

TERMS and CONDITIONS

These terms and conditions shall apply to all offers, sales, agreements, contracts or other arrangements between Buyer and Ballistic Recovery Systems, Inc. ("BRS") regarding the sale by BRS of parachute systems and other goods to Buyer ("BRS Unit"). These terms and conditions shall be read in conjunction with any additional terms and conditions in any purchase order or other agreements between Buyer and BRS to the extent possible, but shall control over such agreements to the extent they conflict.

Buyer is required to provide to BRS a 25% deposit of the purchase price prior to entry of an order. Buyer must pay the balance of an invoice for each order prior to shipment.

If full payment of an order is not made in full within 30 days of BRS' notification to Buyer of completion of an order, a 1.5% charge per month will be assessed to Buyer. If full payment is not received after three months of BRS' notification, the order will be restocked. BRS shall retain Buyer's 25% deposit as a restocking fee.

The purchase price set forth above does not include any taxes or fees, including but not limited to sales use tax, excise tax or customs fees, if applicable. All such taxes and fees are in addition to the purchase price and are the sole and exclusive responsibility of, and shall be paid by, Buyer. The purchase price set forth above shall be subject to increase without notice by the amount of any sales, use or excise tax levied or charged either by the federal, state, and county, city or other government agency.

Title to any BRS Unit(s) purchased under these terms and conditions shall remain with BRS until receipt of full payment by Buyer. Risk of loss of the BRS Unit(s) shall pass to Buyer at the time of delivery of such Unit(s) to a common carrier or Buyer's delivery agent at the FOB (or ex-works) shipping point, which shall be BRS' facility. Buyer shall be solely responsible for any fire, theft, accident or other insurance Buyer desires for delivery of any BRS Unit(s).

BRS shall not assume any risk or liability for delay or non-fulfillment under this Agreement due to fire, explosion, flood, storm, acts of God, war, strikes, breakdown, fires, governmental orders, inability to obtain necessary materials or components or other causes beyond BRS' control. Manufacture, shipment and delivery are subject to any prohibition, restriction, priority, allocation, regulation or condition imposed by or on behalf of the United States of America, which may prevent or interfere with fulfillment of this order.

Except as otherwise set forth herein, all sales are final. Claims for errors, deficiencies or imperfections shall not be considered unless made within thirty (30) days after receipt of BRS Unit by Buyer. BRS shall, at BRS' sole and exclusive discretion, either replace such non-conforming BRS Unit or credit Buyer for the price of such non-conforming BRS Unit within a reasonable time of BRS' receipt of such non-conforming BRS Unit.

All claims for defective BRS Units must be presented to BRS, in writing, within one (1) year after date of delivery of such BRS Units. Failure of Buyer to give such notice shall constitute a waiver by Buyer of all claims with respect to such defective BRS Units. BRS shall be given an opportunity to verify the existence of any alleged defect. Returns must be authorized by receiving an RMA (return material authorization) prior to shipment back to BRS.

In the event a defective or non-conforming BRS Unit shall be replaced by BRS or in the event BRS shall refund the sales price received from Buyer for such defective BRS Units, Buyer shall return the non-conforming BRS Units to BRS in strict accordance with BRS' written instructions concerning shipping, handling, insurance and other matters as to which BRS may issue instructions.

BRS shall not be liable for any claims for labor or consequential damages and BRS Unit(s) may not be returned except by permission of BRS. BRS accepts no responsibility for breakage, damage or losses occurring after delivery by BRS to a common carrier or Buyer's delivery agent, to whom all such claims must be referred directly.

BRS warrants to Buyer BRS Unit(s) subject to this Agreement shall be free from defects in workmanship or material. BRS' liability for breach of warranty for defective BRS Units delivered to Buyer under this Agreement shall be limited, at BRS' option, to: replacing or repairing such defective BRS Units; or refunding the sales price received by BRS for such defective BRS Units.

THE EXPRESS WARRANTIES CONTAINED HEREIN ARE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

BUYER'S SOLE REMEDY IN THE EVENT OF BREACH BY BRS OF ANY OF THE WARRANTIES CONTAINED HEREIN SHALL BE THE REPAIR OR REPLACEMENT, AT BRS' OPTION, OF THE NON-CONFORMING BRS UNIT(S). BRS SHALL NOT BE LIABLE FOR DAMAGES, INCLUDING WITHOUT LIMITATION SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THE BRS UNIT OR ITS USE BY BUYER. BRS' MAXIMUM AGGREGATE LIABILITY FOR LOSS OR DAMAGE ARISING UNDER, RESULTING FROM OR IN CONNECTION WITH THE SUPPLY OR USE OF THE BRS UNIT, OR FROM THE PERFORMANCE OR BREACH OF ANY OBLIGATIONS IMPOSED HEREUNDER OR OTHERWISE, WHETHER SUCH LIABILITY ARISES FROM ANY ONE OR MORE CLAIMS OR ACTIONS FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), DELAYED COMPLETION, WARRANTY, INDEMNITY, STRICT LIABILITY OR OTHERWISE, SHALL BE LIMITED TO THE AMOUNT ACTUALLY RECEIVED BY BRS FROM BUYER FOR THE PURCHASE OF SUCH UNIT(S).

BRS and Buyer consent to jurisdiction over any actions or legal proceedings arising out of or relating to the sale and purchase of any BRS Unit(s) under these terms and conditions of the courts of the State of Minnesota and/or the Federal District Courts, Fourth Division, State of Minnesota. The parties expressly agree that Minnesota shall be the exclusive forum for any such actions or legal proceedings.

In the event BRS is required to institute any action or legal proceeding to enforce any of the terms and conditions herein, BRS shall be entitled to recover all of its court costs and reasonable attorneys' fees and other related costs, expenses and disbursements arising out of such legal proceedings in which BRS prevails.

If any term or condition herein shall be found by a court of reasonable jurisdiction to be invalid, void or unenforceable, in whole or in part, such decision shall not affect the validity of any remaining term or condition. The remaining terms and conditions shall stand in full force and effect, and shall in no way be affected, impaired or invalidated.