

---

**Cloud Cap Technology, Inc. (“Seller” or “CCT”)****STANDARD COMMERCIAL TERMS AND CONDITIONS****1. ORDERS**

Buyer will place all orders for services (the “Services”) and goods (the “Goods”) by sending to Seller a purchase order (the “Purchase Order”). The Purchase Order, or “Order” (a) shall contain only the Buyer and Seller identification, description, part numbers, quantity, applicable price, and requested delivery schedule of goods and/or services requested by Buyer from Seller; and (b) shall be subject to and governed solely by these Standard Terms and Conditions (the “Terms and Conditions”).

**2. ACCEPTANCE OF ORDER**

Acceptance of the Order shall be indicated by the written acknowledgement of Seller’s authorized representative. Seller shall not be obligated to accept any Order. Seller shall not be obligated to accept any Order issued (a) if Buyer is in default in its payments or other material obligations hereunder, notwithstanding the fact that notice of such default has not been given and/or that a cure period applies, or (2) for any other reason within the sole discretion of Seller.

Seller’s acceptance of Orders is given only on the express understanding and condition that only the Terms and Conditions shall govern and establish any rights and obligations of the Parties with respect to the goods and services covered thereby. Seller’s failure to object to provisions contained in any document or communication from Buyer shall not be deemed a waiver of the application of the Terms and Conditions. Without limiting the generality of the foregoing, any terms or conditions set forth on any documents or forms utilized by Buyer including but not limited to pre-printed terms and conditions on purchase order documents, and any communications (written or oral) between the parties that are inconsistent with, in addition to, or not included within the Terms and Conditions shall be of no force or effect unless accepted in writing by an authorized representative of Seller.

**3. PRICES**

- a. Prices for Goods and Services shall be
  - i. For standard Goods and Services, the Seller’s standard catalog prices at the time of the Order; or
  - ii. For non-standard Goods and Services or if Buyer has a valid, written price proposal from Seller for the Goods and Services to be ordered, the applicable proposed pricing, provided that all provisions of the written proposal apply, including but not limited to quantity level pricing requirements.
- b. Seller catalog prices are subject to change without notice.

**4. PAYMENT TERMS**

- a. **Standard.** For Buyers who have not been granted credit by Seller, payment must be received by Seller’s bank and be available to Seller, all prior to shipment. Funds are “available to Seller” if (1) the payment has been made or is in the form of a fund secured instrument (such as a certified check, cashier’s check, money order, or credit card payment). If such payment has not been received two or more business days prior to the delivery date, delivery will be delayed until proper payment has been received.
  - i. If the delivery of standard products is delayed for failure of Buyer to make the required payment within seven days of the scheduled delivery date, the order will be deemed a cancellation with less than 30 days’ notice.
  - ii. If the delivery of non-standard products is delayed for failure of Buyer to make the required payment within seven days of the scheduled delivery date, the order will be deemed a cancellation of non-standard products.

**b. Buyers granted credit.** If Seller has granted Buyer Credit, payment is due net 30 days from date of invoice submitted in accordance with the credit terms.

**c. Payment shall be made in full, without any withholding, set-off or deduction whatsoever.** Seller may apply any payment received from Buyer against any obligation owing by Buyer to Seller under this or any other contract. Statements or comments on or accompanying payments shall not be binding on either party. Acceptance by Seller of such payment will not constitute a waiver of Seller's right to pursue the collection of any remaining balance.

**d. Interest for late payments will automatically and without any notice of default accrue on overdue invoices from the due date until payment at the rate of the lower of: (i) eighteen percent (18%) per annum; or (ii) the highest interest rate permitted at law. Buyer will be responsible for any litigation costs and attorneys' fees associated with collection of past due invoices.**

## 5. CANCELLATION

**a. Standard products canceled with 30 days' notice.** Buyer may cancel an order for standard products without charge, provided that Seller receives written notice of the cancellation more than 30 days prior to the scheduled shipment of the standard products being cancelled.

