



Terms and Conditions of Purchase Order

All purchase orders (each, a "Purchase Order") between Composite Technology Development, Inc. ("CTD") and Buyer for the sale of goods ("Goods") or provision of services ("Services") are made in accordance with and subject to the terms and conditions described herein. As used herein, "CTD" is defined to mean Composite Technology Development, Inc. or the applicable subsidiary company that is a party to the relevant Purchase Order. CTD and Buyer further agree that the provisions of the Purchase Order, including these terms and conditions and all documents incorporated therein by reference, shall constitute the entire agreement by and between the parties hereto and shall supersede all prior agreements (oral or written) and negotiations relating to the subject matter hereof. Acceptance by CTD may be made by written notice to Buyer, or by beginning or completing performance under the Purchase Order. No change or modification to any terms and conditions stated herein or in the Purchase Order shall be valid unless such change or modification is in writing and signed by an authorized representative of CTD and Buyer.

1. **CONTRACT PRICE** – Written quotations expire automatically sixty (60) calendar days from the date issued. All prices are subject to adjustment upon mutual written agreement on account of specifications, quantities, shipment arrangements or other terms and conditions, which are not part of the original price quotation. Prices stated in a Purchase Order do not include any excise, sales, use and other taxes or withholdings which may be imposed on Buyer by any federal, state, municipal or other government authority, and Buyer shall be responsible for such charges. All prices and applicable charges shall be as specified in the Purchase Order.
2. **TERMS** – Unless otherwise expressly stated in writing, payment terms are net fifteen (15) days following the date of invoice. For any amounts not paid when due Buyer shall pay interest thereon at the rate of 1.5% per month until paid in full. Invoices are payable in United States currency only.
3. **DELIVERY** – CTD will use its best endeavors to deliver at the time stated but all delivery dates shall be regarded at best, as estimates only. Buyer must accept the actual delivery date and CTD shall not be liable for any losses, costs, damages or expenses suffered by the Buyer or any other party as a result of any delay in delivery. Buyer shall not be absolved of its payment obligation by reason of any delay in delivery. Any deficiency in quantity at the time of delivery shall be notified to CTD immediately upon receipt. Acknowledgement of the delivery shall be deemed to be accepted of quantities as set out by the invoice.
4. **SHIPMENT; TITLE AND RISK OF LOSS** – Risk of loss shall pass to Buyer upon delivery in accordance with the shipping terms specified on the Purchase Order. Title shall unconditionally transfer concurrently with risk of loss pursuant to the forgoing shipping terms. Buyer will accept partial deliveries from CTD described in the Purchase Order. Buyer further agrees that each of the terms of sale listed in the Purchase Order shall apply individually to any such partial deliveries.
5. **TERMINATION** – Without prejudice of any remedies and damages available to the terminating party hereunder, the Purchase Order may be terminated upon written notice by a party to the other party upon the failure of the other party to perform any material term, condition or covenant under the Purchase Order, which failure has not been cured within thirty (30) days of the date of written notice of such failure given by the other party.
6. **OWNERSHIP OF INTELLECTUAL PROPERTY** – Unless CTD's quotation provides otherwise, Buyer acknowledges and agrees that CTD retains and owns all right, title and interest in the manufacture and design of the Good(s) sold to Buyer hereunder, including any pre-commercial and experimental enhancements, modifications and/or improvements to the Good(s) as well as any technology, processes, know-how or other intellectual property rights.
7. **CONFIDENTIALITY** – Buyer will keep all information and documentation furnished by CTD hereunder (including drawings, specifications and other documents prepared by



CTD) confidential and will not disclose any such information or documents to any other person, or use such information or documentation itself for any purpose. These confidentiality and non-use obligations will be superseded by any separate confidentiality agreement entered into by and between the parties that is applicable to this Purchase Order.

8. **WARRANTY** – CTD warrants that all goods furnished pursuant to this Purchase Order shall conform to applicable specifications, drawings, samples, descriptions, and other requirements of this Purchase Order and be free from defects in design, material, and workmanship. All claims for nonconforming or defective goods must be made to CTD in writing within ten (10) days after the goods are received by Buyer. In the event of a valid warranty claim, CTD shall, as applicable: (i) at CTD's election, repair or replace the non-conforming goods; or (ii) re-perform any non-conforming services.
9. **ASSIGNMENT** – Neither party shall delegate any duties, nor assign any rights or claims hereunder, without the prior written consent of the other party, and any such attempted delegation or assignment shall be void.
10. **DISCLAIMERS AND LIMITATION OF LIABILITY** - Notwithstanding anything herein to the contrary, CTD shall have no responsibility or liability under any warranty or indemnity with respect to any Goods that have been: (a) mishandled, neglected or abused by Buyer, including Buyer's employees and agents; (b) repaired, modified or altered in any respect other than by CTD; or (c) operated or used in any way other than for their intended purpose. Furthermore, (i) this warranty does not include defects resulting from, but not limited to, Buyer supplied design, test data or diagnostics; and (ii) prototypes and pre-production/pilot products are provided on an "AS IS" basis without any warranty or indemnification.

