

Standard Terms and Conditions of Sale

1. CONTRACT. ANY ACCEPTANCE BY TRACEWELL SYSTEMS, INC., OF THE BUYER'S ORDER IS EXPRESSLY CONDITIONAL ON THE BUYER'S ASSENT TO ANY ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS CONTAINED HEREIN.

Tracewell Quotations issued by a Tracewell Systems, Inc. field office or by Sales Representatives are not offers and should not be construed as offers to sell. Such quotations issued are not binding on and should not be construed as offers to sell. Such quotations issued are not binding on Tracewell Systems, Inc., nor shall the Buyer's acceptance thereof be binding upon Tracewell Systems, Inc., unless expressly confirmed in writing by The Tracewell Systems, Inc. Headquarters at Westerville, Ohio. All orders are received subject to acceptance by Tracewell Systems, Inc. at said Headquarters.

2. PRICES. (a) The prices shown in published price lists and other published literature issued by Tracewell Systems, Inc., are not offers to sell and are subject to change without notice. (b) Prices stated in the contract are firm except where delivery and/or performance by Tracewell Systems, Inc., is specified to occur after or is excusably delayed beyond the six (6) months period immediately following the date of contract. In such case contract prices shall be adjusted to reflect those Tracewell Systems, Inc. prices or rates in effect at the time of such delivery or performance. (c) All prices are F.O.B. place of origin.

3. TAXES. Tracewell Systems, Inc. prices do not include any applicable sales, use, excise or similar taxes; and any such taxes which Tracewell Systems, Inc. may now or hereafter be required to pay or collect shall be billable to the Buyer as a separate item unless the Buyer has furnished Tracewell Systems, Inc. with a tax exemption certificate acceptable to the taxing authorities.

4. DUTIES. Tracewell Systems, Inc. prices do not include any import duty that may be required to ship Tracewell Systems, Inc. equipment into a foreign country or to import foreign manufactured equipment for resale in another country. If Tracewell Systems, Inc. is required to pay such duties it will be billed to the Buyer as a separate item.

5. INSTALLATION. Unless specifically quoted and agreed to, Tracewell Systems, Inc. prices for equipment do not include an allowance for installation and/or final on-site testing, training or adjustment. Any such service performed by Tracewell Systems, Inc., shall be billable to the Buyer as a separate item at the published Tracewell Systems, Inc. field service rates.

6. PAYMENT. All orders are subject to acceptance by Tracewell Systems, Inc. No procurement of material will be initiated until a Purchase Order (PO) has been received and accepted by Tracewell Systems, Inc. Booking of an order shall constitute its acceptance. Unless otherwise expressly stated in the Tracewell Systems, Inc. acceptance, payment terms are cash (United States dollars) net 30 days from date of invoice. Amounts past due are subject to a service charge of Prime + 2% per month or fraction thereof. Accounts past due 90 days may be forwarded to collections without further notice. Tracewell Systems, Inc. reserves the right to restrict the terms of payment or to require payment prior to time of acceptance if in Tracewell Systems, Inc. opinion circumstances does not warrant shipment under the terms originally specified in the contract documents. The unpaid balance of this contract shall immediately become due and payable for: (a) any attempt to sell or transfer possession of Tracewell Systems, Inc. furnished equipment; (b) removal or attempted removal of Tracewell Systems, Inc. furnished equipment; (c) upon loss or destruction of the equipment; (d) failure to make payment as provided for in contract. Tracewell Systems, Inc. may enter any facility and repossess this equipment without legal process and retain as rental all money paid.

7. SECURITY INTEREST. Tracewell Systems, Inc. retains a security interest in the equipment furnished by it under the contract until the full purchase price has been paid. No equipment furnished by Tracewell Systems, Inc., shall become a fixture by reason of being attached to real estate. Buyer's failure to pay any amounts when due gives Tracewell Systems, Inc. the immediate right to possession and removal of the equipment without legal process and without being guilty of enforceable entry and detainer. Tracewell Systems, Inc. at its option may elect to retain as rental all money paid.

