



reasonable control, from any cause whatsoever, make it impossible or impracticable to assure delivery.

## Crane Electronics, Inc. Terms and Conditions of Sale

1. Acceptance and Agreement. No order or quotation is binding on Crane Electronics, Inc., a Delaware corporation ("Crane Electronics"), until an authorized representative of Crane Electronics at its home office ("Crane Electronics Representative") issues to Buyer a written Sales Order Acknowledgement, whose provisions shall include these Terms and Conditions of Sale. The Sales Order Acknowledgement shall constitute the entire agreement between Crane Electronics and Buyer relating to the matters set forth therein and supersede all other communications between the parties, whether written or oral. Any provision or condition of Buyer's order or other document which is in any way different from or in addition to these terms and conditions of sale as incorporated in Crane Electronics' sales order acknowledgement are specifically rejected by and shall not be binding upon Crane Electronics. No purported modification or waiver of the provisions hereof or of the Sales Order Acknowledgement shall be binding upon Crane Electronics for any purpose unless it is contained in a writing signed by an Crane Electronics Representative. Buyer's acceptance of the provisions of the Sales Order Acknowledgement including these Terms and Conditions of Sale shall be conclusively presumed if no written objection thereto is received by Crane Electronics within ten (10) days from the date of the Sales Order Acknowledgement. Buyer's order for the products (the "Products") as evidenced by the Sales Order Acknowledgement shall be referred to herein as "Accepted Order." Prices set forth in the Sales Order Acknowledgement are not subject to audit, price revisions or price redetermination by Buyer.
2. Changes in Design. Crane Electronics reserves the right to make changes in the design of the Products, due to Buyer initiated specification changes, without incurring any obligation to make equivalent changes in the Products previously manufactured or delivered by Crane Electronics. Buyer is responsible for all costs associated with Buyer initiated specification changes, including but not limited to, material and documentation costs.
3. Changes in Schedules and Other Buyer Delays. No changes may be made in the scheduled deliveries without the written consent of Crane Electronics. In the event Buyer requests a change in the scheduled deliveries and Crane Electronics approves, Buyer shall be liable to Crane Electronics for: (1) the carrying costs of all material on hand at Crane Electronics' facility at the rate of 2% per month of the aggregate price of the material for the duration of the delay; plus (2) loss of profit on the WIP Products at the rate of 15% of the aggregate price of all units in process at Crane Electronics' facility. If Buyer delays in furnishing Crane Electronics with technical information, approvals or customer supplied materials, and additional costs are incurred by Crane Electronics due to these delays, Buyer shall reimburse Crane Electronics for these additional costs.
4. Cancellation. Buyer shall accept all Products as ordered. Cancellation of the order by the Buyer will not be allowed without the written consent of an Crane Electronics Representative. In the event of an approved cancellation by the Buyer, for any reason whatsoever, in addition to all other charges and damages, Buyer shall be required to pay a cancellation fee which will be determined by Crane Electronics based on expenditures incurred as of the date of cancellation and an increase in the unit price to the next lowest quantity price from that quantity actually delivered to Buyer by Crane Electronics. Crane Electronics reserves the right to cancel any Accepted Order if payments are in default or if prevailing conditions beyond Crane Electronics'
5. Payment Terms. Payment is due 30 days from the earlier of the date of invoice or delivery. The amount of credit or terms of payment may be changed or credit withdrawn by Crane Electronics at any time. If Crane Electronics decides at any time that Buyer's credit has become impaired, Crane Electronics shall be entitled, at its option, to decline to make further deliveries on any Accepted Order to Buyer until Crane Electronics' receipt of satisfactory security or of cash payments in advance, or to terminate the Accepted Order as to any remaining deliveries, without prejudice to its rights accrued up to the date of any cessation of deliveries or termination of the Accepted Order. Payment shall be made in United States Dollars. If the delivery of the Product is delayed by Buyer, date of readiness for delivery shall be deemed the date of invoice and delivery for payment purposes. Buyer is liable on delinquent payments at the lower of the maximum legal rate or the rate of 1.5% per month until paid in full. If collection procedures are required, Buyer shall pay all costs of collection, including but not limited to collection fees, reasonable attorneys' fees, court costs and interest. Each delivery of the Products shall be considered a separate and independent transaction and payment thereof shall be made accordingly. In the event that the Products are delivered in installments, payments shall be made based on the purchase price set forth in the Sales Order Acknowledgement and the percentage of the Products delivered. Any Products held for Buyer shall be at the risk and expense of Buyer. Crane Electronics reserves the right to make delivery of the Products and make collection by sight draft with bills of lading attached.
6. Taxes and Other Government Charges. Any licenses or clearances required at the port of entry and destination for the Products shall be obtained and paid for by Buyer. The prices of the Products set forth in the quotation or the Sales Order Acknowledgment issued by Crane Electronics, are based on F.O.B. Crane Electronics' factory in Redmond, Washington, or in Kaoshiung, Taiwan, and do not include shipping cost, insurance or any applicable federal, state and local duties, taxes or other charges imposed on the manufacture, sale, delivery, shipment or use of any of the Products (including, without limitation, sales, use, shipment, property or value added taxes), all of which shall be paid by Buyer. Any tax or charge that Crane Electronics may be required to collect or pay shall either be paid by Buyer or Buyer shall provide to Crane Electronics appropriate resale certificate numbers and other documentation satisfactory to the applicable taxing authority to substantiate any claim of exemption from any such tax or charge.
7. Delivery. Partial deliveries are permitted. All Products are sold F.O.B. Crane Electronics' factory in Redmond, Washington. Delivery dates set forth in the Sales Order Acknowledgment are approximate and based on Crane Electronics' reasonable estimate of dates that the Products will be delivered if Crane Electronics timely receives from Buyer all necessary information including, but not limited to, specifications, drawings, testing parameters and package configuration, and customer supplied materials. Crane Electronics shall not be liable for any delay or failure in the delivery or shipment of the Products, or for any resulting damages, when the delay or failure is directly or indirectly due to accident (in manufacture or otherwise), errors, omissions, fire, flood, riot, war, embargo, labor stoppages, computer malfunctions, inadequate transportation facilities, regulation by any governmental authority, or any other causes beyond Crane Electronics' reasonable control. Moreover, Crane Electronics shall have no liability for any liquidated damages or penalty or special, indirect or consequential damages under any circumstances whatsoever. If any contingency occurs, Crane Electronics may allocate production and deliveries among Crane Electronics' customers. The title to the Products passes to Buyer and Crane Electronics' liability as to delivery ceases upon making delivery of the Products to the initial carrier at the delivery point with the carrier acting as Buyer's agent. All Products are shipped at Buyer's risk and expense, and all claims for damages must be filed with the carrier. All shipments will be made by Parcel Post, United Parcel Service, DHL or Federal Express at Crane Electronics' discretion unless specific instructions from

