

Standard Terms and Conditions – March 2011

Consulting Services

1. Reasonable travel costs and customary expenses will be billed to the Customer. Travel costs will be charged for any traveling more than 50 miles from Stilwell Baker's office in Vancouver, Washington.
2. A minimum of four consulting hours will be charged per trip if consulting requires domestic travel with a one-way travel time of four hours or longer from Stilwell Baker's home office. A minimum of ten consulting hours will be charged if travel outside of North America is required.
3. On-site work at Customer's location will be billed at 10 hours minimum per day or actual number of hours worked, whichever is greater. If for Stilwell Baker convenience, a short day is worked (less than 8 hours), Customer will be billed actual number of hours worked.
4. Stilwell Baker covenants and warrants that Stilwell Baker will perform all work under this purchase order in accordance with the standards and practices of care, skill and diligence customarily observed by similar firms under similar circumstances at the time Stilwell Baker's services are rendered. Stilwell Baker warrants that all Services performed hereunder will have a rate of defects that is no greater than the industry standard for similar services. In no event shall Stilwell Baker's liability be greater than the amounts paid by Customer for the services performed by Stilwell Baker under this purchase order.
5. Invoices for consulting services work billed to project will be submitted every 2 weeks. Payment for services is due 30 days from date of billing. Any sums not received by Stilwell Baker within 30 days from the date of billing are subject to a service charge of 1.5% per month or the maximum rate permitted by applicable law, whichever is lower. Failure to promptly pay any invoice according to its terms will constitute a default by Customer under all invoices issued by Stilwell Baker and will entitle Stilwell Baker to withhold services or product.

Product Manufacturing

1. Products manufactured by Stilwell Baker have a 90-day warranty against manufacturing defects and will be replaced or repaired at Stilwell Baker's discretion.
2. Exclusivity - Customer acknowledges that SBI has invested in developing and manufacturing this product for said Customer and Customer agrees that SBI shall be the sole and exclusive supplier of this product for future purchases. Customer shall not procure or otherwise reverse engineer a replacement product for the same application in the future without the written approval of SBI. If SBI is unable or unwilling to provide the product in the future SBI shall inform the Customer in writing and the Customer shall no longer be required to purchase the product from SBI.
3. Environmental testing - The product will not be subjected to any environmental, EMI, HERF, ESD or other testing other than electrical functional testing for correct operation except as specifically noted in the proposal/quotation
4. Payment terms are as specified on the quotation issued by Stilwell Baker. If none, terms shall be COD. The full amount billed for is due and payable from the date of the invoice unless otherwise stated. Late payments are subject to a charge computed at a periodic rate of 1.5% per month (18% annual) on the unpaid balance, and Customer agrees to pay such charges and to pay reasonable fees if action is brought to collect from Customer.
5. Products shall not be returned without Customer's prior written authorization. Shipments returned to Stilwell Baker without prior written authorization may be returned to Customer, at Customer's expense, plus an appropriate handling charge.
6. Regardless of the payment of specifically identified Intellectual property or similar non-reoccurring charges, all intellectual property (including without limitation tools, dies, molds, fixtures, jigs, shop aids, special machines, designs, CAD drawings, patterns and drawings) designed or created by Stilwell Baker for use in manufacturing goods for Customer shall be and remain the exclusive property of Stilwell Baker. Stilwell Baker shall have exclusive ownership of any intellectual property rights including any patents based on or derived from such intellectual property, regardless whether Customer has provided input or suggestions in the design or creation of such intellectual property. Customer shall have neither interest in intellectual property nor any right to prevent Stilwell Baker from using such intellectual property in the manufacture of goods for other Customers. Despite the terms of this section, if the applicable quote specifically states "Customer shall own intellectual property upon completion of order," then Customer shall have exclusive ownership rights in such intellectual property included in that specific quote and Customer hereby grants Stilwell Baker an irrevocable, nonexclusive, royalty-free license to design and create identical or derivative intellectual property for any purpose or use.

General Terms and Conditions

1. Unless specified quotations are valid for thirty (30) days after the date of the written quotation.
2. All quotations and agreements are contingent upon strikes, accidents, fires, availability of materials and all other causes beyond our control.
3. All orders for product or services are accepted subject to the terms and conditions set forth herein. A valid purchase order must be received prior to delivery of product or services. Purchase orders are considered valid when received via facsimile, electronic mail or hard copy.
4. Quoted price is net of any and all state taxes, withholding taxes; value added taxes or other assessments that may be levied by foreign countries. Customer shall pay such taxes and assessments.
5. Stilwell Baker will not be liable for any loss of profit, interruption of business or any other special or consequential or incidental damages suffered or sustained by company due to late delivery, product failures, or incorrect design, whether arising under contract, tort, or any other theory. Any action for breach of contract must be commenced within one year from the date of invoice relating to the services performed. Stilwell Baker will make the final determination as to the existence and extent of, cause of, and remedy for, any alleged defect.

