

STANDARD TERMS AND CONDITIONS OF SALE

These terms and conditions of sale ("Terms and Conditions") are applicable to all goods and services provided by KD Holding Company, Inc. d/b/a Medfab Precision Solutions ("Vendor") for or on behalf of the customer ("Customer") who signs a vendor agreement or proposal (the "Order") to receive Goods and/or Services (defined below) from Vendor:

1. Acceptance of Terms and Conditions. The agreement ("Agreement") between Vendor and Customer shall consist of the Order and these Terms and Conditions. These Terms and Conditions are integrated into, and form an integral part of, the Agreement. Vendor, upon acceptance of the Order from a Customer, will supply the Goods and Services specified in the Order ("Work") to Customer, pursuant to the terms and conditions of this Agreement. No terms or conditions in any acceptance, acknowledgement, invoice or other document submitted by Customer which are in conflict with, different from, or in addition to this Agreement shall be binding upon Vendor unless expressly agreed to in writing by a duly authorized officer of Vendor. Vendor's performance of Work is expressly subject to these Terms and Conditions notwithstanding any contrary provision contained in Customer's purchase orders, invoices, acknowledgements or other documents. In the event of any inconsistency between the Order and these Terms and Conditions, the Order shall control.

2. Work. Vendor shall perform the services (the "Services") and supply the goods (the "Goods") within the scope described in the Order. If changes are needed or additional Work is requested by Customer, Vendor and Customer will discuss the additional work and the amount of Vendor's compensation will be equitably adjusted. A verbal commitment or "go ahead" by Customer to perform Work outside of the initial scope will be binding on Customer and will entitle Vendor to additional compensation. Any Work performed outside of the original scope at the direction of Customer will be deemed to be included as Work under this Agreement.

3. Compensation and Payment Terms. Customer shall pay Vendor the compensation described on the Order plus expenses outlined in section 4 of these Terms and Conditions.

Unless specifically stated otherwise in the Order, invoices will be sent monthly and all payments shall be due within 30 days of an invoice date unless specifically stated otherwise on the invoice. Unless prohibited by law (in which event accounts past due shall bear interest at the maximum rate permitted by applicable law), accounts past due shall bear interest at an annual rate of five percent (5.0%). Customer agrees to pay all expenses incurred by Vendor in the collection of any unpaid invoice or in the enforcement of this Agreement, including the actual attorney's fees and costs charged by its legal counsel. Vendor may, in its sole discretion, extend credit to Customer. Upon reasonable request by Vendor, Customer shall provide copies of its most recent audited financial statements or other reasonable evidence of its financial capacity and such other information as Vendor reasonably requests to determine credit status or credit limits.

4. Expenses. Unless specifically stated otherwise in the Order, Vendor shall be entitled to reimbursement of all expenses incurred, directly or indirectly, by Vendor in connection with the Work, including, without limitation, travel and associated expenses, copying expenses, all state, local and service taxes, and express and courier services. Any cap on reimbursable expenses shall be stated in the Order.

5. Delivery.

A. Unless otherwise specified in the Order, Goods will be delivered FOB Vendor's manufacturing facility and will be shipped to Customer via carriers selected by Vendor. Vendor shall not be liable for any delays, loss or damage in transit.

B. Vendor may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Customer. Each shipment will constitute a separate sale, and Customer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Customer's purchase order.

C. Customer shall inspect the Goods within twenty (20) business days of the date they are first delivered and made available for Customer's use (the "Inspection Period"). Customer will be deemed to have accepted the Goods unless it notifies Vendor in writing and within the Inspection Period of any failure of the Goods to comply with the specifications and requirements related thereto as set forth in the Order and any other documentation provided by Vendor which details specifications applicable to the Goods (collectively, the "Specifications"). If Customer timely notifies Vendor of any non-conforming Goods as set forth in the preceding sentence, Vendor shall, in its sole discretion, (a) replace such non-conforming Goods with conforming Goods or repair such non-conforming Goods to make them conforming; or (b) credit or refund the price for the non-conforming Goods. CUSTOMER ACKNOWLEDGES AND AGREES THAT THE REMEDIES SET FORTH IN THIS SECTION 5(C) ARE CUSTOMER'S EXCLUSIVE REMEDIES FOR THE DELIVERY OF NON-CONFORMING GOODS. EXCEPT AS PROVIDED UNDER THIS SECTION 5(C), ALL SALES OF GOODS TO CUSTOMER ARE MADE ON A ONE-WAY BASIS AND CUSTOMER HAS NO RIGHT TO RETURN GOODS TO VENDOR.