Buyer indicate an alternate carrier. Buyer shall be liable for detention, demurrage, storage or auxiliary charges assessed by carriers or warehousemen resulting from Buyer's requirements for special service or Buyer's failure to accept delivery in a timely manner.

8. Safety. Buyer agrees to, and to cause others to, follow proper safety rules and use proper safety equipment in connection with its use of the Products; and Buyer agrees to defend, hold harmless and indemnify Crane Electronics if Buyer fails to do so.
9. Limited Warranty. Crane Electronics warrants that the Products will be free from defects in materials (excluding customer supplied materials) and workmanship and will conform to Crane Electronics' applicable written specifications, under normal use and service or the specified use as agreed upon by Crane Electronics and Buyer for one (1) year from the date of original shipment except for higher grade parts (/883, /HR, /KR) for which the warranty period is three (3) years from the date of original shipment. The foregoing limited warranty shall not apply to any Products which have been repaired or altered by any person other than Crane Electronics or which have been subjected to operating and/or environmental conditions in excess of maximum rated values or have otherwise been subjected to misuse, damage, neglect, accidents, or improper installation or test (including without limitation improper packaging of the Products returned to Crane Electronics). The foregoing warranty is made in lieu of all other express and implied warranties, including, without limitation, any warranty of merchantability or fitness for a particular purpose. Crane Electronics neither assumes, nor authorizes any person to assume for it, any liability not expressed herein, unless such terms are in writing and signed by an Crane Electronics Representative. The foregoing warranty may be asserted only by Buyer, and not by Buyer's customers or other third parties. Crane Electronics' obligations under the limited warranty are limited to replacing, repairing or issuing credit at the original sales price, at its option, any of said articles which shall, within the limited warranty period, be confirmed to be defective by Crane Electronics.
10. Returns. Should any Product not conform to such specifications due to a defect in material (excluding customer supplied materials) or workmanship, Crane Electronics shall accept returns during the applicable warranty period, which must be accompanied by a valid Crane Electronics Return Material Authorization ("RMA") number. Crane Electronics does not accept returned materials without a valid RMA number. In order to obtain an RMA number, the buyer must provide a detailed description of the nature of the defect, the original purchase order number, the part number, serial number and date code of the product(s) to be returned. The RMA number shall be valid for thirty (30) days after issuance by Crane Electronics. Products which are returned to Crane Electronics during the applicable warranty period in accordance with this Section and which are, after examination, deemed to Crane Electronics' satisfaction to be defective, will be replaced, reworked or credited at the original sale price at Crane Electronics' discretion. Buyer shall return the Products to Crane Electronics with transportation charges prepaid. The repair or replacement of any non-conforming Products by Crane Electronics pursuant to this Section does not extend the original limited warranty period. In the event Crane Electronics determines that the returned Products are not covered by the foregoing limited warranty, such Products will be returned to Buyer at Buyer's expense and may be subject to additional charges due to the lack of warranty coverage. Crane Electronics shall not be liable for re-inspection or rejection charges. Repair, replacement, or credit for returned parts will be made only after Crane Electronics has determined that the parts are covered by the terms of the warranty. Failure analysis of returned product shall be at Crane Electronics' sole discretion.
11. Limitation of Remedy. Any provision herein to the contrary notwithstanding, neither Crane Electronics nor any affiliate, agent or employee of Crane Electronics shall be liable to Buyer, or any other third party claiming through Buyer, for indirect, incidental, contingent special or consequential damages (including without limitation loss of profits or revenue, loss or use of the products or any proceeds, overhead, cost of capital, cost of substitute goods, or any claims of buyer's customers for any such damages), and in no event shall the liability of Crane Electronics to Buyer, whether such liability arises out of the use of the product, Crane Electronics' performance hereunder, and whether

