

XTEK PRECISION MAINTENANCE STANDARD TERMS AND CONDITIONS OF SALE

All sales by Precision Machine, Inc. d/b/a Xtek Precision Maintenance ("XPM") are subject to the following terms and conditions. All proposals, quotations or acknowledgments issued by XPM are an offer to sell products or services pursuant to these terms and conditions. XPM objects to any additional or different terms contained in any documentation submitted by Customer. XPM's acceptance of any order is contingent upon Customer's assent to these terms and conditions. No waiver or modification of these terms and conditions shall be binding unless authorized in writing by XPM. Acceptance of the products or services shall be deemed an acceptance of the terms and conditions set forth below.

PRICES/TAXES. Prices are subject to escalation in the event of an increase in material related costs. The minimum charge for any order will be \$300. Unless otherwise stated or agreed, XPM's prices do not include freight charges or sales, use, or similar taxes.

PAYMENT TERMS.

(i) Standard payment terms are net 30 days for creditworthy Customers. Progress payments may be required as specified in the quotation and depending on Customer creditworthiness. Payments made by credit card shall be subject to an additional processing fee. XPM reserves the right to charge Customers a shipping & handling fee (which includes internal handling and related costs) which will be applied at the time of order and reflected on the Customer's invoice.

(ii) Invoices more than thirty (30) days past due are subject to a late charge of one percent (1%) per month on the amount of the past due balance. If Customer's account is past due and XPM has notified Customer verbally or in writing of the past due balance, XPM may, without advance notice, immediately stop work or cease providing any and all products or services to Customer. If the Customer's account, after default, is referred to an attorney or collection agency for collection, Customer shall pay all of XPM's expenses incurred in such collection efforts including, but not limited to, court costs and reasonable attorneys' fees. XPM reserves the right to charge Customers a warehousing fee equal to 1% of the invoice for Customer order(s) being held in shipment.

LIMITED WARRANTY.

(i) XPM warrants the materials manufactured by XPM and the services which were provided by XPM against failure or deficiency for a period of ninety (90) days from the date of the completion of the work. In the event of the occurrence of any failure or deficiency within such period of time, Customer shall notify XPM of such failure or deficiency within three (3) days after its occurrence. Upon notification, XPM shall cure and remedy the failure or deficiency by repair or replacement, as determined by XPM in its reasonable discretion. XPM shall have the option to provide a cure and remedy in the field or at its facilities. XPM EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES AND LIABILITIES WHICH RELATE TO ANY FAILURE OR DEFICIENCY OF ANY MATERIALS WHICH WERE NOT MANUFACTURED OR ANY SERVICES WHICH WERE NOT PERFORMED BY XPM.

(ii) THE ABOVE IS XPM'S SOLE WARRANTY WITH RESPECT TO MATERIALS AND SERVICES FURNISHED TO CUSTOMER. XPM PROVIDES NO OTHER WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PURPOSE, WARRANTY OF WORKMANLIKE SERVICE OR ANY SIMILAR WARRANTY AND ALL SUCH IMPLIED WARRANTIES ARE HEREBY EXCLUDED AND DISCLAIMED BY XPM. The above Limited Warranty shall not apply to (1) any Customer supplied part or material; (2) Customer parts which are inspected by XPM and returned without service or repair; or (3) any product that has been subjected to misuse, neglect, or accident.

LIMITATION OF LIABILITY. XPM's liability for a claim of any kind arising out of the manufacture, sale or use of any product or service shall in no case exceed the purchase price paid by Customer. In no event shall XPM be liable for any special, indirect, incidental, or consequential damages, however caused (including claims for loss of use, loss profits or income, or loss of opportunity), arising from the sale of products or services pursuant to this Agreement.

DELIVERY/FORCE MAJEURE. All product sales are F.O.B. point of shipment (UCC) unless otherwise agreed in writing. Delivery dates are estimates and are predicated on conditions existing at the time made. XPM shall have no liability for shipment delays, breach of contract obligations, or damage to Customer furnished material that results from an Act of God, war, riot, explosion, accident, act of government, work stoppage, default of subcontractor or supplier of materials, or any other cause beyond the reasonable control of XPM. Acceptance of goods upon delivery shall be a waiver by Customer of any claim for damages on account of delays in delivery or performance.

