

QUANTUM DEVICES, INC. TERMS AND CONDITIONS OF SALE

Quantum Devices, Inc. ("Seller") agrees to sell the items set forth on the formally acknowledged Purchase Order ("Products") to the person or entity purchasing the Products ("Customer") according to the following Terms and Conditions of Sale ("Terms"). Customer's purchase of Products from Seller shall be governed solely by these Terms. No term of any purchase order or other document issued by Customer, other than Customer's acceptance of these Terms, shall become a part of the agreement between the parties or bind Seller.

PURCHASE ORDERS: The purchase price and payment terms of the Products are specified in the Purchase Order. If delivery occurs more than 90 days after full execution of the Purchase Order, Seller reserves the right to increase the price to its current scheduled price as of the delivery date. The purchase price does not include any sales, use, revenue, excise or other taxes or governmental charges. If Seller is required to collect such taxes or other charges, Seller will add them to the purchase price and invoice Customer (in the Purchase Order or separately), and Customer will pay them.

NON-CANCELABLE AND NON-RETURNABLE: The Customer acknowledges and agrees to the following:

- The Purchase Order for the Products cannot be cancelled, or Changes cannot be made to the Purchase Order schedule without prior approval by QUANTUM DEVICES, INC.
- The Products (unless defective) cannot be returned to QUANTUM DEVICES, INC. except as otherwise permitted herein.

ALL PRODUCTS ARE SOLD WITH A 2 YEAR WARRANTY UNLESS OTHERWISE STATED. WARRANTY BEGINS ON THE DATE OF SHIPMENT. WITH THE EXCEPTION OF WARRANTY TERMS MENTIONED ABOVE, ALL PRODUCTS ARE SOLD AS IS, AND SELLER MAKES NO WARRANTY OF ANY KIND, EXPRESSED OR IMPLIED, REGARDING THE PRODUCTS SOLD UNDER THIS WARRANTY AND EXPRESSLY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, THE SUITABILITY OF THE PRODUCTS FOR CUSTOMER'S PURPOSES, OR THE IMPACT OF THE PRODUCTS ON CUSTOMER'S OPERATIONS. NO AGENT, SALES REPRESENTATIVE OR EMPLOYEE OF SELLER SHALL HAVE ANY AUTHORITY TO MODIFY OR EXPAND THIS WARRANTY IN ANY WAY.

WARRANTY CLAIMS: If Customer wishes to make a warranty claim, it must follow the process set forth in the Return Policy for Defective Products section. Replacement of any Products that are subject of a warranty claim must be furnished solely by Seller, otherwise the warranty claim will be null and void, and original pricing will be applicable. Customer must request an RMA number. **Warranty does not apply to Products which have been subject to misuse, negligence, accidental damage, normal wear and tear, including corrosion, or if the Products have been opened or modified in any way.**

RETURN POLICY FOR DEFECTIVE PRODUCTS: Defective Products must be returned to QUANTUM DEVICES, INC. within 2 years after shipment. Prior to shipping a return to Seller, Customer must first request an RMA number by calling (608) 924-3000 or by emailing qdisales@quantumdev.com. If the Products are not returned with a valid RMA number, the return will be null and void. No credit will be issued until the Products have been received by Seller and have gone through Seller's verification/testing procedure. Freight charges, taxes, duties for the return shipment are the responsibility of the Customer.

CREDIT MEMOS: Credit memos issued to Customer may only be used against future purchases from Seller and must be used within 180 days after issuance to Customer. After 180 days the Credit memo will be deemed invalid and removed from Customer's account.

TAXES. Taxes, customs charges, and duties are the responsibility of the Customer.

SHIPMENT AND RISK OF LOSS/TITLE. Unless otherwise stated, all Products will be shipped F.O.B. Seller's warehouse, with freight/shipping charges at the Customer's expense. Risk of loss shall pass to Customer once the Products are picked up by carrier. Title shall pass to Customer once Seller has received full payment for the Products.

