller harmless from and against all claims, liability, loss, damage and expense, including attorney fees, arising from or related in any way to any actual or claimed patent, trademark or copyright infringement involving goods manufactured by the Seller pursuant to designs or specifications furnished by the Buyer.
- 12. COMPLIANCE WITH LAW.** The Seller agrees that in manufacturing, selling and delivering the goods it has complied with all applicable laws and governmental regulations, including the provisions of the Fair Labor Standards Act of 1938.
- 13. GOVERNMENT CONTRACTS AND SUBCONTRACTS.** If a government contract number appears on the face of this invoice, clauses contained in the Armed Services Procurement Regulations of the Federal Acquisition Regulations which the Government requires be included in subcontracts to which the contractor is a party shall be incorporated in the invoice by reference,
- 14. DEFAULT.** In the event the Buyer fails to make payment in the amounts and at the times required by the Seller pursuant to this invoice or is in default under any other provision of this invoice or any sales order, invoice or other agreement between the Buyer and the Seller, or in the event of any proceedings, voluntary, in bankruptcy or insolvency or against the Buyer, the inability of the Buyer to meet its debts as they come due or the appointment, with or without the buyer's consent, of an assignee for the benefit of creditors or a receiver, then the Seller shall have the right, in addition to all other rights it may possess at any time, to withhold shipments, in whole or in part, and to recall goods in transit, retake same and repossess all goods which may be stored with the Seller for the Buyer's account, without the necessity of instituting any other proceedings. The Buyer agrees that all goods so recalled, retaken or repossessed shall become the absolute property of the Seller, provided that the Buyer is given full credit therefore. The seller shall also have all of the rights and remedies available to it under the Uniform Commercial Code and other law in effect,
- 15. WAIVER.** No waiver of any provision of this invoice by the Seller shall be valid unless in writing and signed by an authorized representative of the Seller. No delay on the part of the Seller in exercising any right or remedy available to it shall be valid unless in writing and signed by an authorized representative of the Seller. No delay on the part of the Seller in exercising any right or remedy available to it shall operation as a waiver of such right or remedy.
- 16. GOVERNING LAW.** This invoice shall be governed by the laws of the State of Colorado.

Metron, Inc. is an Equal Opportunity Employer as required by Executive Order 11246, as amended.