



Hybrid Design Services, Inc.™
Advanced Engineering and Manufacturing



QUOTE

QUOTE #: Q-MBR-Y250108-1
DATE: JANUARY 14, 2025

2479 Elliott Dr. - Troy, Michigan 48083 - USA
Phone: 248.298.3400 Fax 248.298.3402
sales@hds.us

DUNS: 802293774
ISO 9001:2015 NQA Cert: #15477
Minority NMSDC Cert #MI 01127

EXPIRATION DATE 30 DAYS FROM ABOVE
SEE TERMS & CONDITIONS INCLUDED
PAYMENT TERMS - NET 30

To:
Andy Hamilton
Engineering Div. Chair / Mechanical Eng. Lead
Tel: 831-775-1861
Email: hamilton@mbari.org



**Monterey Bay Aquarium
Research Institute**
7700 Sandholdt Road, Moss Landing, CA 95039

Customer ID: MBR-A-1

Mr. Hamilton:

Per your request, HDS is proud to offer the following proposal to assist in the development of MBARI's High Voltage Marine Battery System. This proposal focuses on the design and build of a prototype High Voltage Battery Pack, adhering to the provided information and requirements. By leveraging existing HDS experience and designs, we aim to reduce development costs and timing while ensuring performance and safety.

The proposed pack energy and power, along with the design flexibility of this HDS battery solution (e.g., optional external power connections), allow for optimized vessel and high voltage distribution packaging and design. This proposal includes HDS support for an estimated four month period, with the delivery of a first bench pack test system. Due to the intended usage and possible multiple various applications, HDS suggests a common nomenclature to refer to this battery system like "HARBOR": High Amperage Rechargeable Battery for Oceanic Resources.

1. Battery Packaging

Figure 1 below illustrates the concept packaging of the HARBOR battery. The energy requirements can be adapted into various package arrays. HDS has preliminarily chosen the depicted configuration based on package shape and volume density. The battery cells are housed within a cylindrical enclosure, derived from a previous project's underwater pressure vessel.

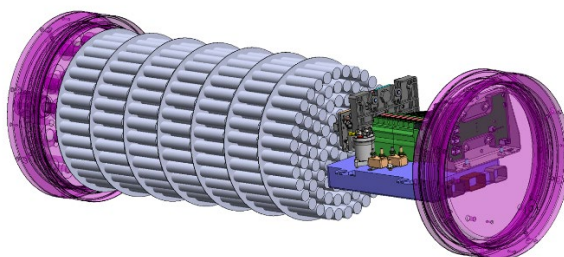


Figure 1 - Example HDS HV HARBOR Battery System Concept

Final details, such as the quantity and location of external I/O connectors, system mounts, incorporated electronics, distribution, and secondary outputs, are still pending. These factors may necessitate adjustments to the dimensions to meet specific application requirements. The design aims to be fully IP6k9k and IP68 sealed, utilizing standard vessel sealing technology. Advanced sensors for water ingress, high voltage leakage, pressure, and fire/smoke detection may be integrated, as shown in Figure 2 below.

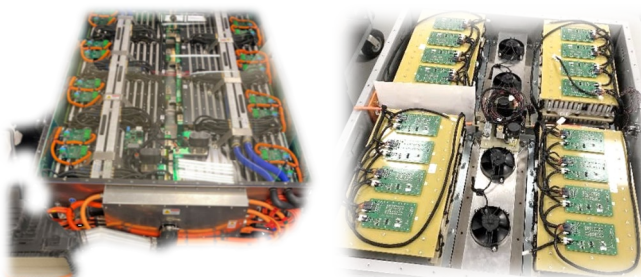


Figure 2 - Example HDS Packs with advanced Sensing, BMS, and Enclosure Construction

2. Battery Pack and Cell Selection:

After reviewing the information contained in the RFI, HDS has developed a 329V pack configuration (via 90-series cells) that matches the MBARI-provided voltage target shown in Appendix A. The leading cell candidates are two NMC chemistry 21700 cells from Molicel. While other manufacturers and options are available, HDS has high confidence in the performance, quality, and availability of these cells. Additionally, cell origin is sometimes a concern. Currently, Molicel production is based in Taiwan, with North American manufacturing slated to begin in 2026, ensuring cell availability with geopolitical considerations. Distribution is handled via the USA and Canada.

The table below provides a quick comparison of HDS 10kWh and 11kWh (nameplate) concepts. For comparison, both HDS cell options are housed in the same diameter cylindrical volume but use either a 5.0Ah NMC or 4.5Ah NMC cell. Both HDS cell options are very high-power cells, meaning much lower DC Internal Resistance (DCIR) than NCA and easier to manage than LFP due to a larger voltage window. This results in high pack efficiency, assuming a proper vehicle controller and distribution system. Higher pack efficiency means lower overall heat generation, extending cell life and reducing the external (vessel to ocean) thermal system requirements. This proposal assumes Option A with 4.5Ah cells, which should provide the required energy and power at a reasonable cost and high availability.

