



Dynamic Robotic Solutions, Inc.
Standard Terms and Conditions

TERMS AND CONDITIONS (Effective June 1, 2010)

These general terms and conditions ("Terms and Conditions") apply to all quotations, acknowledgements, and/or invoices submitted by Dynamic Robotic Solutions, Inc. ("DRS ") for the sale, lease or distribution of products ("Products), sale or lease of systems that incorporate Products ("Systems"), and services rendered in conjunction with Systems or Products ("Services"). Consequently, a valid acceptance of any and all offers by DRS to sell or lease Products, Systems, or Services, regardless of form, is expressly conditioned upon the Customer's assent to the application of these Terms and Conditions to the resulting contract (a "Valid Order"). Therefore, if these Terms and Conditions are in any way unacceptable to Customer, or if Customer at any time intends on offering additional or different terms and conditions in connection with the purchase or lease of Products, Systems, or Services, Customer must advise DRS immediately in writing. Any purchase order or other ordering document that contains deviations from these Terms and Conditions is a counteroffer, which may be accepted or rejected by DRS, and which may result in an increase in the quoted price and/or a delay in DRS 's standard delivery timeframe. As used herein, "Agreement" means these Terms and Conditions together with a Valid Order.

Acceptance of Valid Order.

DRS 's acceptance of a Valid Order shall occur through a writing provided by DRS to Customer. No contract is formed unless and until DRS provides the written acceptance, and consequently DRS may reject a Valid Order at any time prior to providing Customer with the written acceptance.

Payment.

- A. All prices are quoted and are to be paid in U.S. funds only.
- B. Invoices will be submitted based upon the milestone definitions defined in the DRS proposal.
- C. For companies outside of the United States or Canada, DRS will require that a confirmed irrevocable Letter of Credit payable at sight to the DRS bank to be named shall be opened before shipment ensuring payments against documents (commercial invoice, packing list, B/L and certificate of origin) 90 days from B/L issuing date. All bank charges outside the country of applicant for the account of the buyer. Trans shipment allowed.

Freight Terms.

Freight will be handled as described in the DRS proposal.

Incidental Costs.

Payment of any and all sales taxes, usage taxes, tariffs, brokerage fees, duties or other costs imposed on this transaction by a governmental or quasi-governmental entity are the responsibility of Customer.

Duration of Offer; Cancellation.

Prices outlined in an DRS offering document are firm for thirty (30) days from the date of the document; thereafter, they are subject to change without notice, and following such 30 day period Customer should inquire as to the continued validity of such pricing. In the event of cancellation following the issuance of a Valid Order, Customer will be charged the greater of 25% of purchase order value or our cost for all work in process, raw material and purchased items, plus 15%. All payment terms are subject to final credit approval upon receipt of the Valid Order.

Export:

By accepting this proposal, DRS 's customers and end users acknowledge that they are required to comply with U.S. Export Administration Regulations (15 CFR parts 730-774) and will not export, re-export, transfer, re-transfer, sell, re-sell or otherwise divert DRS products contrary to U.S. export control laws.

DYNAMIC ROBOTIC SOLUTIONS, INC.

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Training.

DRS may provide certain training if set forth in the Quotation and Purchase Order. DRS reserves the right, in its sole and absolute discretion to schedule training sessions. If lack of registration results in less than the minimum class size requirements, DRS reserves the right to cancel training up to two (2) weeks prior to the start of the scheduled class date without incurring any penalty. Students may elect to reenroll in the class at the next available date, place and time or receive a full refund, if applicable.

Cancellation of any training class by Customer less than two weeks prior to the scheduled course start date will result in forfeiture of tuition fees paid, if applicable. Customer shall be entitled to reschedule any training class once if notice is received no later than one week prior to the scheduled class. Failure to attend the rescheduled class shall result in forfeiture of rights to attend training sessions.

Purchase Money Security Interest.

By delivery of a Valid Order, Customer grants to DRS a purchase money security interest in any and all Products or Systems ordered, and the proceeds thereof, until final payment under the Valid Order has been received. Customer further grants DRS the right, in DRS 's sole and absolute discretion, to take any and all necessary actions to perfect the security interest granted in any applicable jurisdiction(s) without further authorization from Customer.

Limited Warranties.

Subject to the limitations set forth in these Terms and Conditions, DRS hereby provides to Customer a limited twelve (12) month warranty that Products and Systems are manufactured free from defects in material and workmanship, and a ninety (90) day warranty that all Services will be performed in a workmanlike and professional manner. The warranties provided herein are available only to the original purchaser of Products, Systems, or Services, and are not assignable or otherwise transferable.

Disclaimers of Warranties, Limitations on Liability and Exclusive Remedy.

