

SOUNDTECH, INC.

STANDARD TERMS FOR SALES OF PRODUCTS OR SERVICES

1. **Formation of Contract.** The terms set forth in this form are the sole terms for the sale of products and services by SoundTech, Inc. ("SoundTech"), unless otherwise specifically provided for by SoundTech in this document, and shall apply to the exclusion of any inconsistent or additional terms contained in Buyer's order or acknowledgment or otherwise proposed by Buyer. Buyer's acceptance of these terms shall be conclusively presumed by Buyer's signature on this form, by Buyer's submission of a purchase order in response to this document, or by Buyer's acceptance of delivery of, or payment for, the products and services. Any contract made for the sale of products or services by SoundTech is expressly conditional on Buyer's assent to the terms stated in this document. SoundTech objects to any additional or inconsistent terms proposed by Buyer.

2. **Price.** All price quotations are offered for prompt acceptance. Such quotations are valid for thirty (30) days from the date of quotation. Prices are subject to change without notice as prices are based on the cost of raw materials at the time of delivery.

a. **Exclusions.** The quoted price does not include applicable taxes such as city, state or federal, sales, use, or excise taxes. Furthermore, the quoted price does not include any products, services or work not specifically described in this document. All taxes and charges shall be Buyer's responsibility and may be added to the invoice as a separate and additional charge to Buyer unless an acceptable exemption certificate is presented to SoundTech. SoundTech shall also have the right to separately bill Buyer, at any time, for any taxes and charges that are attributable to this sale that SoundTech may be required to pay. Buyer shall reimburse SoundTech on demand for all such amounts.

b. **Price Increases.** The price quoted by SoundTech shall be subject to any increases in SoundTech's cost of labor or materials occurring after the date of the quotation and before shipment. The price shall also be subject to increases to accommodate shipment in more than one lot, in the event Buyer does not desire shipment at one time of all the products covered by the quotation.

3. **Payment Terms.** SoundTech, at its sole discretion, shall evaluate Buyer's financial condition and performance of payment to its suppliers and creditors, including Buyer's past accounts with SoundTech, to determine acceptable payment terms. The payment terms specifically stated on SoundTech's invoices shall apply. To the extent SoundTech's invoice does not contain specific payment terms, the applicable payment terms shall be net thirty (30) days after invoice. Buyer agrees to provide SoundTech with information, including, but not limited to, a completed credit application, requested by SoundTech to enable SoundTech to determine, in SoundTech's sole satisfaction, such financial condition and payment performance. SoundTech reserves the right to require revised payment terms, a letter of credit to secure payment, a security agreement, a guaranty or other such measures as may be determined to be necessary by SoundTech, in its sole discretion. Invoices not paid within the applicable payment term shall have a service charge added to the amount due of one and one half percent (1 1/2 %) per month. No cash discounts shall be allowed. Payments must be made at SoundTech's offices in Grand Rapids, Michigan. Buyer shall reimburse SoundTech for any and all expenses, including reasonable attorneys' fees, incurred by SoundTech in the collection of any delinquent account or enforcing its rights with respect to Buyer.

With respect to purchases made by credit card, Buyer warrants that (i) all credit card information supplied is true, correct and complete; (ii) Buyer is authorized to give credit card information and is authorized to use the credit card for the payment of amounts owed by Buyer to SoundTech; (iii) all charges, prices and fees in connection with the transaction will be honored by Buyer's credit card company; and (iv) Buyer assumes any and all risk with respect to the security of such credit card information.

4. **Security Interest.** Buyer hereby grants to SoundTech a continuing purchase money security interest in all products furnished or to be furnished by SoundTech to Buyer, together with all parts, attachments, accessories, dies or appurtenances to such products, all substitutions, improvements and replacements of such products, all additions to such products, and all proceeds of such products and any of the foregoing.

5. **Perfection of Security Interest.** Buyer hereby authorizes SoundTech to cause all financing statements or other instruments in respect of the security interest granted hereby, including without limitation all Uniform Commercial Code financing statements, to be filed and recorded or re-filed and re-recorded. Buyer agrees to execute, or otherwise authenticate, and hereby does authenticate, and deliver any statement, instrument or other document requested by SoundTech for such purpose. Buyer further agrees that it shall execute, or otherwise authenticate, and hereby does authenticate, and deliver to SoundTech upon SoundTech's request such further instruments, assurances and other documents as SoundTech deems necessary or advisable for the confirmation of perfection of SoundTech's rights hereunder. Buyer authorizes SoundTech to file any such instrument or other document, including without limitation, any Uniform Commercial Code financing statements, without Buyer's signature and, if the signature of Buyer is required thereon, Buyer irrevocably appoints SoundTech as Buyer's attorney-in-fact to execute and file any such statement or other instrument in the name and on behalf of Buyer.