Table 1 - HARBOR Cell and Pack Options

HARBOR PACK - Initial Notes					
90-series cells	System Voltage	225V	329V (nom)	378V	
7-parallel cell estimations		Energy (nameplate)	Peak Discharge	Peak Charge	
Option A	Cell - 4.5 Ah	10.3 kWh	315 A	95 A	Low Cost, Good Efficiency, High Availability
Option B	Cell - 5.0 Ah	11.5 kWh	420 A	175 A	Higher Efficiency, Higher Energy, Higher Cost, Limited Availability

3. Internal Pack Design:

For this project, HDS is leveraging a standard HDS cell interconnection design with a modified radial configuration. The cells are interconnected and packaged in radial module blocks, containing 7 or 8 parallel cells. This topology, and current collector design has been deployed by HDS for several years in many low-volume custom battery packs. These conceptual radial modules are interconnected with copper bus bars. This radial design, along with the use of high efficiency cells, ensures that cell temperature variation and maximum temperature are kept in check with the readily available thermal transfer to the external ocean environment. The internal pack structure provides rigidity, thermal mass, propagation resistance, and hv/lv wiring paths.

For comparison, a standard HDS rectangular module design is shown in Figure 4, below, which is not as package efficient as the radial design and therefore requires 30-40% more overall volume (40% longer cylinder). This rectangular package idea does leverage existing HDS module designs and may therefore save some engineering and development costs. However, the additional package volume, long DC bus connections, increased thermal load, and BMS wire lengths are not as efficient and will reduce the advantage of lower development costs with higher material costs of each pack produced.

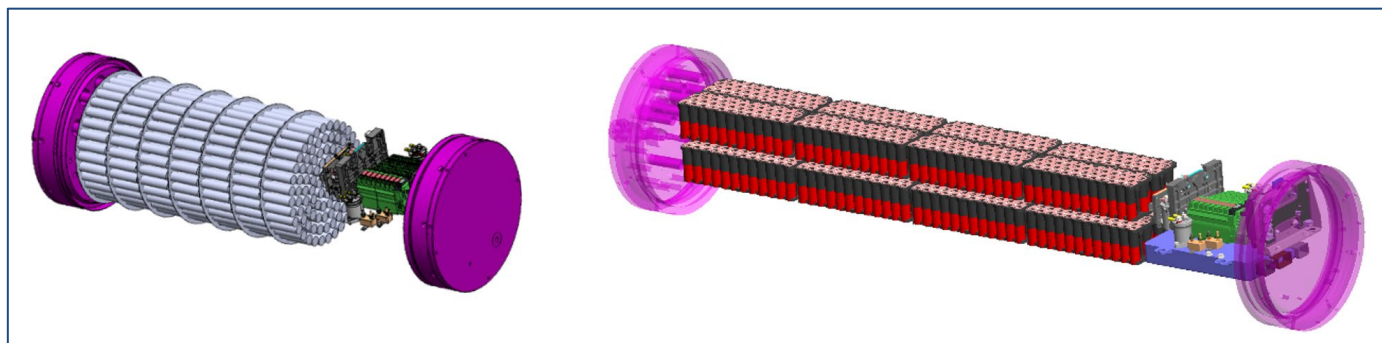


Figure 3 - HDS Internal Battery Packaging (90s 7p shown)

4. BMS and Safety Management:

The leading BMS solution for this project is an off-the-shelf Sensata (LiTHIUM Balance) n-BMS, although the latest n3-BMS is also being considered. HDS has a long history of working with this family of BMS electronics and integrates these into many advanced battery systems. HDS has the required tools, hardware, and experience to deploy this system quickly and with confidence. As an alternative, HDS may consider its own in-development BMS for this battery, which will be evaluated further and discussed with MBARI after the project starts.