8. DELIVERY. Delivery dates indicated in the contract documents are approximate and are based on prompt receipt of all necessary information regarding the equipment covered by the contract. Tracewell Systems, Inc., will use its best efforts to meet the indicated delivery dates, but cannot be

held responsible for its failure to do so due to fire, war, civil commotion, strikes, failure of transportation, any act of God, or other cause beyond its control. In the event of any delay in delivery caused by the Buyer, Tracewell Systems, Inc. will store and handle all items ordered at the Buyer's risk and will invoice the Buyer for the unpaid portion of the contract price, on or after the date on which the equipment is ready for delivery. This amount will become due and payable in full within thirty (30) days from invoice date. A monthly storage and extra handling charge of one percent (1%) per month or any fraction thereof of the contract price covering the stored equipment shall be billable as a separate item.

9. SHIPPING. Unless otherwise provided in the contract, Tracewell Systems, Inc. will select the method of transportation and routing for equipment sold F.O.B. place of origin and shipment may be made freight collect.

Inspection and Acceptance of the products shall be Buyer's responsibility. Buyer is deemed to have accepted the products unless written notice of rejection is received within thirty (30) days after delivery of the products. Buyer waives any right to revoke acceptance thereafter. Buyer shall report any discrepancy in shipment quantity or damage within thirty (30) days after delivery. No return of product shall be accepted by Tracewell Systems, Inc. without a Return Material Authorization (RMA) Number, which may be issued by Tracewell Systems, Inc. in its sole discretion. Returned Material must be in original manufacturer's shipping carton(s) complete with all packing materials. If Buyer cannot comply with packaging guidelines, Tracewell Systems, Inc. will not accept the repair costs. RMAs issued in this situation, must be accompanied by a customer PO to be used for the repair costs. All products for return shall be returned freight prepaid in the manner specified in the RMA. If returned products are claimed to be defective, a complete description of the nature of the defect must be included with the returned products. Products not eligible for return shall be returned to Buyer, freight collect.

Shipments have been carefully packed and checked. No materials may be returned without written authorization from Tracewell Systems, Inc., Customer Service Department. All product and paperwork must display RMA Number given by the Customer Service Department. All claims must be made within thirty (30) days upon shipment.

10. CHANGES. Buyer may make changes in the specifications for equipment, work or shipping covered by the contract only with the express written consent of Tracewell Systems, Inc. In such event, the contract price and delivery dates shall be equitably adjusted. Tracewell Systems, Inc., shall be entitled to payment for reasonable costs and expenses incurred by it for work and materials rendered unnecessary as a result of such changes and for work and materials required to effect said changes, plus Tracewell Systems, Inc. usual profit thereon.

11. CANCELLATION. Equipment or work that remains to be furnished under the contract may be canceled by the Buyer only with the express written consent of Tracewell Systems, Inc. In the event of such cancellation, Tracewell Systems, Inc. is entitled to payment for the cost and expenses, with normal overhead, incurred by it in connection with the equipment or work so cancelled, plus an amount determined by applying Tracewell Systems, Inc. usual rate of profit for similar items to such costs and expenses, or fifteen percent (15%) of the contract price, whichever is greater.

12. PRODUCT WARRANTY. Tracewell Systems, Inc., to Buyer, warrants new systems manufactured by Tracewell Systems, Inc., against defects in workmanship and materials for a period of one year from the date of manufacture subject to the limitations hereinafter set forth. All non-system products shall be warranted for a period of thirty days. Should any defects be found and reported during that period, Tracewell Systems, Inc., at its option, will repair or replace such defective equipment provided that Buyer ship the product containing the defect to Tracewell Systems, Inc., transportation charges prepaid with notice of the defect and representation that the equipment has been properly installed, maintained, and operated within the limits of rated and normal usage. The repaired or replacement equipment will be shipped F.O.B. the Tracewell Systems, Inc. plant. The terms of this product warranty do not extend to any product or part thereof which, under normal usage, has an expected useful life of less than one year.

This warranty shall not apply to apply equipment where the installation, calibration, or servicing of such equipment is improper, or where equipment is operated above rated load capacity, or subject to accident, alteration, or abuse. TRACEWELL SYSTEMS, INC. LIABILITY UNDER THIS

WARRANTY OR ANY OTHER WARRANTY WHETHER EXPRESS OR IMPLIED IN LAW OR FACT SHALL BE LIMITED TO THE REPAIR OR REPLACEMENT OF DEFECTIVE MATERIAL AND WORKMANSHIP, AND IN NO EVENT SHALL THE COMPANY BE LIABLE FOR CONSEQUENTIAL OR INDIRECT DAMAGES.