All Products delivery schedules and dates given by Seller are estimates only. In no event shall Seller be liable for any delays in delivery

LIMITATION OF LIABILITY. Seller's aggregate liability arising out of or in any way related to the Products shall not exceed the payment, if any, received by Seller for the Products furnished or to be furnished which is the subject of the claim or dispute. In no event shall Seller be responsible for incidental, special, consequential, or punitive damages, or any damages resulting from loss of use, data, or profits, whether in contract, tort, strictly liability or however caused, even if advised of the possibility of such damages. These limitations shall apply notwithstanding any failure of the essential purpose of any limited remedy.

Any action or proceeding by Customer arising out of or relating to these Terms, any Products or services provided by Seller to Customer will be forever barred unless it is commenced no later than the one-year anniversary after the Products were shipped to Customer. These Terms contain Customer's sole and exclusive remedies relating to these Terms, a breach of these Terms, or the Products, regardless of the theory of recovery.

SECURITY INTEREST. To secure prompt payment of the purchase price and all other amounts due with respect to any Product consisting of equipment, Customer hereby grants to Seller a first-priority security interest in the Products, including insurance proceeds. Customer hereby authorizes Seller to file all financing statements, continuation statements and other documents necessary or desirable to perfect and to maintain Seller's security interest in the foregoing collateral.

DEFAULT; REMEDIES. The occurrence of any of the following shall constitute an event of default by Customer: (a) Customer's failure to pay any sum to Seller as and when due; or (b) Customer's default under any other provisions of these Terms which is not cured within 10 days after Seller gives Customer written notice of default. Upon the occurrence of an event of default, and in addition to any other rights and remedies that Seller may have, Seller shall have the right, at its option, to take one or more of the following actions: (a) declare all or part of Customer's obligations to Seller immediately due and payable; (b) suspend its performance under or terminate pending purchase orders; and (c) pursue its other rights and remedies under these Terms and applicable law. All amounts Customer does not pay as and when due shall accrue interest at the rate of 18% per annum until paid in full. If Customer defaults under its obligations to Seller, Customer shall pay Seller all costs of collection, including reasonable attorneys' fees and costs. All remedies described in this paragraph shall be cumulative and are not exclusive of any other remedies provided by law.

FORCE MAJEURE. Seller shall not be liable for delays or failure to perform directly or indirectly resulting from events and causes beyond Seller's reasonable control, accidents, acts of God, acts and omissions of any governmental authority, declared or undeclared wars, terrorism, strikes or other labor disputes, fires and natural calamities (including

floods, earthquakes, storms and epidemics), changes in the law, and delays in obtaining or the inability to obtain labor, materials, equipment or services through Seller's usual sources at normal prices.

SAFETY; PERMITS. Customer will follow all instructions and directions that Seller provides for the use or operation of the Products. All permits, licenses and expenses associated with the installation and use of the Products are the sole responsibility of Customer.

DISPUTES: All disputes under any contract with Seller shall be resolved in a court of competent jurisdiction in Iowa County, Wisconsin. Customer hereby consents to the jurisdiction of such court or courts and agrees to appear in any such action upon written notice thereof.

MISCELLANEOUS: Any assignment by Customer of any part of an order hereunder without the written consent of Seller shall render the order void and shall relieve Seller of any future performance responsibilities. These Terms expressly supersede all prior written or oral agreements or understandings regarding the Products. These Terms may only be modified in writing signed by the parties. No course of prior dealings, written or oral, between the parties, no usage of trade nor acceptance or acquiescence in a course of performance rendered under these Terms shall be considered a waiver of any future rights under these Terms, nor shall be relevant to supplement, explain or be relevant to determine the meaning of any provision of these Terms even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection. If any part, provision or clause of these Terms, or the application thereof to any person or circumstances, is held invalid, void or unenforceable, such holding shall not affect and shall leave valid all other parts, provisions, clauses or applications of these Terms remaining, and to this end the Terms shall be treated as severable. Customer agrees to comply fully with all laws and regulations concerning the purchase and sale of Products. Customer agrees to comply with the Export Administration Regulations of the United States in so far as they apply to the sale of Products. Unless otherwise agreed in writing, these Terms shall be governed by and construed under the laws of the State of Wisconsin.