6. **Shipping and Risk of Loss; Returns.** Unless otherwise indicated, all quoted prices are F.O.B., SoundTech's place of shipment, at which time title shall pass to Buyer. Regardless of the F.O.B. point, Buyer is solely responsible for all costs of shipping and insurance for the products and all detention and demurrage charges assessed at the destination, and shall bear all risk of loss or damage to the products during transit. Freight may be prepaid by SoundTech at its option and added to the invoice. Buyer shall promptly inspect all products received from SoundTech and must promptly inform SoundTech of any defects or shortages before using the products. Subject to Section 14 below, for any returns authorized due to Buyer's rightful rejection or revocation of acceptance of the products, SoundTech will pay for reasonable handling and

transportation charges for the product return and, in addition, will, at Seller's option, refund or credit the full purchase price upon return of the products. Other than returns permitted under this Section or Section 8, no returns will be allowed.

Shipping dates are estimates only, and based on mutually agreed upon ship dates that are required to be confirmed via written documentation. "Drop in" orders to support just-in-time requirements (via electronic data interchange or otherwise) will be managed on a case-by-case basis where mutually agreed upon ship dates will be developed.

SoundTech shall not be liable for premium freight requirements in the case of "drop in" orders and/or where mutually agreed upon ship dates have not been developed. SoundTech may ship all the products at one time or in portions from time to time. SoundTech shall have the right to determine the method of shipment and routing of the products, unless otherwise specified by Buyer. Buyer shall pay such delivery charges as SoundTech may establish from time to time, which will be included on SoundTech's invoice. Delivery in a manner directed by Buyer shall be at Buyer's sole cost. SoundTech shall not be liable for damages caused by delays in shipping or delivery for any reason whatsoever.

7. **Reasonable Efforts.** SoundTech will use commercially reasonable efforts to supply Buyer with products offered by SoundTech and ordered by Buyer. If Buyer causes or requests delay in the shipment of products or the provision of services, Buyer shall pay SoundTech for all expenses and losses of SoundTech resulting therefrom. In times of short supply, SoundTech is entitled to allocate products among its customers as it determines in its sole discretion to be appropriate under the circumstances.

8. **Limited Warranty and Disclaimer.**
a. Subject to the conditions and limitations set forth below, SoundTech warrants its products to be free from manufacturing defects for a period of 12 months following shipment. Should any manufacturing defect occur during such 12 month period, SoundTech shall do either of the following, in its sole and absolute discretion: (1) provide replacement product to the original purchaser of the product (or a subsequent owner of the building in which the products are installed) for that portion of the system determined to be defective (but not including labor costs and tear-out and disposal costs incurred in removing defective product or installing the replacement product), or (2) refund that amount paid to SoundTech for the quantity of defective product (excluding costs to install).

In the event of product replacement pursuant to the above terms, the original warranty shall apply to the replacement product and will extend for the balance of the warranty period in effect at the time the product proved defective.

The products will be installed by third parties having no association with SoundTech. **SOUNDTECH MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER WITH RESPECT TO THE INSTALLATION OF THE PRODUCTS AND SHALL NOT BE LIABLE FOR ANY FAILURE, DEFECT, DAMAGE, COST, OR INJURY RESULTING FROM OR CONNECTED WITH THE INSTALLATION OF THE PRODUCTS.**

SoundTech shall not be liable for, and this warranty does not apply to, any failure, defect or damage resulting from or connected with: misuse, abuse, neglect or improper handling or storage, improper installation or maintenance, or installation not in strict adherence to written instructions; fire, earthquake, lightning, hurricane, tornado or other violent storm, or casualty, or other acts of God; defects in, failure of, or damage caused by, materials used as a ceiling or wall base under which the ceiling or wall system is installed or by movement, distortion, cracking or settling of walls or the foundation of the building, exposure to harmful chemicals; site induced environmental factors (including, without limitation, mold); water damage; or any other cause, such as normal wear and tear, not involving inherent manufacturing defects in the product supplied by SoundTech. The building should be weathertight with HVAC settings (including relative humidity) the same as those of an occupied building. Unauthorized modifications made to the product in the field will void this warranty.

SoundTech reserves the right to discontinue or modify any of its products, without notice and shall not be liable as a result of such discontinuance or modification. If SoundTech replaces any product under this warranty, it may substitute products designated by SoundTech to be of comparable quality or price range in the event the product initially installed has been discontinued or modified.

This warranty gives you legal rights and you may also have other rights which vary from state-to-state / province-to-province.