such liability arises from a claim based on agreement, warranty, tort, failure of essential purpose or otherwise, exceed the amount paid by Buyer to Crane Electronics for such products.

12. Blueprints and Specifications. – All orders are accepted with the understanding that the parts or material furnished will be in accordance with blue-prints and specifications, on hand in Crane Electronics' files or furnished to Crane Electronics with the Buyer's order, and which have been specifically agreed to and accepted by Crane Electronics, in writing, as applicable to such order.
13. Tolerances. All tolerances shall be in accordance with Crane Electronics' standards. Crane Electronics' drawings, descriptive matter, weights, dimensions and shipping specifications (collectively, the "Specifications") are approximate only, and, in any event, Crane Electronics shall be entitled to make minor modifications to the Specifications relating to the Products. Crane Electronics shall not be liable for failure to obtain figures stated in the Specifications unless these have been specifically guaranteed in writing, signed by an Crane Electronics Representative, to be within a specific margin of tolerance. If any guaranteed figure is not attained on text in the manner (if any) required by the Specifications, Crane Electronics shall be afforded a proper opportunity to remedy the failure, and if Crane Electronics fails to do so, Buyer may either reject or accept the relevant part of the Products but shall not be entitled to any damages; provided, however, if an agreed reduction in the price for the failure is specified in the guarantee or the Accepted Order, Buyer shall have no right to reject the Products.
14. Inspection. Crane Electronics shall have no obligation to perform any special tests relating to the Products except as otherwise agreed in writing by an Crane Electronics Representative. If agreed upon in the Accepted Order, Buyer may inspect the Products at Crane Electronics' place of manufacture at times mutually and reasonably acceptable to both Crane Electronics and Buyer; and a standard charge shall be paid by Buyer to Crane Electronics. If Buyer or Buyer's agent fails to conduct such inspection at such mutually agreed time and location within 7 days of notification of product readiness by Crane Electronics, Crane Electronics may elect a representative to perform the inspection and Buyer will be bound by the results.
15. Patent Infringement Indemnity. To the extent that the Products are manufactured pursuant to the design provided by Buyer, Buyer represents and warrants that it has all necessary right, title and interest in such design, and that the information and technology contained in such design do not infringe patents or copyrights of third parties and were not developed on the basis of misappropriated trade secrets of third parties. If any infringement is alleged prior to completion of delivery of any Products, Crane Electronics may decline to make further deliveries without being in breach of its agreement with Buyer. Buyer shall defend, indemnify and hold Crane Electronics harmless from any damages, costs, and expenses (including without limitation reasonable attorneys' fees) arising from any threatened or actual suit or claim based upon Buyer's breach of the representations and warranties set forth herein or Buyer's modification of the Products after delivery thereof by Crane Electronics. Buyer shall further defend, indemnify and hold Crane Electronics harmless from any claim of alleged defect in the design of the Products to the extent such design is provided by Buyer.

