

**CHRONOTRACK SYSTEMS CORP.  
PRODUCT AND SERVICE ACQUISITION AGREEMENT**

This agreement is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 201\_\_ by and between Chronotrack Systems Corp., having a place of business at 111 E. Diamond Avenue, Evansville, Indiana 47711 (“ChronoTrack”) and \_\_\_\_\_, having a place of business at \_\_\_\_\_ (“Customer”). The parties are entering into this Agreement for the provision of UHF RFID tags for use in timing races that will or may be conducted by Customer. The parties hereto agree as follows:

1. Customer agrees to purchase all UHF RFID tags for any races customer may time, using Chronotrack’s race timing equipment, at the then-current price for such tags from Chronotrack.
  - a. In the normal course of business Chronotrack agrees to limit price increases of UHF RFID tags to no more than the Consumer Price Index in any one calendar year. If, however, Chronotrack can show an increase in its costs for UHF RFID tags that exceed 10% in any calendar year, Chronotrack reserves the right to renegotiate the price of UHF RFID tags during the life of this contract. If the parties are unable to agree on a new price, Chronotrack may, at its option, increase its price by the amount its costs increased by more than ten percent (10%) in any calendar year.
  - b. If through no fault of the Customer, Chronotrack fails to fulfill a Customer’s order for UHF RFID tags, and, provided Customer’s order was received in a timely manner, Chronotrack will not unreasonably withhold permission for Customer to use a third party’s UHF RFID tags on a one-time basis. Such request must be made and acknowledged in writing using FAX or email.
2. Chronotrack shall bill such orders promptly and in the usual course of business. Customer will use reasonable business efforts to advise Chronotrack of customer’s anticipated needs for such UHF RFID tags. Chronotrack will use its best efforts to meet all delivery schedules requested by customer. Payment shall be due within thirty (30) days of the invoice date. Any invoice not paid within ninety (90) days of the invoice date shall be subject to late fees in the amount of one percent (1%) per month. In addition, Customer shall be responsible for all attorney fees and costs of collection incurred by Chronotrack in collecting any past due invoices.
3. Chronotrack hereby grants to customer a non-exclusive right and license for a one-time use of the UHF RFID tags purchased and related technology. Chronotrack retains all rights, title and interest in the technology related to the use of the UHF RFID for timing of races. All rights not expressly granted herein are retained by Chronotrack.
  - a. The license granted hereby is for a single use of each UHF RFID tag purchased from Chronotrack. Multiple use of any UHF RFID tag is not permitted and constitutes a violation of the terms of the license.
  - b. The grant of the license for use of the UHF RFID tags purchased from Chronotrack is conditioned upon at least one (1) representative of Customer successfully completing Chronotrack’s official training session. Until at least one (1) representative of Customer

has successfully completed Chronotrack's official training session, Customer shall not be permitted to purchase any UHF RFID tags pursuant to this Agreement and is not authorized to install or operate the Chronotrack race timing equipment

- c. Customer acknowledges that it must use Chronotrack's UHF RFID tags in races conducted by Customer using any of Chronotrack's race timing equipment.
4. Chronotrack represents and warrants that the equipment shall be free from defects in material and workmanship at the time of delivery, installation and performance thereof for a period of one (1) year for professional series equipment and for a period of ninety (90) days for mini-series equipment. If during the applicable warranty period following delivery to customer, service is required with respect to any Chronotrack systems provided, Chronotrack shall provide warranty service or replacement, at Chronotrack's option, at its facilities in Evansville, Indiana. Customer shall be responsible for the cost of returning shipment to Chronotrack and Chronotrack will be responsible for ground shipment following service and/or replacement of the product. During the above warranty periods Chronotrack will make a good faith effort to provide loaner timing systems for Customer systems that are being serviced under warranty. Shipment of such loaner equipment will be at Customer's expense.

EXCEPT FOR THE WARRANTIES PROVIDED ABOVE, CHRONOTRACK DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE. IN NO EVENT SHALL CHRONOTRACK BE LIABLE FOR ANY DIRECT, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROPERTY, ARISING FROM OR RELATED TO THIS AGREEMENT REGARDLESS OF THE FORM OF ACTION EVEN IF CHRONOTRACK WAS INFORMED OF THE POSSIBILITY OF SUCH DAMAGES.

5. Upon expiration the above warranty periods Chronotrack will make available a support/service contract that will cover software upgrades and hardware repair. Chronotrack will also offer a fee based loaner system for equipment that is being serviced. As long as replacement parts are available, Chronotrack will continue to offer service and support on all Chronotrack timing equipment for at least one (1) year after announcing end-of-life on any equipment. In the event replacement parts are no longer available, Chronotrack may substitute parts or will offer for sale a comparable timing system capable of using Customer's inventory of Chronotrack provided UHF RFID disposable tags.
6. In the event customer breaches this Agreement by using Chronotrack timing equipment to time a race and does not use authorized UHF RFID tags purchased from Chronotrack or re-uses single use tags, customer shall be obligated to pay Chronotrack \$10,000.00 per race or \$2.00 per competitor per race, whichever amount is higher.
7. Neither party is an agent, servant, employee, legal representative, partner or joint venturer of the other. Nothing herein shall be deemed or construed as creating a joint venture or partnership between Chronotrack and customer. Neither party has the power or authority to bind or commit the other.

8. In the event either party to this agreement brings an action to interpret or to enforce its rights under the Agreement, the prevailing party shall be entitled to reasonable attorney's fees, which may be set by the Court in the same action brought for that purpose, in addition to any other relief available under the law. The parties hereto agree that this Agreement shall be governed and construed in accordance with the laws of the State of Indiana. The parties further agree that any dispute, claim or action relating directly or indirectly to this Agreement, must be brought before and determined by a Court of competent jurisdiction lying and situate in Vanderburgh County, State of Indiana. The parties hereto hereby consent to the jurisdiction of the Indiana Courts in the event of a dispute, claim or action.
  
9. This Agreement will remain in effect for as long as the Customer uses Chronotrack's timing equipment to time the Customer's events.
  
10. This Agreement shall be binding on and shall inure to the benefit of the parties permitted successors and assigns; provided, however, Customer may not assign this Agreement or any of its rights under this Agreement without the prior written consent of Chronotrack.

**AGREED AND ACKNOWLEDGED:**

Chronotrack Systems Corp.

\_\_\_\_\_  
Customer (printed)

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Title

\_\_\_\_\_  
Printed Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date