



EXHIBIT A General Terms and Conditions

These General Terms and Conditions are made a part of the Project Agreement (as defined below) between Caztek, Inc. ("Caztek") and Client dated as of the date of the signed Estimate or Proposal (as defined below).

1. Definitions

The term "Client" means the individual and/or entity identified on the Estimate and/or Proposal. The term "Estimate" is the quote or estimate of fees and expenses which Caztek estimates will be charged to the Client to complete for the scope of work identified therein or in a separate Proposal. The term Estimate also includes a fixed-bid quote for products or services. The term "Proposal" means the proposed scope of work that is the subject matter of the Project Agreement and which is more specifically identified on document number _____. The term "Project Agreement" means the Proposal, the Estimate, these Terms and Conditions, any Purchase Orders from Client, and any Change Order(s) as defined below. The term "Purchase Order" or "PO" means a Client-generated request for the purchase of products or services from Caztek.

2. Applicability of these Terms and Conditions

Unless otherwise agreed in writing signed by Client and Caztek, these Terms and Conditions apply to all products and services of Caztek Inc. By requesting services or ordering products from Caztek, Client agrees to be bound by these Terms and Conditions.

3. Time and Materials

Unless the Estimate is presented as a fixed-bid quote, then the Estimate is only an estimate. Client agrees to pay actual costs and expenses incurred to complete the Project Agreement on a time and material basis at current hourly rates. Caztek's current billing rates are as follows: engineering is \$160/hr., engineering analysis is \$180/hr., and prototyping/fabricating/machining is \$100/hr. Caztek reserves the right to increase billing rates annually, in which case Caztek will provide reasonable notice to Client prior to rate increase.

4. Expenses

Expenses for supplies (e.g., materials, copies, printouts, mockups, magnetic media, etc.) necessary to complete deliverables of the Project Agreement will be paid by Client and are subject to a 20% handling charge payable to Caztek. Outside subcontractor's fees necessary or desirable to complete deliverables of the Project Agreement (e.g., molds, models, prototypes, computer modeling or imaging services, photography or photo lab services, printing, postage, fulfilment services, etc.) will be paid by Client and are subject to a 20% service charge payable to Caztek, unless Client is billed directly by such subcontractor(s). Expenses for local travel by private automobile will be billed at a current rate of \$0.585 per mile. Expenses for out of town travel (airfare, food and lodging, rental cars, parking and tolls) will be paid by Client and are subject to a 20% administration fee payable to Caztek. Expenses for out of town travel shall be approved in advance by Client. Expenses and fees for travel are not included in the Estimate unless otherwise noted therein. Client agrees to pay Caztek for all sales and use taxes levied against Caztek for services rendered or materials supplied relating to the Project Agreement. Caztek is responsible for all taxes on its income, employees, and contractors.

5. Payment

The start of each project is contingent upon the receipt by Caztek of a deposit equal to 30% of the Estimate for the scope of work as identified in the Estimate and/or Proposal. All deposits will be applied to the first invoice billed. Invoices will be sent to the Client on a semi-monthly basis and upon

completion of a phase of development. Absent other arrangements made in writing, payment is due 15 days from invoice date. Charges not paid by invoice due date are considered delinquent and will bear interest at the rate of eighteen percent (18%) per annum or the maximum rate allowed by law. Any objection which Client has to any item listed on an invoice must be brought to Caztek's attention by Client, in writing, within fifteen (15) days of the date of the invoice; otherwise, the invoice is deemed to be proper and accurate as sent. Where permitted by law, all payments tendered by credit card will incur a 3.5% surcharge. Nothing produced by Caztek will be released to Client, nor shall any license, copyright or patents relating to items produced by Caztek be granted, until payment has been received in full.

6. Project Deliverables; Changes and Modifications

During the term of the Project Agreement, Caztek will perform the services as outlined in the Proposal, including without limitation delivering the phase deliverables set forth in the Proposal as applicable (collectively the "Project Deliverables"). Additions or revisions to Project Deliverables may necessitate changes to the project overview, objectives, assumptions, and/or proposed timeline to completion. Any additions or revisions to the scope of work or tasks defined in the Project Deliverables that will increase the cost of the Project Agreement will be evidenced by a written change order signed by both parties (each a "Change Order" and collectively the "Change Orders"). Change Orders are subject to the terms and conditions of the Project Agreement. Subject only to the requirement for written Change Orders, actual fees and expenses will be shown when invoices are issued. If Client submits a Purchase Order for products or services outside the scope of the Project Agreement, such Purchase Order will be deemed a Change Order immediately upon acceptance by Caztek. Notwithstanding the foregoing, Caztek has no obligation to accept Purchase Orders for products or services outside the scope of the Project Agreement. All Purchase Orders submitted by Client and accepted by Caztek are subject to these Terms and Conditions unless otherwise expressly stated on the face of the Purchase Order. In the event any Purchase Order submitted by Client or any invoice or other document submitted by Caztek purports to vary or supplement the terms and conditions of the Project Agreement the terms and conditions of this Project Agreement shall nonetheless remain applicable, and no provision of such Purchase Order or Caztek invoice or document (other than the order for services ordered therein) shall be applicable or binding upon the parties, unless such term or condition is specifically agreed to in writing by Caztek and Client.