**b. Standard products canceled with less than 30 days' notice.** Seller, in its sole discretion, may accept or reject requests for cancellation of standard products if the written request for cancellation is not received more than 30 days prior to the scheduled shipment of the standard products being cancelled. If Seller accepts cancellation with less than 30 days' notice, then Buyer will be charged a cancellation charge equal to 20% of the sales price of the standard products being cancelled.

**c. Non-standard products.** Seller, in its sole discretion, may accept or reject requests for cancellation of non-standard products. Buyer will be charged a cancellation charge for all cancellations of non-standard products. Such cancellation charge shall be reasonably determined by Seller in its sole discretion and shall, in any event, be greater than 20%, and no more than 100%, of the sales price of the non-standard product being cancelled. Non-standard products include, but are not limited to, products which are special orders, products which do not appear in the catalog, products not customarily in stock, valueadded products, products to be assembled from kit form, opened (license keys delivered) software, and products modified for Buyer or in any way manufactured or tested to Buyer requirements.

**d. No cancellation after delivery.** Orders may not be cancelled after delivery by Seller to the carrier.

**e. Price Change for non-cancelled products.** In addition to cancellation charges, in the event that (1) the price of Goods is based upon the Buyer purchasing a minimum quantity of Goods and (2) cancellation of products by the Buyer results in a reduction to a lower quantity pricing level, then the price of non-cancelled Goods shall be adjusted retroactively and prospectively to the applicable lower quantity pricing level.

## 6. CHANGES

Buyer may by written notice request changes within the general scope of this Purchase Order. Buyer will submit to Seller a change request for any changes to the Order. Seller, in its sole discretion, will determine whether it can comply with the requested changes and whether such changes would cause an increase in the price of, or the time required for, the change or its affect on the performance of any part of the Order, Seller is entitled to an equitable adjustment of the price of the order caused by the change.

Upon agreement of the parties, the Order will be modified to reflect the agreed change, the change to the delivery schedule, and the equitable price adjustment,

---

**7. DRAWINGS AND SPECIFICATIONS.**

The Goods shall be manufactured to Seller's drawings and specifications. Goods are manufactured to Seller's standard quality control tests and calibrations and Seller's standard documentation.

**8. INTELLECTUAL PROPERTY**

The Goods are based on technology developed solely by Seller, and Seller retains ownership of all intellectual property rights therein. No rights or licenses are granted to Buyer. Seller shall defend or at its option settle, any claim, suit or proceeding ("Claim") brought against Buyer based on an allegation that goods manufactured and sold by Seller ("Goods") under this Agreement directly infringe a valid United States patent, and Seller shall indemnify Buyer against any direct loss, damage or liability incurred by Buyer as a result of such Claim, provided: (a) Seller is notified promptly by Buyer in writing of the Claim; and (b) Seller is given exclusive authority by Buyer and reasonable information and assistance by Buyer for the defense and/or settlement thereof. The foregoing states the entire obligation of Seller with respect to intellectual property infringement indemnification. Seller has no liability for claims based upon: (a) infringement by Goods manufactured according to a design, specification, or instruction provided or requested by Buyer; (b) infringement based upon the combination, operation or use of the Goods with other products not supplied by Seller, wherein the infringement would not have occurred but for such combination, operation or use; or (c) infringement resulting from changes made to the Goods without Seller's prior written consent.