D. Title and risk of loss passes to Customer upon delivery of the Goods to the carrier. As collateral security for the payment of the purchase price of the Goods, Customer hereby grants to Vendor a lien on and security interest in and to all of the right, title and interest of Customer in, to and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the Uniform Commercial Code under the state laws which govern this Agreement.

6. Responsibilities and Resources.

A. Responsibilities. Customer will perform those tasks and fulfill those responsibilities specified in the Order ("Customer Responsibilities") in connection with Vendor's performance of the Work. Customer understands that Vendor's performance is dependent on Customer's timely and complete performance of Customer Responsibilities, including decisions and approvals. Vendor will be entitled to compensation for any additional fees or expenses incurred as a result of a delay or failure by Customer to timely perform the Customer Responsibilities. Except as otherwise set forth in an Order, all Services will be deemed accepted if Customer does not reject the Services by providing written notice within ten (10) days after delivery specifically identifying the manner in which the Services fail to materially comply with their applicable specifications. Vendor will be entitled to rely on all decisions and approvals of Customer in connection with the Work.

B. Consents, Resources, Use of Work. Customer acknowledges that it has knowledge and skill particular to the business practices and information involved in the Work. Customer will be responsible for: (a) Customer's operation and use of the Work, (b) ensuring that the scope of Work meets Customer's requirements, (c) Customer's compliance with all applicable federal, state and local laws and regulations, and (d) obtaining all necessary consents from third parties, including any necessary third party rights to use software, that are required for Vendor to perform its obligations under this Agreement or any Order.

C. Customer Materials. Customer represents and warrants that any matter it furnishes for performance of Work (i) does not infringe any copyright or trademark or other intellectual property rights of any third party; (ii) is not libelous or obscene; (iii) does not invade any person's right to privacy; and (iv) does not otherwise violate any laws or infringe the rights of any third party.

7. Termination

A. Termination for Convenience. Either party may at any time and without cause terminate this Agreement for convenience by giving thirty (30) days written notice of termination to the other party. Except as otherwise set forth in an Order, either party may terminate an Order for convenience by giving thirty (30) days written notice of termination to the other party. Termination of this Agreement or any Order will not affect any other Orders then in effect. This Agreement will continue to govern each Order until the Order is terminated or performance has been completed.

B. Termination for Breach. Either party may terminate an Order (but not any other Order) for material breach of such Order by giving thirty (30) days written notice specifically identifying the breach, unless the breach is cured within the thirty (30) day period.

C. Effect of Termination. Upon termination under this section 7, Customer will pay Vendor for all Work rendered, including a pro-rated portion for Work in progress, and expenses incurred by Vendor prior to the date of termination.

D. Survival. All provisions of this Agreement which are by their nature intended to survive the expiration or termination of this Agreement will survive such expiration or termination. For avoidance of doubt, all sections herein relating to payment, ownership, confidentiality, indemnification and duties of defense, and representations and warranties shall survive the termination of the Agreement.

8. Confidential Information. The parties agree to hold each other's Proprietary or Confidential Information in strict confidence. "Proprietary or Confidential Information" means any information that parties receive or otherwise have access to incidental to or in connection with this Agreement: (i) whose confidential nature has been made known by the disclosing party, orally or in writing, to the receiving party; or (ii) which a reasonable person under like circumstances would treat as confidential due to its character and nature. "Proprietary or Confidential Information" shall not include any information which (a) was known by the other party prior to disclosure by or on behalf of such party; (b) becomes available to the other party from a source other than such party that is not bound by a duty of confidentiality; (c) becomes generally available or known in the party's industry other than as a result of the other party; or (d) is developed by a party without the use of the other party's Proprietary or Confidential Information. The parties agree not to make each other's Proprietary or Confidential Information available in any form to any third party or to use each other's Proprietary or Confidential Information for any purpose other than as specified in this Agreement. Notwithstanding termination or expiration of this Agreement, the parties agree that the obligations of confidentiality with respect to Proprietary or Confidential Information shall continue in effect for a period of two (2) years from the date of termination.