13. PRODUCT SERVICE. To obtain service under warranty, advanced authorization is required prior to the return to Tracewell Systems, Inc., before returning any equipment, either write to the repair department of **Tracewell Systems, Inc., 567 Enterprise Drive, Westerville, OH 43081** Or Call **(800) 848-4525** with a part number and a serial number for the product, a technical description of the defect, a no-charge purchase order number, and the appropriate shipping and billing addresses for Buyer. Shipment to Tracewell Systems, Inc. shall be at Buyer's expense. Repaired or replacement equipment will be shipped F.O.B. Tracewell Systems, Inc., plant. Non-verified problems or defects are subject to a \$150.00 evaluation charge.

To obtain non-warranty service, advance authorization is required prior to the return to Tracewell Systems, Inc. Before returning the equipment, either write the repair department of **Tracewell Systems, Inc., 567 Enterprise Drive, Westerville, OH 43081** or call **(800) 848-4525** with a part number and serial number for the defective equipment, a technical description of the malfunction, a Purchase order covering Tracewell Systems, Inc. estimate of the repair cost, and a shipping and billing address for the Buyer. A minimum evaluation charge for non-warranty service is \$150.00. Shipment to Tracewell Systems, Inc., shall be at Buyer's expense. Repaired or replacement equipment will be shipped to Buyer F.O.B. the Tracewell Systems, Inc. plant.

All repairs of Tracewell Systems, Inc. equipment are warranted for a period of ninety (90) days from date of shipment to Buyer. This warranty applies only to those items that were found defective and repaired, and does not apply to products in which no defect was found and returned as is or merely calibrated.

14. PATENT INFRINGEMENT. TRACEWELL SYSTEMS, INC., MAKES NO REPRESENTATION AS TO WHETHER THE GOODS BEING SOLD ARE FREE OF THE RIGHTFUL CLAIM OF ANY THIRD PERSON BY WAY OF INFRINGEMENT OR SIMILAR CLAIMS AND DISCLAIMS ANY WARRANTY AGAINST INFRINGEMENT OR SIMILAR CLAIMS WITH RESPECT TO THE GOODS. No grant of license in Tracewell Systems, Inc. patents, trademarks, or copyrights is given herein.

15. CONFIDENTIAL INFORMATION. Selected software documents and hardware drawings, diagrams, manuals, specifications, and other materials furnished by Tracewell Systems, Inc. relating to the use and service of articles furnished hereunder, including any information, may be identified as proprietary to Tracewell Systems, Inc. Such software and hardware, diagrams, manuals, drawings, specifications, and other materials have been developed at great expense and are considered to be trade secrets of Tracewell Systems, Inc. Buyer may not reproduce in any way without the express written permission of Tracewell Systems, Inc., such as documents, diagrams, drawings, manuals, specifications and other materials, except as needed to operate and maintain the equipment supplied by Tracewell Systems, Inc. All documents and/or material aforementioned relative to the articles, supplied directly by Tracewell Systems, Inc., (except information as may be established to be in the public domain or disclosed pursuant to judicial or government action) shall be received in confidence and Buyer shall exercise reasonable care to hold such information in confidence.

16. PERMITS. The Buyer shall at its own expense apply for and obtain any permits and inspections required for the installation and/or use of the equipment furnished under the contract

17. TOOLING. Tools, dies, and materials ("Tooling") furnished to Tracewell Systems, Inc. by or on behalf of the Buyer shall remain the property of Buyer. Tracewell Systems, Inc. shall maintain tooling in good condition as it maintains its own equipment. Tooling shall be identified as the property of Buyer. Tracewell Systems, Inc. agrees to maintain adequate insurance on tooling for the benefit of Buyer as it maintains insurance on its own equipment.

18. PREVAILING LAW. This contract shall be governed in accordance with the laws of the State Of Ohio. Should any term or condition contained in the contract contravene or be invalid under applicable law, the contract shall not fail by reason thereof, but shall be construed in the same manner as if such term or condition had not appeared thereon.

19. DEFAULT. Should Buyer default on a contract of which this instrument is a part, the Buyer agrees to pay additionally fifteen percent (15%) of the amount involved as attorney's fees.