**9. DISPUTES**

Buyer and Seller shall attempt to promptly resolve through good faith negotiation any and all disputes between Buyer and Seller arising out of or in connection with this Agreement or its performance, including, but not limited to, any questions regarding the existence, validity or termination hereof (hereinafter "Dispute"). If the Dispute has not been resolved by negotiation within twenty (20) business days of the disputing party's notice requesting negotiation (or any agreed extension thereof), the Dispute shall be finally settled by binding arbitration. The arbitration shall be held in the State of Oregon and administered by the American Arbitration Association under its Commercial Arbitration Rules. The arbitrator is not empowered to award damages in excess of actual, direct damages. The arbitration will be decided by a single arbitrator, mutually acceptable to all parties, who will preside and decide the Dispute, unless the parties agree in writing to the contrary. Should the parties fail to agree on a mutually acceptable arbitrator within thirty (30) days from the date of the demand for arbitration; the parties agree to accept an arbitrator appointed by the American Arbitration Association in accordance with the said rules. The proceedings shall be conducted in English. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Arbitration shall be confidential, final and binding. Seller at its sole discretion may discontinue work and suspend its obligations hereunder for the Goods and Services or portions of the Order which gave rise to the Dispute until such time as the Dispute is settled.

**10. CHOICE OF LAW**

This Order shall be governed by the laws of the State of Oregon, USA, without regard to any conflicts of law principles applied in that state. The parties specifically disclaim application to this Order of the United Nations Convention on Contracts for the International Sale of Goods.

**11. ASSIGNMENT**

Neither Buyer nor Seller may assign, charge, transfer or otherwise dispose of an Order or any interests, rights or obligations therein in whole or in part, without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, Seller may assign any and all of its rights and obligations hereunder upon notification to Buyer to (i) any Seller-affiliated company; (ii) a third party pursuant

to any sale or transfer of all or part of the assets or business of Seller; or (iii) a third party pursuant to or in connection with any financing, merger, consolidation, change in control, reorganization or other business combination involving Seller.

**12. COMPLIANCE WITH EXPORT STATUTES AND REGULATIONS**

In performing the obligations of this contract, both Parties will comply with United States export control and sanctions, laws, regulations, and orders, as they may be amended from time to time, applicable to the export and re-export of goods, software, technology, or technical data ("Items") or services, including without limitation the Export Administration Regulations ("EAR"), International Traffic in Arms Regulations ("ITAR"), Foreign Assets Control Regulations (as administered and enforced by the Treasury Department's Office of Foreign Assets Control), U.S. Customs Regulations, Foreign Trade Statistics Regulations (U.S. Census Bureau) and Bureau of Alcohol, Tobacco, Firearms and Explosives Regulations (U.S. Justice Dept.) (collectively, "Export Control Laws and Regulations"). The Party conducting the export shall be responsible for applying for the required authorizations. The Party conducting the re-export/re-transfer shall be responsible for obtaining the required authorizations. Each Party shall reasonably cooperate and exercise reasonable efforts to support the other Party in obtaining the necessary licenses or authorizations required to perform its obligations under this contract.

**13. WAIVER**

Failure or delay by either Party to exercise or enforce any right conferred by this Purchase Order, including Seller's right to deliver invoices under this Purchase Order, shall not be deemed to be a waiver of any such right. Further, a waiver, express or implied, by either Party of any default by the other in the observance and performance of any of the conditions, covenants or duties set forth in this Purchase Order shall not constitute or be construed as a waiver of any subsequent or other default.

**14. EXCUSABLE DELAY**

**Definition of Excusable Delay:** A delay in the performance by Seller of any obligations under this Purchase Order, which is caused by an event which is outside the reasonable control of Seller, including but not limited to: (i) an act of God, an act of government in either its sovereign or contractual capacity, fire, floods, epidemics, quarantine restrictions, strikes, freight embargo, unusually severe weather, riot, war, acts of terrorism or any other event which constitutes a superior force and is beyond the reasonable control of Seller.

A delay caused by the default of a subcontractor of the Seller shall constitute an Excusable Delay if the event causing the default of such subcontractor is an event, which (i) meets the foregoing Definition of Excusable Delay and (ii) has not been caused by Seller.

In the event of an Excusable Delay, any affected delivery date shall be postponed for such period as is reasonably necessary to offset the effects of the Excusable Delay. No adjustment will be made to price under this Purchase Order. Adjustment of the delivery schedule is the exclusive remedy of Seller for an Excusable Delay.