DISCLAIMER

NOTWITHSTANDING ANY OTHER PROVISION IN THIS DOCUMENT, SOUNDTECH EXPRESSLY DISCLAIMS AND EXCLUDES ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. SOUNDTECH ALSO DISCLAIMS AND EXCLUDES ALL LIABILITY FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT OR ANY OTHER SPECIAL DAMAGES OF BUYER (INCLUDING LOST PROFITS, OR ANY DAMAGE TO THE BUILDING, ITS CONTENTS OR ANY PERSONS THEREIN) FOR BREACH OF WARRANTY OR OF CONTRACT, OR OTHERWISE. NO FIELD REPRESENTATIVE, DISTRIBUTOR, OR DEALER IS AUTHORIZED TO MAKE ANY CHANGE OR MODIFICATION TO THIS WARRANTY.

THIS LIMITED WARRANTY IS THE SOLE AND EXCLUSIVE REMEDY OF BUYER AGAINST SELLER.

b. To Obtain a Refund or Replacement. To obtain performance under this warranty, Buyer shall notify SoundTech in writing of any manufacturing defect within thirty days following its discovery and shall submit with such notification proof of date of purchase of SoundCoustic™ system, in order to provide SoundTech an opportunity to investigate the claim and examine the material claimed to be defective. All notifications shall be provided to SoundTech at the following address:

SoundTech, Inc.
Attn: Warranty Handling
3880 SoundTech Ct., S.E.
Grand Rapids, MI 49512

SoundTech shall then promptly inspect the claimed defect and, if SoundTech determines that a defect exists, shall within a reasonable time either provide the replacement product or refund that amount paid for the quantity of defective product in accordance with the terms set forth above.

9. Buyer's Design Responsibility. This section shall apply to the extent that SoundTech's products are produced according to Buyer's specifications. Buyer acknowledges that Buyer is not relying on SoundTech in any way for design or engineering with respect to the products or the adequacy of the specifications provided by Buyer. SoundTech has no responsibility for design, engineering or other advice regarding any product specifications provided by Buyer. Buyer shall defend, indemnify and hold SoundTech harmless against all product liability, product recall, and other claims, liabilities and expenses, including but not limited to actual attorneys' fees, incurred by SoundTech arising out of any claimed design or engineering defect relating to specifications provided by Buyer to SoundTech.

10. SoundTech's Proprietary Information; Confidentiality. All proposals, quotes, notes, brochures, technical information concerning processes, devices, machines and techniques, agreements, know-how, designs, software, drawings, specifications, data sheets, correspondence or any like items (collectively, "SoundTech's Proprietary Information") supplied by SoundTech to Buyer are, and shall remain, the property of SoundTech and may be covered by one or more patents, patent applications or copyrights. Buyer shall not at any time disclose or make available to any third-party, including, but not limited to, any customer of Buyer any of SoundTech's Proprietary Information for any purpose without the express written consent of SoundTech.

11. License Regarding Buyer's Specifications. Buyer grants to SoundTech an irrevocable nonexclusive license to produce products pursuant to any specifications provided by Buyer. Buyer warrants that it has the authority to grant this license to SoundTech, and that neither the granting of this license nor SoundTech's manufacture and sale of products produced according to Buyer's specifications will violate any agreement to which Buyer is subject, any patent or other intellectual property right to any party, or any applicable law.

12. Indemnification of SoundTech (General). Buyer shall indemnify, defend, and hold SoundTech, its agents and employees harmless from all claims, liabilities, and expenses, including but not limited to actual attorney fees, sustained by SoundTech or its agents or employees that are caused by any action of Buyer relating to the products or services sold by SoundTech to Buyer.

13. Indemnification of SoundTech (Patents). Buyer shall indemnify, defend, and hold SoundTech, its agents and employees harmless from all claims, liabilities, and expenses, including but not limited to actual attorney fees, arising out of any claim of infringement of a patent, copyright, trademark, trade name, or other proprietary right, or claim of unfair trade or of unfair competition in connection with the manufacture, sale, or use of the products sold to Buyer, except to the extent that any claim, liability, or expense arises solely from specifications developed by SoundTech.

14. Cure. If a shipment of products is rejected by Buyer, SoundTech shall have the right to cure in any reasonable manner the error, defect, shortage or other nonconformity giving rise to the rejection.

15. Force Majeure. Any delay or failure of SoundTech to perform its obligations will be excused if and to the extent that it is caused by an event or occurrence beyond SoundTech's reasonable control, such as: acts of God; governmental actions; embargoes; fires; explosions; natural disasters; riots; wars; sabotage; terrorist acts, utility interruptions, failures or delays by SoundTech's vendors, or court injunction or order.