7. Ownership

All information made available to Caztek that is proprietary to the Client or produced by Caztek pursuant to this Project Agreement and preceding Project Agreements, including without limitation the work product and Project Deliverables and all information, enhancements, alterations, modifications, improvements, discoveries, ideas, processes, designs, trade secrets or other useful technical information or know how relating to Client's products, devices, processes or procedures, or otherwise prepared for the benefit of Client (collectively, the "Works"), shall be considered the proprietary information of the Client and shall not be used by Caztek for any other purpose except under this Project Agreement without the prior written permission of the Client. Caztek agrees that the Works are works made for hire for Client and that, upon full satisfaction of Client's payment obligations hereunder, Client shall have sole ownership and title to all rights and legal interest in the Works and all data, drawings, designs, analyses, reports, products, and physical property delivered under this and preceding Development Projects and all inventions, discoveries and improvements which are conceived or reduced to practice during Caztek's performance hereunder and thereunder, including without limitation all copyright rights, patents, trademarks and other intellectual property rights thereto, and Caztek hereby irrevocably assigns such rights and interest to Client. Caztek will give all assistance that Client reasonably requires to perfect, protect and use Client's rights to the Works. In particular, Caztek will sign all documents, do all things and supply all information that Client may reasonably deem necessary or desirable to enable Client to obtain patent, copyright or trademark protection for the Works anywhere in the world. Caztek will make full and prompt disclosure to Client of any inventions or processes, as such terms are defined in 35 U.S.C. § 100 (the "Patent Act"), made or conceived by Caztek alone or with others during the term of this Project Agreement, related in any way to the services described herein, whether or not such inventions or processes are patentable or protected as trade secrets and whether or not such inventions or processes are made or conceived

during normal working hours or on the premises of Client. Caztek will not disclose to any third party the nature or details of any such inventions or processes related to the services provided hereunder without the prior written consent of Client. Any patent or copyright applications relating to the services, related to trade secrets of Client or that relate to tasks assigned to Caztek by Client, that Caztek may file within one year after expiration or termination of this Project Agreement, will belong to Client, and Caztek hereby assign same to Client, as having been conceived or reduced to practice during the term of this Project Agreement. Inventorship with respect to any patent will be construed according to the Patent Act. The foregoing assignments do not include any know-how, techniques, processes or methods utilized by Caztek to carry out design services (“Caztek Tools”) and the parties acknowledge that Caztek retains its ownership interest in such Caztek Tools. Caztek reserves the right to use the Caztek Tools on other designs and the right to use public domain components of the Works on other non-competing designs. Caztek hereby grants Client a worldwide, perpetual, royalty-free, non-exclusive license to use the Caztek Tools as incorporated within the Works or to the extent necessary to use and exploit the Works, including the preparation of derivative works.

8. Client Relationship

Caztek is an independent contractor for the Client. This Project Agreement shall not be deemed to create a partnership, joint venture or employment relationship between the parties. The existence of this relationship in and of itself is not confidential information and Caztek may include Client’s name on a list of Clients included in its promotional materials. Caztek will have no authority or right to incur any indebtedness in the name of Client, or otherwise to bind or purport to bind Client in any manner or thing whatsoever except as permitted under the Project Agreement. Caztek reserves the right, in its sole discretion, to utilize subcontractors for some or all aspects of the Project Agreement, provided, however, that Caztek remains responsible to Client for deliverables under the Project Agreement. The relationship between Client and any subcontractor engaged by Caztek is one of an independent contractor.

9. Production and Documentation Authorization

Client is solely responsible for checking and approving all product designs, dimensions and accuracy prior to any production release. Documentation for model making, parts fabrication or tooling production is the sole responsibility of the Client. Client is solely responsible for all patent and/ or copyright searches pertaining to its product designs or processes. Caztek reserves the right to purchase an exclusive, non-transferable license to each final product at Client’s cost for the limited promotional purposes of displaying the work product and identifying the work performed hereunder as a description of services performed by Caztek, provided that Caztek may not promote or otherwise disclose the work or work product to any third party under any terms until such time as Client has released for sale in the United States a product incorporating all of the work product.

10. Warranty and Disclaimer

Client represents and warrants that all information, documents, designs, dimensions and Confidential Information provided to Caztek is accurate and complete, Client has authority to disclose all such information to Caztek, and Caztek may rely on this representation and warranty in the provision of services under this Agreement.

Caztek warrants that the services will be provided in a professional manner in accordance with prevailing industry standards and pursuant to the terms set forth in the Project Agreement. Caztek also warrants that it has and will maintain appropriate insurance policies with sufficient amounts of coverage for the risks related to its obligations under this Project Agreement. EXCEPT AS EXPRESSLY PROVIDED IN THIS PROJECT AGREEMENT, CAZTEK SHALL HAVE NO LIABILITY FOR ITS PERFORMANCE OR THE PROJECT DELIVERABLES. CAZTEK SPECIFICALLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY INFORMATION PROVIDED BY CLIENT TO CAZTEK IS INACCURATE OR INCOMPLETE, CAZTEK SHALL NOT BE RESPONSIBLE FOR ANY COSTS OR DELAY OCCASIONED BY SUCH DEFICIENCY.