Notwithstanding the above, after an Excusable Delay has continued for a period of ninety (90) calendar days in the aggregate the Buyer may, in the Buyer's absolute discretion, terminate this Purchase Order. In the event that standard products are terminated, the termination shall be without charge. In the event that non-standard products are terminated, the Seller may charge buyer a cancellation charge equal to no more than 20% of the terminated products.

**15. BUYER-FURNISHED PROPERTY**

Seller acknowledges that all drawings, specifications, patterns, technical data, molds, forms, equipment and materials developed or prepared by Buyer at Buyer's sole expense, which are provided to Seller by Buyer to facilitate Seller's production of the goods or performance of the services, and all copies thereof ("Buyer Materials"), shall remain the property of Buyer. Upon demand by Buyer, Seller shall promptly return or deliver to Buyer all Buyer Materials. Buyer

agrees that it has adequate insurance on all of the Buyer Materials, and Seller assumes no liability for loss or damage to said property, including normal and reasonable wear and tear.

**16. SUBCONTRACTS**

Seller may subcontract any part of the work or services to be provided under this Purchase Order without Buyer's prior written consent.

**17. RETURNED GOODS**

No return of goods will be accepted by Seller without Seller's prior written authorization. Returned goods must be in original manufacturer's shipping cartons complete with all packing materials.

**18. PACKING, CRATING AND SHIPPING**

The goods shall be suitably packaged and prepared for shipment to withstand normal transportation and stocking functions.

**19. CONFIDENTIAL INFORMATION**

If a proprietary information exchange agreement exists between Buyer and Seller, which applies to Goods or Services similar to those to be supplied under this Order, then such proprietary exchange agreement shall apply to this Order.

Any and all information disclosed or provided by Seller to Buyer in connection with this Purchase Order is proprietary and confidential to Seller. Buyer shall hold such information in confidence, shall not disclose it to any third party without the prior written consent of Seller's authorized representative, and shall use such information only as necessary to support the products or services delivered by Seller under this Order. If Buyer and Seller have entered into a separate agreement concerning the distribution and care of confidential information, that agreement shall take precedence over the foregoing. Buyer agrees that in the event of a breach or threatened breach of the provisions of this clause, and in addition to any other rights or remedies the Seller may have at law or in equity, Seller may seek injunctive or other equitable relief compelling compliance with the aforementioned confidentiality obligations.

This Agreement shall not restrict disclosure or use of information from the first to occur of the following: (1) when it is or becomes publicly available through no fault or negligence by the recipient or breach of this Agreement; or (2) if it is legally known by, or in the possession of, the recipient without restrictions when received; or (3) when it is lawfully obtained by the receiving party from a third party without restrictions and through no fault or negligence by the recipient or breach of this Agreement; or (4) if and when it is independently developed by the recipient without reliance upon Proprietary Information disclosed hereunder and without breach of this Agreement.

**20. SHIPMENT AND RISK OF LOSS**

a. Title to the goods shall pass to Buyer upon delivery of the Goods to the carrier for shipment to Buyer.

b. Domestic shipments shall be delivered F.O.B. Seller's Factory (Origin). International shipments shall be delivered FCA Seller's premises (FCA, Incoterms 2010). Buyer shall be solely responsible for, and Seller shall have no liability for, loss or damage after delivery to the carrier. Unless otherwise requested by the Buyer, Seller shall arrange and pre-pay for shipping. The costs of shipping will be billed to the Buyer.

**21. DELIVERY SCHEDULE**

Buyer acknowledges that any delivery schedule provided by Seller is only an estimation of the lead times. Seller will use commercially reasonable efforts to schedule and initiate shipment as close as possible to Buyer's requested delivery schedule but shall not be liable to Buyer for failure to meet any delivery schedule or for the costs to procure or design substitute goods.