- D. The limited warranty set forth is in lieu of any and all other express warranties.
- E. The limited warranties provided herein are DRS's exclusive warranties for Products, Systems, and Services.
- F. WITHOUT IN ANY MANNER LIMITING THE PRECEDING, DRS EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE OR FOR INTENDED USE.
- G. The liability of DRS for a breach of its Product and System warranty is limited to repair or replacement (at DRS's option) of the defective Product or System; DRS's liability for breach of its Services warranty is limited to reperformance of the defective Services. Written notice of any defect in Products, Systems, or Services must be provided to DRS within one (1) year of the date of purchase by registered mail or certified mail, return receipt requested, and Products believed to be defective must be returned to DRS's plant at Customer's cost within said one (1) year after date of purchase, otherwise, said claim shall be barred, void and unenforceable.
- H. In all cases, and regardless of the form of action, DRS 's liability with respect to, arising from, or in connection with Customer's purchase or use of Products, Systems, or Services is limited to the amounts actually paid by Customer to DRS for such Products, Systems or Services. Without in any manner limiting the preceding, DRS shall not in any case be liable or responsible for backcharges of any kind, or for indirect, incidental, or consequential damages, including without limitation the loss of the use of any asset, loss of revenue, or loss of profit. The remedies set forth in these Terms and Conditions are the sole and exclusive remedies available to Customer against DRS.
- I. DRS does not warrant that Customer's operation or use of any Products supplied by DRS will comply with any existing or future industry standards, guidelines, or procedures (including but not limited to applicable ANSI/RIA standards), or with the requirements of any safety and environmental law, code, ordinance or regulation of any federal, state, municipality or other jurisdiction, including but not limited

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Standard Terms and Conditions**

to state OSHA laws and regulations, unless otherwise specifically provided in a separate written agreement signed by Customer and DRS.

- J. DRS shall not be liable or responsible for any damages arising from damage during shipment, faulty installation, adjustments or repairs, exposure to excessive pressure, temperature or harmful chemicals, or improper application or misuse or abuse of Products or Systems caused by any entity or individual other than DRS, including Customer.
- K. DRS shall not be liable or responsible for any damages arising out of any injury caused or allegedly caused by any products or parts manufactured on or with Products purchased from DRS.
- L. The express warranties as provided contained herein shall not apply unless and until Customer has paid the contract price in full. DRS shall have no further responsibility, obligation, or liability to Customer to honor the limited warranties and shall not be responsible for any damages sustained by Customer resulting from its failure to fully pay the contract price including, but not limited to consequential, special, or indirect damages.

Assumption of Risk – Indemnification.

- A. Customer assumes all duties and obligations, as well as any and all liability arising out of its maintenance, operation, safeguarding, and/or use of any Products, including without limitation the assumption of all duties and obligations related to complying with any applicable state and/or federal laws, rules, regulations, ordinances, and applicable industry standards including (without limiting the foregoing) laws, rules, regulations, ordinances, and applicable industry standards pertaining to the safe operation and/or use of Products, or to the safe design or manufacture of any product or part manufactured on or with Products.
- B. Customer assumes all duties and obligations, as well as any and all liability arising out of its manufacture of products using Products, including but not limited to its duty to provide a product which is free from design, manufacturing and other defects.
- C. Customer shall exonerate, hold harmless, defend and indemnify DRS and its affiliates, shareholders, directors, officers and employees against any kind of claim, liability or lawsuit arising out of the design, manufacture, handling, use, distribution and/or sale of any product or part manufactured by Customer on or with Products. Customer will, at DRS's request, assume the defense of any of the foregoing claim, liability or lawsuit and reimburse Manufacture for all costs and attorney's fees expended in the defense of such claim, liability or lawsuit.
- D. In response to reasonable requests from Customer, DRS will cooperate with and provide reasonable technical assistance to Customer in defense of any claim, liability or lawsuit against Customer for losses or damages alleging a defect in the design or manufacture of a product or part manufactured by Customer on or with Products.
- E. Customer will promptly give notice to DRS of any claim, liability or lawsuit alleging a defect in Products caused by the design, manufacture, handling, use or sale of Products of which Customer becomes aware.

Amendment or Modification.

- A. The Agreement is the complete and exclusive statement of the contract between Customer and DRS and supersedes any and all previous correspondence, quotations and/or agreements relating to Products, Systems or Services that are the subject of the Agreement.
- B. No amendments, modifications, supplements, limitations, waivers or discharges of this Agreement or any of its terms shall bind DRS unless in writing and signed by an authorized representative of DRS, making express reference to amending the Agreement. No agent, employee, or representative of DRS has any authority to sign and bind DRS with respect to any of the foregoing (including without limitation any representation or warranty not contained in this Agreement concerning Products, Systems or Services), except an authorized representative of DRS .

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Standard Terms and Conditions**

- C. Notwithstanding anything to the contrary in this Agreement, no modifications, limitations, waiver or discharge of any provision of the Agreement shall affect Customer's liabilities to DRS accrued prior thereto.
- D. Obvious stenographic and clerical errors contained in the Agreement are subject to correction by DRS.

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