The sale of the Products by Crane Electronics does not convey any license, by implication, estoppel or otherwise, under patent claims covering combinations of the Products with other devices or elements. Except as otherwise provided in the preceding sentence, Crane Electronics shall defend any suit or proceeding brought against Buyer so far as based on a claim that any Product, or any part thereof, sold to Buyer by Crane Electronics (except to the extent such Products are based upon the design provided by Buyer) constitutes an infringement of any patent of the United States of America, if Buyer notifies Crane Electronics promptly in writing and gives Crane Electronics authority, information and assistance (at Crane Electronics'

expense) for the defense of the suit or proceeding, and Crane Electronics shall pay all damages and costs awarded therein against Buyer. In case such Product, or any part thereof, is in such suit or proceeding held to constitute infringement and the use of the Product or part thereof is enjoined, Crane Electronics shall, at its option and expense, either procure for Buyer the right to continue using the Product or part thereof, or replace it with non-infringing product, or remove said Product and refund the purchase price and the transportation and installation costs thereof. The foregoing states the entire liability of Crane Electronics for patent infringement by the Products or any part thereof. Crane Electronics grants no patents or data rights by its sale of the Products to Buyer and specifically prohibits the reproduction or distribution of any data, information or manufacturing know-how furnished in connection with the sale of the Products, except as necessary for the normal service of the Products. The Products are manufactured in accordance with Crane Electronics' manufacturing specifications and may be covered by U.S. and other patents.

16. Equipment, Fixtures and Tools. Any equipment (including jigs, dies, fixtures and tools) which Crane Electronics may construct or acquire for the manufacture of the Products for Buyer shall remain Crane Electronics' property and in Crane Electronics' possession and control. New or additional dies or changes necessary in existing equipment to conform with changes in design ordered by Buyer, whether or not Crane Electronics has specifically charged therefore, shall be paid for by Buyer. Dies or equipment charges cover the use of such dies or equipment only and do not convey any interest therein to Buyer. Any materials or equipment owned or furnished by Buyer, while in Crane Electronics' possession, will be handled and stored by Crane Electronics with reasonable care, but Crane Electronics shall have no responsibility for loss or damage thereto.
17. Crane Electronics' Remedy Upon Buyer's Default. Upon Buyer's default of any of its obligations under its agreement with Crane Electronics relating to the Accepted Order, including these Terms and conditions of Sale, or otherwise, including but not limited to the duty to make payment when due, Crane Electronics shall have all remedies available to it under applicable law.
18. Export Compliance. All parties to this order are responsible to ensure their compliance with applicable U.S. Export regulations and to ensure that product/data

shipments and exchanges are made properly within the regulations. Buyer shall not transfer directly or indirectly any of the Products or any technical data, technical assistance, research, development or software relating to the Products purchased or obtained from Crane Electronics (collectively referred to as the "Products/Technology") to any transferee or end user of the Products/Technology or any product incorporating the Products/Technology in any country to which, under pertinent laws and regulations of the United States government, Crane Electronics is forbidden to transfer the Products/Technology, or, if not forbidden to transfer the Products/Technology, is required to obtain a license or other prior approval before such sale, transfer and/or exportation from the United States government. Buyer hereby covenants, represents and warrants that Buyer has full power and authority to purchase the Products/Technology from Crane Electronics; that, prior to exportation or re-exportation of the Products/Technology, Buyer shall make every reasonable effort to determine the ultimate destination, end user and the use to which the Products/ Technology will be applied; and that such purchase, use, exportation or re-exportation shall not violate any pertinent laws and regulations of the United States government.

19. End Use/End user. Under certain circumstances, Crane Electronics will require information on the ultimate destination of products sold. This information includes but is not limited to information regarding but not limited to: end use (application) and end user (customer).
20. Jurisdiction, Venue, and Governing Law. Should Buyer or Crane Electronics commence a lawsuit to enforce the provisions of any Accepted Order, including these Terms and Conditions of Sale, or in connection with the Products or any other aspect of the commercial relationship between Buyer and Crane Electronics, jurisdiction and venue shall be exclusively in the state or federal courts located in Seattle, Washington, and both parties consent to personal jurisdiction in those courts. All rights and obligations of Buyer and Crane Electronics under any Accepted Order, including these Terms and Conditions of Sale, and any other aspect of the commercial relationship between Buyer and Crane Electronics, shall be governed as to validity, construction and in all other respects by the laws of Washington without regard to its choice of law provisions.