9. Intellectual Property Rights. Work products developed under this Agreement will belong to Customer unless otherwise specified in the Order. Copyrights, trademarks, and other intellectual property developed by Vendor while providing Work for Customer will belong to Vendor. In the course of providing Work, Vendor may use pre-existing marks, ideas, materials, information, concepts,

techniques, processes, works of authorship, or other intellectual property owned or licensed by Vendor. Such pre-existing material will remain the sole property of Vendor. Any pre-existing materials owned or licensed by Customer will remain the sole property of Customer. During the term of this Agreement, Customer grants Vendor a non-exclusive license to use preexisting materials provided to Vendor by Customer.

10. Warranties and Representations of Customer. Customer warrants that it owns or has the authority to use any ideas, materials, information, concepts, techniques, processes, works of authorship, trademarks, or any intellectual property furnished to Vendor in connection with the Work. Customer shall be solely responsible for any data, information, and documents provided to Vendor. Vendor shall be entitled to rely on such data, information, and documents in performing its Work and shall have no duty to independently verify the accuracy of the same. Customer warrants that it is legally authorized to enter into this Agreement. Customer shall provide full information in a timely manner regarding requirements for and limitations on the Work. Customer shall provide prompt written notice to Vendor whenever Customer observes or becomes aware of any development that affects the scope or time of performance of the Work.

11. Warranties of Vendor. Vendor warrants that its work will be of professional quality consistent with industry standards. With the exception of such warranty, Vendor makes no warranty of any kind, expressed or implied or otherwise whatsoever, that the Services performed or any Goods will be merchantable or fit for any particular purpose or use. There is no guaranty of result, or of functionality. In the event of any breach of any warranty specified in this provision, Customer's exclusive remedy shall be that Vendor shall, at its option, repair or substitute Services or Goods at no cost to Customer or refund any purchase price paid for such Services or Goods. Vendor shall have no liability under this Agreement in the event a breach of the warranties contained herein is: (i) a result of circumstances beyond Vendor's control; or (ii) due to third party errors or omissions.

12. Disclaimer. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN SECTION 11, GOODS AND SERVICES ARE PROVIDED ON AN "AS-IS" BASIS. VENDOR DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER WARRANTIES WHATSOEVER CONCERNING THE PERFORMANCE OR CONDITION OF THE WORK AND ANY AND ALL OTHER EXPRESS AND IMPLIED WARRANTIES. VENDOR DOES NOT WARRANT THAT THE WORK WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE. VENDOR DOES NOT ASSUME ANY RESPONSIBILITY FOR THE PRODUCTS, SERVICES, OR ACTIONS OF ANY THIRD PARTIES.

13. Indemnification. Customer agrees to indemnify, defend, and hold harmless Vendor, its directors, officers, employees, agents, contractors, and volunteers from and against any and all liabilities, costs, or penalties of any nature whatsoever arising from: (i) breach of this Agreement by Customer; (ii) use by Customer (or any third party acting on behalf of or under authorization from Customer) of the Work or any information, reports, deliverables, materials, products, or other results of Vendor's work under this Agreement; (iii) Customer's infringement of a third party's intellectual property rights or Customer's violation of any rule, law, or regulation in the provision of any materials or information to Vendor; (iv) any negligent act by Customer or its employees, agents, or representatives; or (v) any negligent act by Vendor that is not intentional or reckless in nature.

