

# LASER DESIGN, INC.

## SUPPLEMENTAL TERMS FOR SERVICES

These terms and conditions apply to services provided by Laser Design, Inc. ("Seller"), and supplement and are made part of the then current CyberOptics & Laser Design Terms and Conditions of Sale and License available at [www.cyberoptics.com](http://www.cyberoptics.com) and/or [www.laserdesign.com](http://www.laserdesign.com). These Supplemental Terms shall control in the event of any conflict with the CyberOptics & Laser Design Terms and Conditions of Sale and License.

**On-Site Project Terms. (Outside of Seller's Facility).** Buyer must provide at least a 25% deposit for onsite projects that are not prepaid in full to cover travel, shipping, and other up-front costs unless otherwise specified in Seller's quotation. If detailed receipts are required for expenses, Seller may elect to invoice for the expenses separately after invoicing the technical services due to the time it takes to reconcile the expenses. Unless otherwise specified in Seller's quotation, eight hours is the minimum number of hours to be charged for onsite projects. Standard billing rates apply when Seller's technician is idle awaiting the ability to commence or resume working.

Buyer accepts that Seller may need to reschedule onsite projects in the event equipment and/or personnel become unavailable. Equipment unavailability can arise from product failure, delays in shipping from prior job sites, weather delays and many other reasons beyond Seller's reasonable control. While Seller will make every reasonable effort to complete the project according to schedule, unexpected delays can arise and Seller may not be able to immediately accommodate a Buyer whose project is delayed without affecting subsequent projects.

For projects outside the United States, Buyer is responsible for duties and other taxes or fees related to temporary importation and re-exportation of equipment used on the project unless otherwise specified in Seller's quotation.

For onsite projects, Buyer assumes all risk of loss and damage to the equipment arising from Buyer's or its representative's negligence. In the event of loss or damage to the equipment arising from Buyer's negligence, Buyer shall reimburse Seller for the repair or replacement of the equipment (at Seller's reasonable discretion).

Travel and related expenses are billed to Buyer at cost plus an administrative handling charge of 15% unless otherwise specified in Seller's quotation. Technician travel time to Buyer site and back is billed to Buyer at a reduced rate in addition to the hours worked as specified in Seller's quotation.

Unless otherwise quoted by Seller, Technician rates increase to time and a half (150% of normal rate) for hours worked that exceed eight hours per day, for evening or night shift work, or work on Saturday. Unless otherwise quoted by Seller, the rate for Sundays and holidays shall be double time (200% of normal rate).

If a Seller technician has already traveled to perform onsite services but the project is canceled or delayed through no fault of Seller, Buyer will still be billed for travel expenses, travel time, and any incurred down time.

**Long-Term Project Billing.** For projects lasting longer than two (2) weeks, Seller may elect to invoice Buyer on a prorated basis every 2 weeks.

**Delivery and Training.** A signed quotation is required before work can be initiated. A formal purchase order or equivalent agreement or full payment is required before project data can be delivered.

**3D Scanning Process.** Due to the very large quantity of unorganized data (point cloud) that results from the laser scanning process, it is unlikely that the point cloud will successfully import into software packages other than programs designed specifically for point cloud processing such as Geomagic or PolyWorks. Seller may need to develop the surface of the part using an aerosol spray material so as to improve the quality of the measured data. This spray will likely clean completely off of the part after the scanning, but some residue may still be present. CAD models generated by Seller are based on information provided to Seller by Buyer. It is the Buyer's responsibility to verify that delivered CAD data meets any expressly agreed upon accuracy and quality requirements.

**Data Storage and Retention.** Seller will archive Buyer data and parts for 90 days after project completion. Data or parts may be disposed of by Seller after 90 days. Seller strongly encourages Buyer to immediately download and retain a copy of all electronic data delivered by Seller and to advise Buyer in writing of Buyer's return-shipping instructions for any parts.

**Use of Affiliates.** Buyer agrees that Seller may engage affiliated partners for subcontracted scanning, measurement, data processing and other services.

**Export Compliance.** Buyer represents and warrants that the items to be scanned by Seller, and any technical data to be created in doing so: (i) are classified as EAR99 under the Export Administration Regulations (EAR), or are expressly exempt from control under the EAR and International Traffic in Arms Regulations (ITAR); or (ii) are either dual use items/technology controlled under the EAR, or are controlled under the ITAR. If the items or data are dual use items/technology controlled under the EAR, or are controlled under the ITAR, Buyer must provide Seller in writing with the Export Control Classification Number (ECCN) or ITAR U.S. Munitions List (USML) category and subcategory numbers for such items and/or technology prior to Seller commencing work on the Services. In the event that any items and/or technology are classified and controlled under the EAR or ITAR, and depending on the applicable classification, Seller reserves the right, in its sole discretion, to delay the start of the project, or terminate the project, without incurring any liability in doing so, to the extent required to comply with the applicable export control laws and/or Seller's reasonable business judgment. Buyer agrees to indemnify and hold Seller harmless from and against any all claims, demands, liability, losses, costs or expenses (including reasonable attorneys and legal fees) based on Buyer's failure to provide accurate information pursuant to this provision, or based on any governmental action or inquiry based on Buyer's failure to comply with all U.S. export control laws.

**Work Product Use Indemnification.** Buyer warrants and represents that it will not use any services, work product or scanned data provided by Seller for any illegal purpose, including without limitation, for the purpose of infringing, misappropriating or violating any third party intellectual property rights. Buyer agrees to indemnify and hold Seller harmless from and against any and all claims, demands, liability, losses, costs or expenses (including reasonable attorneys and legal fees), based on or arising out of a breach of the aforesaid warranty and representation. Buyer further agrees to indemnify and hold Seller harmless from and against any and all claims, demands, liability, losses, costs or expenses (including reasonable attorneys and legal fees), based on any third party claim that Seller infringed, misappropriated or violated any third party intellectual property rights based on the services, work product or scanned data provided by Seller to Buyer, whether alleged to be direct, indirect and/or contributory.

**Dispute Support Limitations.** In addition to any amounts due Seller for the technical services provided by Seller as set forth in the applicable Seller quotation, Buyer agrees to compensate Seller as follows if the services provided by Seller are in support of and/or related to an existing or potential legal dispute in any form: (1) \$5,000.00 flat fee; and (2) \$450.00 per hour plus expenses for any time dedicated by any Seller personnel (including Seller's in-house counsel) for time related to interrogatories, depositions, testimony, or spending any time outside of the office related to such dispute. Except for claims by Buyer under Seller's express warranty, Buyer also agrees to indemnify and hold Seller harmless from and against any all liability, losses, costs or expenses (including reasonable attorneys' and legal fees) based on any claims by any party related to Seller's services covered by this provision.