11. Limitation of Liability

EXCEPT FOR BREACH BY EITHER PARTY OF SECTION 16 (“CONFIDENTIALITY”), IN NO INSTANCE

WILL THE LIABILITY OF EITHER PARTY EXCEED THE TOTAL OF FEES-FOR-SERVICES PAID TO CAZTEK BY THE CLIENT DURING THE TERM OF THIS PROJECT AGREEMENT. EXCEPT FOR BREACH OF SECTION 16 ("CONFIDENTIALITY"), IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS, LOSS OF USE OR DATE OR INTERRUPTION OF BUSINESS, WHETHER SUCH ALLEGED DAMAGES ARE LABELED IN TORTS, CONTRACT OR INDEMNITY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

12. Indemnification

Client shall indemnify and defend Caztek from and against any claims, actions, lawsuits, damages, losses, costs and expenses, including without limitation reasonable attorneys' fees and costs of litigation (collectively, a "Claim"), arising out of or relating to (i) any error or omission in any design, document, schematic, rendering or other information or data provided by Client in connection with the Product Agreement, (ii) product liability claims, whether asserted in an injury claim by the end-user or an indemnification or contribution claim by another third-party, unless such claim directly resulted from Caztek's gross negligence or intentional misconduct, (iii) allegations that Client's design, product or system infringes on the intellectual property right(s) of one or more third-parties, and (iv) Client's breach of this Agreement, . Caztek has the right to participate in the Claim or suit and in selecting counsel therefor. Notwithstanding the foregoing, Client shall not settle any Claim hereunder that imposes a legal or monetary obligation upon Caztek without the Caztek's prior written consent.

13. Interpretation of Project Agreement

Unless specified herein, capitalized terms used in this Exhibit A have the same meaning as set forth in the Project Agreement. The Project Agreement may not be changed except in writing and signed by both parties. This writing contains the entire agreement between the parties. The validity, performance, construction and effect of this Project Agreement shall be governed by the laws of the state of Minnesota.

14. Cancellation

This Project Agreement may be terminated by either party with thirty (30) day written notice. Notwithstanding the foregoing, Caztek may immediately terminate the Project Agreement in the event of Client's breach. In the event that the Project Agreement is terminated by either party, Caztek shall retain ownership of all materials produced and any copyrights, licenses or patents for work created by the Caztek in the performance of this Project Agreement until full payment for work completed to date has been received. All such materials produced and any copyrights, licenses or patents shall be released to and become the property of Client upon complete and final payment to Caztek for work performed through the termination date.

15. Disputes and Venue

Any dispute arising out of this Agreement, which the parties cannot resolve within thirty (30) days, shall be submitted to mediation before a qualified neutral located in Ramsey County, Minnesota. No party shall commence legal action prior to completion of mediation. All questions concerning the validity, operation, interpretation and construction of the Project Agreement shall be governed by and determined in accordance with the internal laws of the State of Minnesota, without regard to conflict of law provisions. Any claim pursuant to this Project Agreement which cannot be resolved by the parties or through mediation, shall be venued in the District Court for the State of Minnesota, Ramsey County. The parties to this Agreement consent to the sole and exclusive jurisdiction of such court over the subject matter of any such claim as well as over the parties and waive any claim that such venues are not convenient or would otherwise not be proper.

16. Confidentiality

"Confidential Information" means any information or computation of information not generally known that is proprietary to Client or Caztek and includes, without limitation, all trade secrets, inventions and information contained in or relating to Client's product designs, tolerances, manufacturing methods, processes, techniques, composition of products, plant default, tooling, marketing plans or proposals, customer information, sales information, financial information, clinical information, the Caztek Tools

and all work product and Project Deliverables, whether disclosed or created in connection with the Project Agreement. During the term of this Exhibit A and thereafter, each party will hold the other party's Confidential Information in strictest of confidence and will not, without the prior written authorization of the other party, divulge, disclose, transfer, convey, communicate or make accessible to any person or use in any way the Confidential Information for such party's own or another's benefit or permit the same to be used in competition with the disclosing party as a result of the breach of this Section 16. Notwithstanding anything to the contrary in this Exhibit A or otherwise, nothing shall limit Caztek's ability to utilize the Caztek Tools for the benefit of other Clients, or limit either party's rights under applicable law to provide truthful information to any governmental entity or to file a charge with or participate in an investigation conducted by any governmental entity. Furthermore, each party is hereby notified that the immunity provisions in Section 1833 of title 18 of the United States Code provides that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (2) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (3) to its attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order.

17. Compliance

Each party will comply with all current federal, state, and local laws, regulations, and guidelines applicable to the Project Agreement and scope of work thereunder.