Seller reserves the right to make deliveries in installments. Delivery of a quantity that varies from the quantity specified in Buyer's order shall not relieve Buyer of its obligation to accept deliver

and pay for the goods delivered. Buyer shall not refuse to accept delivery or any consignment or installment on account of any shortage or defect in any other delivery.

**22. TAXES**

Buyer shall pay the costs of any sales, use, value-added, excise, transfer and other similar taxes or other governmental fees, duties and assessments payable by Buyer or Seller (including all such amounts that a taxing authority asserts is payable by Buyer or Seller and excluding taxes based upon Seller's net income and Seller's payroll taxes) as a result of the provision of Goods and Services to Buyer. Buyer may furnish Seller with a tax exemption certificate acceptable to the authority imposing the tax on Seller.

**23. STOP WORK**

When directed by written notice from Buyer (a "Stop Work Notice"), Seller shall promptly cease performance of the Order and its obligations hereunder with respect to the Goods and Services specified in the Stop Work Notice for a period of up to ninety (90) calendar days or longer if extended by mutual agreement. If a Stop Work notice is given, Seller shall be entitled to an equitable adjustment in the delivery schedule, or price, or both, and the Order shall be modified in writing accordingly. When a Stop Work notice is cancelled or the period of the Stop Work notice (or any agreed extension thereof) expires, Seller shall resume work subject to agreement on the equitable adjustment in price and/or delivery schedule.

**24. WARRANTY**

a. Seller warrants the TASE products it manufactures to be free from defects in material and workmanship for one year from the time of shipment or One Thousand (1,000) hours of powered use (as measured by an internal timer), whichever occurs first, in each case under normal use and service. For products other than TASE products, Seller warrants the products it manufactures for one year from the time of shipment under normal use and service.

i. This warranty is only applicable to Seller's products that are returned to Seller within twelve months from the date of shipment and which Seller determines to be defective within the terms of this warranty. Seller's obligations, with respect to such applicable warranty returns, are limited to repair, replacement, or refund of the purchase price actually paid for the product, at Seller's sole option.

ii. Seller shall bear reasonable round trip shipping costs of items returned under warranty. If Seller determines that the returned items are not eligible for warranty repair, then Buyer shall be responsible for all shipping costs and all costs of test, evaluation, repairs necessary to complete test and evaluation, and repair or replacement.

iii. Repaired or replaced items shall be warranted for a period which is the greater of either (1) 90 days or (2) the unexpired portion of the original warranty period as of the date of notice to Seller of the warranty failure.

iv. This warranty does not extend to any product which has been subjected to misuse, abuse, neglect, accident, improper installation, improper operation, use, operation, or exposure to conditions in violation of instructions furnished by Seller, or which has been repaired or altered by Buyer or persons other than Seller, or which has been subjected to improper voltages, environmental conditions beyond the item specified performance requirements, improper signals,

excessive testing, lifetime testing, accelerated lifetime testing, any testing intended to test or evaluate the limits of the item's life time, or testing or operation exceeding the item product specifications.

b. This warranty applies only to hardware products manufactured by or for Seller that can be identified by the Seller's trademark, trade name, or logo affixed to them. The warranty does not apply to any non-Seller hardware products or any software, even if packaged, integrated with, or sold with CCT hardware. In some cases, manufacturers, suppliers, or publishers, other than Seller ("third party providers") may provide warranties to the end user purchasers.

c. Software distributed by Seller with or without the Seller's brand name (including, but not limited to system software) is not covered under warranty. Seller will provide available bug fixes (but not upgrades, functionality improvements, additions or other modifications) for 12 months after shipment of software.

**25. DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY**

THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF SELLER HEREUNDER AND THE RIGHTS AND REMEDIES OF BUYER HEREUNDER, ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF SELLER, AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED. SELLER MAKES NO OTHER WARRANTY BEYOND THOSE EXPRESSLY CONTAINED IN THIS WRITING.