IN NO EVENT SHALL CTD BE LIABLE TO BUYER, IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE), UNDER ANY WARRANTY OR OTHERWISE, FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE LOSSES

OR DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF USE OR LOST PROFITS.

THE WARRANTIES AND INDEMNITIES STATED HEREIN CONSTITUTE CTD'S SOLE LIABILITY AND BUYER'S SOLE REMEDY WITH RESPECT TO THE GOODS SOLD HEREUNDER. EXCEPT AS THUS PROVIDED, CTD DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, AND ALL REPRESENTATIONS OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.

THE REMEDIES EXPRESSLY PROVIDED HEREIN ARE BUYER'S SOLE AND EXCLUSIVE REMEDIES, WHETHER CLAIMS ARE BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE. TO THE EXTENT PERMITTED BY LAW, IN NO EVENT SHALL CTD'S LIABILITY IN CONNECTION WITH THIS AGREEMENT EXCEED THE AGGREGATE PURCHASE PRICE PAID TO CTD BY BUYER PURSUANT TO THE APPLICABLE PURCHASE ORDER.

11. **APPLICABLE LAWS** – This Purchase Order and any matter arising out of or related to this Purchase Order shall be governed by the state laws of Colorado. CTD, in performance of this Purchase Order, shall comply with all applicable local, state, and federal laws, orders, rules, regulations, and ordinances. CTD shall procure all licenses/permits, pay all fees, and other required charges and shall comply with all applicable guidelines and directives of any local, state, and/or federal governmental authority.
12. **RELATIONSHIP OF PARTIES, NON-WAIVER** – CTD and Buyer are independent entities and neither shall be considered an agent or employee of the other. Neither party shall have any authority, absent express written permission from the other party, to enter into any agreement, assume or create any obligations or



liabilities, or make any representations on behalf of the other party. Nothing in this agreement shall be construed to create a partnership, agency, joint venture, pooling, franchise or employee-employer relationship between the parties. Neither party shall be responsible for the compensation, payroll-related taxes, workers' compensation, accident or health insurance or other benefits of employees of the other party.

The failure of either party hereto to enforce any of the provisions of the Agreement, any rights with respect hereto, or the failure to exercise any elections provided for herein shall in no way be considered to be a waiver of such provisions, rights, or elections or in any way affect the validity of the Agreement. The failure of either party to exercise any of said provisions, rights or elections shall not preclude or prejudice such party from later enforcing or exercising the same or any other provision, right or election which it may have under this Agreement.

13. EXPORT REGULATION AND CONTROL, COMPLIANCE WITH LAW – Each party agrees that:

- a. it will not violate the laws and regulations maintained by the Office of Foreign Assets Control (“OFAC”) in the U.S. Department of Treasury or under the Foreign Corrupt Practices Act; and
- b. it will not, nor will it aid, in the export, re-export or re-transfer of any Goods sold hereunder without first obtaining all necessary licenses, authorizations or approvals under any applicable law, including United States federal law; and
- c. it will not use, nor will it aid any party in using, any Goods sold hereunder for the purpose of manufacturing or creating “defense articles” as that term is defined in ITAR or for providing “defense services” as that term is defined in ITAR.

14. FORCE MAJEURE – Neither party shall be held responsible for any delay or failure hereunder caused by fires, strikes, pandemics, embargoes, government requirements, civil or military authorities, terrorism (or the threat thereof), acts of God, or of the public enemy, or any other causes beyond their reasonable control (a “Force Majeure Event”). The party whose performance

is affected by a Force Majeure Event shall provide written notice to the other party of such Force Majeure Event, specifying the nature and the expected duration of the Force Majeure Event, within three (3) Business Days after the party whose performance is affected becomes aware of such Force Majeure Event, and, to the extent reasonable, shall use its commercially reasonable efforts to mitigate the effects of the Force Majeure Event. The party affected by the Force Majeure Event shall resume its performance of its obligations immediately after the Force Majeure Event ends.

15. SEVERABILITY – If any provision of the Purchase Order shall be held to be invalid or unenforceable, such provisions shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remaining provisions of the Purchase Order.

16. HEADINGS – The heading used in the Purchase Order are included for convenience only and are not to be used in the interpretation of any provision of this agreement.

17. ORDER OF PRECEDENCE – In the event of any inconsistency between any parts of this Purchase Order, the inconsistency shall be resolved by giving precedence in the following order, a. Non-Disclosure Agreement, b. Typed Purchase Order, c. Purchase Order Terms and Conditions, d. Statement of Work, e. Specification/Drawings, f. Other referenced documents.

18. ENTIRE AGREEMENT – The Purchase Order, which shall include associated Attachments, constitutes the sole and entire agreement between the parties, and supersedes all prior oral or written agreements, commitments, representations or understandings with respect thereto. No other document or amendment of this agreement shall be part of this Purchase Order, unless in writing and signed by both Parties' authorized representatives. The Purchase Order may be executed in multiple counterparts (including by means of facsimiled signature pages), each of which shall be an original and all of which taken together shall constitute one and the same agreement.