14. Limitation of Liability. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR INCIDENTAL, SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES EVEN IF ADVISED IN ADVANCE OF THE POSSIBILITY FOR SUCH DAMAGES AND SUPPLIER'S TOTAL LIABILITY FOR DAMAGES UNDER THE AGREEMENT SHALL BE LIMITED TO THE

TOTAL FEES DUE HEREUNDER FOR THE INVOICE UPON WHICH A CLAIM IS BASED. The limitation of liability set forth in this section shall not apply to (i) liability resulting from Supplier's gross negligence or willful misconduct and (ii) death or bodily injury resulting from Supplier's acts or omissions.

15. Nonsolicitation. Neither party will hire or retain the services of any employee of the other party during the term of this Agreement and for a one (1) year period thereafter without the prior written consent of the other party, such consent to be made at the discretion of the consenting party. Consent for hiring an employee may be conditioned on payment of a recruitment fee or other payment to compensate the consenting party for the expense of replacing the employee.

16. Independent Contractor. The parties agree that Vendor and Customer will be independent contractors and neither Vendor nor its employees will be considered employees of Customer. It is understood and agreed that nothing herein is intended nor shall be construed to create an employer/employee, partnership or joint venture relationship between Vendor and Customer. Customer will not deduct from Vendor's compensation income tax, FICA payments, or any other expenses, unless required by law. Payment of federal income tax, FICA payments, and state income taxes are the responsibility of Vendor. Customer agrees and acknowledges that neither it nor any of its employees, agents or representatives has any right or authorization, express or implied to act for Vendor or incur, assume or create any obligation, responsibility, or liability on behalf of Vendor or make any representations or warranties concerning Vendor or the Work in the name of or on behalf of Vendor or bind Vendor in any manner whatsoever.

17. Insurance. Vendor and Customer represent that each has and will continue to have appropriate levels of insurance during the term of this Agreement.

18. Compliance with Laws and Regulations. Each party agrees to comply with all federal, state, county and local laws, regulations, ordinances, rules, and certificates as pertaining to the facilities, programs, and staff for which such party is responsible during the term of the Agreement.

19. Assignment. This Agreement shall not be assignable by either party without the prior written consent of the other party, provided that Vendor may use subcontractors to perform portions of Work at Vendor's discretion. Except as otherwise provided, this Agreement shall be binding upon and inure to the benefit of the parties' successors and lawful assigns.

20. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be hand-delivered or sent by registered or certified first-class mail, postage prepaid, or commercial overnight delivery service to the address listed above for the party to whom notice is to be given, and shall be effective upon delivery if hand-delivered, three (3) days after mailing if mailed or one (1) day after delivery to a commercial overnight delivery service.

21. Governing Law. This Agreement shall be governed by the laws of the State of Minnesota, without reference to conflicts of law principles. Any legal suit, action or proceeding arising out of or relating to the Work or this Agreement shall be commenced in a federal or state court in Dakota County, Minnesota, and each party hereto irrevocably submits to the exclusive jurisdiction and venue of any such court in any such suit, action or proceeding. The parties expressly waive any right they may have to a jury trial and agree that any such litigation shall be tried by a judge without a jury.

22. Force Majeure. Vendor's performance of the Work is contingent on, and Vendor shall not be responsible for delays or failure to perform due to, any delays or failure to perform any obligation under this Agreement due to fires, explosions, acts of God, strikes or other disturbances, including, without limitation, pandemic, war, insurrection, embargoes, government restrictions, compliance with

or any action taken to carry out the intent or purpose of any law or regulation, lack of correct or complete data, changes or revisions, or other accidents or other causes or contingencies not caused by Vendor or over which Vendor has no reasonable control.

23. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Agreement shall remain in full force and effect and will in no way be affected, impaired or invalidated.

24. Entire Agreement. This Agreement supersedes all prior agreements and constitutes a complete and exclusive statement of the terms of the agreement among the parties with respect to its subject matter. There have been and are no representations, warranties or covenants between the parties other than those set forth in this Agreement. No supplement, modification or amendment of this Agreement will be binding unless executed in writing by all of the parties.

25. Waiver. No waiver of any provisions of this Agreement will be deemed a waiver of any other provisions, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.