CANCELLATION, SUSPENSION OR DELAY. Customer may cancel an order upon written notice to XPM payment of all costs incurred by XPM prior to the cancellation. A purchase order may be suspended or delayed by Customer with XPM's prior written consent. If XPM agrees to a suspension or delay, Customer shall reimburse XPM for all costs incurred up to the date of such suspension or delay. All other costs related to and risks incidental to storage, disposition and resumption of work shall be borne by Customer.

CANCELLATION OF FIELD SERVICES. The availability and scheduling of field service personnel to perform field services is a critical aspect of XPM's business. Dates for performance of field services are approximate until the receipt of all information requested by XPM to perform the required manpower planning to ensure XPM may proceed with the field services immediately and without interruption on the date requested by Customer (the "Commencement Date"). Once a Commencement Date has been finalized by the parties, a request for field services can be cancelled by Customer upon at least ten (10) days written notice of the cancellation prior to the Commencement Date. However, if the request for field services is not cancelled by that date, XPM reserves the right to invoice Customer for reimbursement for any non-recoverable costs incurred by XPM up through the date of cancellation. Every reasonable effort will be made to accommodate a request to reschedule the field service to a later date, but any non-recoverable additional costs incurred by XPM as a direct result of the schedule change by Customer will be added to the Customer's invoice.

CHANGES. If Customer requests a change in a specification or design relating to any ordered product or any other modification or alteration to the order, the delivery schedules may be revised as necessary and an equitable adjustment may be made in the price if warranted.

CUSTOMER'S PROPERTY. Prices and delivery of products for which Customer furnishes material, patterns or tools are based on these items being received within the agreed time and in the quantities and conditions specified. XPM assumes no liability or responsibility for loss

or damage, from any cause whatsoever, to Customer owned materials or parts delivered to XPM for processing.

XPM'S PROPERTY. Except as otherwise specifically set forth in the scope of work provided as part of the proposal or quotation, all documents, including drawings, specifications, computer files, electronic media, data, engineering calculations, notes, and other documents and instruments prepared or furnished by XPM (collectively the "Documentation") are the property of XPM, and it shall retain all common law, statutory and other reserved rights, including copyright, applicable to the Documentation. The Documentation is not intended or represented to be suitable for use on any other project. Any reuse of the Documentation without written verification or adaptation by XPM for the specific purpose intended is prohibited and will be at Customer's sole risk and without liability or legal exposure to XPM. Customer agrees to defend, indemnify, and hold XPM harmless against all claims, damages, losses, and expenses (including reasonable attorneys' fees) arising from or in any way connected with the unauthorized use or modification of the Documentation by Customer or any person or entity that acquires or obtains the Documentation from or through Customer without the written authorization of XPM.

INDEMNITY. XPM will defend and indemnify Customer from any claims for bodily injury or death arising out of the use of the products or services provided by XPM under this Agreement occurring out of the sole negligence or willful misconduct of XPM. In no event shall XPM be liable under this provision for claims arising out of the negligence or willful misconduct of Customer or its employees or agents. Customer agrees to defend and indemnify XPM for any claims arising out of the Customer's noncompliance with applicable safety standards.

PATENT INDEMNITY. Unless the design or specification for the product is being furnished by Customer, XPM will defend any suit or proceeding brought against Customer which alleges that XPM's products, when employed in the manner intended, constitutes an infringement of any previously issued US patent, but only if XPM is notified promptly in writing of the claim and given authority, information, and assistance for the defense of same. XPM shall pay all damages and costs awarded against Customer because of such claim. If the product is held to constitute an infringement and its use in the manner intended by XPM is enjoined, XPM shall, at its expense, procure the right to continue using the product; replace it with non-infringing product; modify it so it becomes non-infringing; or remove it and refund the purchase price. In no event will XPM be liable if the infringement is based on the use of the product for a purpose other than that for which it was sold XPM or based on a combination of the product with other products.

COMPLIANCE WITH LAWS. XPM will comply with all applicable federal, state, or local laws regarding its performance under this Agreement.

ASSIGNMENT. Customer may not assign this Agreement without the prior written consent of XPM, such consent not to be unreasonably withheld.

GOVERNING LAW. The relationship between Customer and XPM shall be governed by the laws of the Commonwealth of Kentucky (without resort to its conflict of law rules). In the event Customer asserts any claim, demand, or cause of action pursuant to this Agreement, such claim, demand, or cause of action shall be asserted only in the McCracken Circuit Court in Paducah, Kentucky. Customer hereby waives any right

of trial by jury. The provisions of the Uniform Commercial Code as adopted by the Commonwealth of Kentucky, and not the United Nations Convention on Contracts for the International Sale of Goods, shall apply.