16. Cancellation or Change. Except as otherwise agreed by SoundTech in writing, a sale of products or services under this document is not subject to cancellation or change. The following terms shall apply to any cancellation approved by SoundTech in writing except as otherwise agreed in writing:

a. Any items completed at the time SoundTech receives a written cancellation notice from Buyer will be shipped and invoiced at the contract price.

b. Work on the balance of the order will be stopped as promptly as reasonably possible and SoundTech shall be reimbursed for all actual expenditures, commitments, liabilities and costs, determined in accordance with generally accepted accounting practice, made or incurred with respect to those items not completed, plus a profit of fifteen percent (15%) on those expenses, less any net recovery to SoundTech on disposition of returned products to others within a period of forty-five (45) days after the cancellation. In addition, SoundTech has the right to recover from Buyer all damages for

cancellation, including but not limited to incidental, consequential and indirect damages and lost profits.

17. Waiver. No right or remedy of SoundTech shall be deemed to have been waived or renounced, in whole or in part, unless that waiver or renunciation is supported by consideration and is in writing signed by SoundTech.

18. Buyer's Default. Buyer is in default if any of the following occurs:

- a. Buyer breaches, repudiates, or threatens to breach any term in the contract evidenced by this document or in any other agreement between Buyer and SoundTech, including but not limited to a failure to pay all sums when due;
- b. Insolvency of Buyer or filing a voluntary or involuntary petition in bankruptcy with respect to Buyer;
- c. Appointment of a receiver or trustee for Buyer;
- d. Buyer's credit becomes impaired; or
- e. Execution of an assignment for the benefit of Buyer's creditors.

19. SoundTech's Remedies. In the event of Buyer's default, SoundTech may exercise any remedies available under applicable law, including but not limited to the following remedies:

- a. SoundTech may require payment in advance;
- b. SoundTech may ship products only via C.O.D.;
- c. SoundTech may suspend performance or cancel all or any part of the balance of any contract with the Buyer;
- d. SoundTech may reduce any unpaid debt of Buyer by enforcing its security interest, created hereby, in all products (and proceeds therefrom) furnished by SoundTech to Buyer;
- e. SoundTech may take any other steps necessary or desirable to secure SoundTech fully with respect to Buyer's payment for products and services furnished or to be furnished by SoundTech to Buyer; and
- f. Buyer shall reimburse SoundTech for all damages suffered due to Buyer's breach, including but not limited to incidental, consequential, and other damages, as well as lost profits, reasonable attorney fees, and court costs.

The remedies in this document shall be cumulative and in addition to any other remedies allowed to SoundTech under applicable law. No waiver by SoundTech of any breach or remedy shall be a waiver of any other breach or remedy.

20. Spare Products. SoundTech has no obligation to maintain any inventory of spare or replacement products with respect to any products or services provided to Buyer.

21. Insurance. SoundTech shall have no obligation to maintain insurance in excess of SoundTech's usual business needs as determined by SoundTech in its sole discretion. Buyer shall insure all products during shipment and afterward.

22. Compliance With Laws. Unless otherwise expressly agreed in writing by SoundTech, SoundTech shall not be liable to Buyer for, and Buyer agrees to indemnify, defend and hold SoundTech harmless from, any and all liability arising or alleged to arise out of any failure of the products sold by SoundTech to conform to any federal, state or local law, order, regulation or standard.

23. Independent Contractor. SoundTech shall at all times be deemed to be an independent contractor. Nothing herein shall be deemed to make SoundTech or its employees or agents an employee, partner or joint venturer of Buyer.

24. Time For Bringing Action. Any action by Buyer against SoundTech for breach of SoundTech's obligations hereunder or for any other claim arising out of or relating to the products or their design, manufacture, sale or delivery must be brought within one (1) year after the cause of action accrues, unless limited by these terms.

25. General.

a. Compliance with Laws. Buyer warrants that it is and will remain in compliance with all federal, state and local laws, regulations and ordinances relating to Buyer's ability to perform its obligations under this Agreement.

b. Setoff. SoundTech has the right to deductions or setoffs of any sums due to SoundTech from Buyer (whether or not arising from this agreement) against any sums due to Buyer from SoundTech (whether or not arising from this agreement).

c. Assignment. Buyer shall not assign its rights or delegate its duties under this Agreement without SoundTech's prior written consent. SoundTech may assign to any third party its rights and obligations with respect to Buyer.

d. Entire Agreement and Amendment. This document contains all of the terms of the agreement between SoundTech and Buyer with regard to its subject matter and supersedes all prior oral or written representations, agreements, and other communications between SoundTech and Buyer. This Agreement may be amended only by a writing signed by Buyer and an officer of SoundTech.

e. Severability. All terms shall be enforced only to the maximum extent permitted by law. If any term is invalid or unenforceable, all other terms shall remain in effect.

f. State Law. The sale of products and services in accordance with this document shall be governed in all respects by the laws of the State of Michigan.

g. Jurisdiction and Venue. SoundTech and Buyer agree that any action arising out of the sale of products or services in accordance with this document will be brought, heard and decided in Kent County, Michigan. Buyer submits to personal jurisdiction in Michigan.