6. Stilwell Baker’s deliverable date estimates are dependent on the Customer meeting their delivery and information requirements to Stilwell Baker.
7. The performance of work under any order or contract resulting from this quotation, may be terminated without penalty, in whole or in part at any time by Stilwell Baker, effective as the date specified by Stilwell Baker, providing one day written notice is given to the Customer stating the effective date and supporting reasons for the necessity of cancellation.
8. Stilwell Baker will not be liable for any delays in delivery of services or any failure to deliver services due to causes beyond Stilwell Baker’s control, including without limitation, fire, flood, war, riot, strike, labor difficulties, natural disaster, domestic or governmental regulations or orders, shortages of or inability to obtain materials, product, transportation or any other event beyond Stilwell Baker’s reasonable control. If Stilwell Baker fails to deliver services or product, repudiates or is in breach any fashion, Customer’s exclusive remedy is limited to procurement of substitute services in a reasonable manner and recovery of the difference between the reasonable cover costs and the contract price less expenses saved as a consequence of the Stilwell Baker’s breach, not to exceed the amount due Stilwell Baker with respect to the specific invoice.
9. Stilwell Baker hereby expressly disclaims all warranties either expressed or implied warranty of merchant ability or fitness for a particular purpose. This disclaimer by the Stilwell Baker in no way affects the terms of the manufacturer’s warranty, if any. Title to goods herein being purchased is retained by the Stilwell Baker until goods are paid for by the Customer and at that time title passes to the Customer. If goods herein being purchased are being purchased for purposes of export, Customer must obtain from the federal government certain export documentation before shipping to a foreign country. In addition, manufacturers’ warranties for exported goods may vary or even be null and void.
10. Any portion of these terms and conditions that is found to be unenforceable will not invalidate the remainder of the terms and conditions. Any delay in enforcing or any failure to enforce any provision of this agreement will not be deemed a waiver of any other or subsequent breach of this agreement unless such waiver is in writing and is signed by an officer of Stilwell Baker. Nothing contained herein nor the transactions contemplated hereby, express or implied, shall be deemed to inure to the benefit of any person or entity other than Stilwell Baker and Customer, nor shall it confer upon any such party or entity any right or remedy of any nature whatsoever.
11. Customer will pay such costs, collection agency commissions, expenses and reasonable attorney fees (including at arbitration, at trial, and on appeal) as Stilwell Baker may incur in any manner of enforcing the terms of this agreement, including without limitation, the collection of any sums past due. If this agreement becomes the subject of any suit, arbitration or other proceeding or if Customer becomes the subject of any bankruptcy proceeding (including with respect to any motion for relief from the automatic stay, obligation to a plan or reorganization or confirmation or other similar proceeding), the prevailing party will be entitled to its costs and attorney fees, whether incurred in such proceeding or in any post judgment proceeding. Washington law, without resort to its choice of law provisions, will govern. Customer consents to the nonexclusive jurisdiction of and venue in any state or federal court located in Clark County, Washington.
12. This agreement, together with any purchase order and Stilwell Baker’s invoices, contains the entire understanding between the parties. Customer acknowledges that there are no other terms, conditions, warranties or representations other than those contained in those documents. No supplement, modification or amendment of this agreement will be binding unless it is executed in writing by an officer of Stilwell Baker.
13. Regulatory compliance- The product or design does not meet any regulatory requirements except as specifically noted in the proposal/quotation.
14. Customer assumes liability for patent and copyright infringement when goods are made to Customer’s specifications. Customer agrees to hold harmless and indemnify Stilwell Baker (including its directors, officers, employees, and agents) from and against all claim, demands, or causes of action, including attorney fees, costs, and expenses, related to any such patent or copyright infringement claims. This section shall survive termination or expiration of this Agreement.
15. Unless otherwise specified on the quote, all shipments are to be FOB Vancouver, Washington. Title and risk of loss shall pass to Customer at the FOB point.
16. In no event shall Stilwell Baker be liable for any damages resulting from or in connection with the use of products delivered or developed under this agreement in any application where the failure or inaccuracy of the product might result in death or personal injury. Customer agrees to indemnify and hold harmless Stilwell Baker (including its Directors, Officers Employees, and Agents) from any and all claims, demands, damages (actual or consequential) or other liability, including attorneys’ fees, arising out of or in connection with such use. This section shall survive termination or expiration of this Agreement.
17. Customer hereby expressly covenants and agrees that at all times and for a period of eighteen (18) months following Customer’s purchase of product or consulting services, Customer shall not directly or indirectly solicit Stilwell Baker’s clients, Customers or hire Stilwell Baker employees.
18. Stilwell Baker will be paid for all the Consulting Services, and any product or parts purchased or manufactured on Customer’s behalf, performed through the date of termination of the Statement of Work.

Signed and accepted by:

| Stilwell Baker, Inc. | <Customer name here> |
|---|--------------------------------------|
| 1325 SE Tech Center Dr, Bldg 11, Suite 170, Vancouver, WA 98683 | <street address><City, State Zip> |
| Ph: 971.252.4200, Fax: 360.253.8437 | Ph: <phone number>, Fax:<fax number> |
| Signed: | Signed: |
| By: David Valaer, President | By: |
| Its: President | Its: |
| Date: | Date: |