SELLER'S LIABILITY WITH RESPECT TO NONCONFORMING OR DEFECTIVE PRODUCT IS LIMITED TO BUYER'S NET CURRENT PURCHASE PRICE, AFTER CASH AND OTHER DISCOUNTS, OF ANY SUCH PRODUCT OR, AT SELLER'S OPTION, TO THE REPAIR OR REPLACEMENT OF SUCH PRODUCT UPON ITS EVALUATION BY SUPPLIER'S TECHNICAL REPRESENTATIVES OR ITS RETURN TO SUPPLIER, TRANSPORTATION CHARGES PREPAID.

NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY SUCH LIMITED REMEDY, SELLER'S TOTAL LIABILITY IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE ARISING IN CONNECTION WITH THE AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT PAID BY BUYER TO SELLER UNDER THIS AGREEMENT. NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT, SELLER SHALL IN NO EVENT BE LIABLE TO BUYER FOR INDIRECT, INCIDENTAL, COLLATERAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR LOSSES SUCH AS BUT NOT LIMITED TO LINE STOP, RECALLS, HARM TO BUSINESS OR BUSINESS REPUTATION, LOSS OF REVENUES, LOSS OF ANTICIPATED SAVINGS OR LOST PROFITS, WHETHER OR NOT FORESEEABLE, AND WHETHER ARISING IN CONTRACT (INCLUDING WARRANTY), TORT (INCLUDING ACTIVE, PASSIVE OR IMPUTED NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

**26. PARTIAL INVALIDITY AND SEVERABILITY**

If any provision of the Order or the Terms and Conditions including any limitation of warranty or liability, is held by a court or any governmental agency or authority to be invalid, void or

unenforceable, the Parties agree to negotiate in good faith to draft a new legal and enforceable provision that to the maximum extent possible comports with the original intent of the Parties and maintains the economic and other terms to which the Parties originally agreed. If after thirty (30) days the Parties have been unable to reach agreement, the Order will be deemed terminated and may result in a cancellation charge to be reasonably determined by Seller based on such factors as whether the product was manufactured specifically for Buyer, Seller's ability to change its production schedule within the period of the notice provided by Buyer, and whether Seller acquired or allocated particular supplies or equipment to meet Buyer's order.

**27. INDEPENDENT CONTRACTOR**

Neither Party is a partner, agent, or legal representative of the other Party, nor does the Order create a fiduciary relationship between the Parties. Seller is an independent contractor in the performance of the Order, and each Party retains authority to manage its personnel, workers, subcontractors, and operations required for performance of its obligations hereunder.

**28. PUBLICITY**

Neither Party is hereby granted the right to use any name, trademark or other designation of the other Party in any advertising, publicity or marketing activities. Neither Party will issue press releases, advertising, sales promotions or other publicity documents or information referring to the other Party without prior written consent of the other Party.

**29. CHOICE OF LANGUAGE AND CURRENCY**

The Order, these Terms and Conditions, any document referenced herein or attached hereto, any report, any drawings or other technical information, or any notice or binding communication shall be drafted in English, shall be interpreted in accordance with the plain English meaning of their terms, and shall employ the units of measure customarily used by Seller in the United States. All payments shall be in U.S. Dollars unless otherwise agreed in writing.

**30. U.S. GOVERNMENT CONTRACT CLAUSES**

If this Order is a subcontract for commercial items or commercial components to a U.S. Government prime contract, then only the clauses specified in FAR 52.244-6 and DFARS 252.244-7000 as prescribed by FAR 44.403 and DFARS 244.403, respectively, shall apply.

**31. ENTIRE AGREEMENT**

The Terms and Conditions, including any exhibits and attachments hereto, comprise the entire understanding and agreement between the Parties with respect to the subject matter hereof and supersedes all prior proposals, representations, agreements and understandings, whether oral or written, except as stated herein.