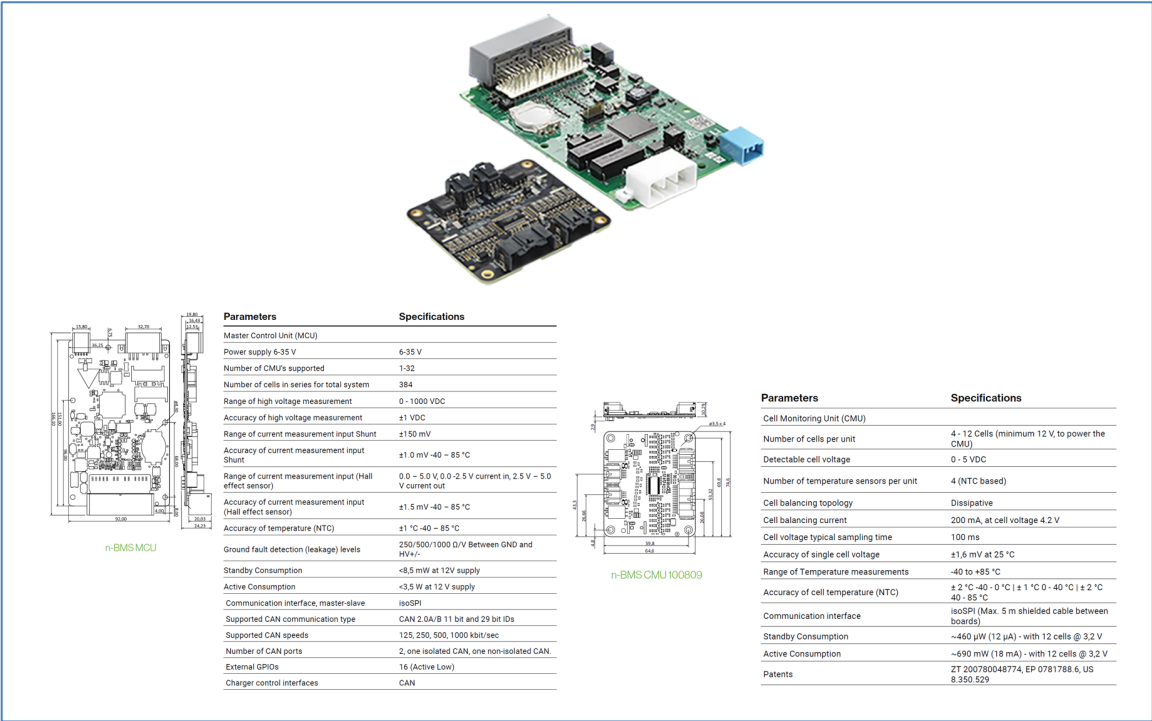


Figure 4 - HDS HARBOR Pack BMS Recommendation 1 - Sensata n-BMS

In addition to a high-functioning BMS, HDS pack designs typically incorporate state-of-the-art vent management and pressure relief mechanisms, tuned to the system packaging and system safety requirements.



Figure 5 - Advanced Battery Sensors for Smoke, H2, Water, and Pressure

5. Timing:

Assuming the I/O and requirements can be finalized quickly, HDS can provide a bench test HARBOR Battery approximately 4 months after the project start date. End-of-line (EOL) testing data and functional documentation will accompany the prototype pack. Please note that while the labor costs for assembling a single pack are quoted below, multiple packs can be assembled with non-linear incremental material and labor costs if the total quantity of packs is identified at the project start.

6. Design & Engineering Resource Costs (NRE):

The assumption of leveraging existing HDS HV Battery designs helps to reduce development costs and reduce project risk. Phase I includes work to solidify a concept design and to identify long-lead parts. Phase I will take approximately 6-8 weeks, resulting in a CAD concept and schematic. Phase II includes the final design and development as well as procurement and build of the test system. Note that HDS shall treat this as a prototype battery project with associated levels of documentation.

Table 2 - Initial Development Labor Costs to reach Concept Freeze and initial Bench Test System

NRE (Labor)	Phase I - Battery pack, BMS, Distribution Development		
		Resource	Allocation (200% = 2 heads)
	1	Technical Lead	10%
	2	Program Manager	10%
	3	System Engineer	50%
	4	SW/Electrical Engineer	75%
	5	Mech Engineer	50%
	6	Design Leader	100%
	7	Design Engineer - A	100%
	8	SIM/CAE/ CFD	25%
	9	Manufacturing Manager	15%
	10	EE/MFG Technicians	10%
	11	Sourcing/Procurement	10%
			\$ 256,987

Table 3 - Development & Build Labor Costs for October & December System Builds

NRE (Labor)	Phase II - Battery Pack and BMS Build & EOL Test		
		Resource	Allocation (200% = ~2 heads)
	1	Technical Lead	5%
	2	Program Manager	10%
	3	System & Test Engineer	25%
	4	SW/Electrical Engineer	50%
	5	Mech Engineer	25%
	6	Design Leader	25%
	7	Design Engineer - A	10%
	8	SIM/CAE/ CFD	5%
	9	Manufacturing Manager	20%
	10	EE/MFG Technicians	150%
	11	Sourcing/Procurement	10%
			\$ 107,109

Important Notes:

- The above NRE costs include HDS labor only for one HARBOR battery. Additional battery systems may be assembled at an incremental (non-linear) cost if ordered simultaneously.
- Materials, tooling, or testing costs are provided separately, below.
- Provided hardware and software designs shall be prototype/pre-production systems.
- Above NRE covers approximately 4 months of work. Delays in project timeline which are outside of HDS control, including material delays, sub-supplier delays, customer requested changes, etc. may require additional funding.

7. Basic Task List:

- Concept Design
 - Update of HDS CAD models
 - Create necessary drawings for manufacturing
 - Update BMS, PDU, & interconnect strategy
 - Initial System & Safety Engineering
- Procurement & Prep for Build
 - Supplier ID, Quoting, & Interaction
 - Quality Assurance and Incoming Component Inspection
 - Delivery, Supplier, and Build Schedule management

- Schematic and BMS Preparation
 - Build and Test system communication and functionality
 - Calibrate V, I sensing and update changes as required
- Bench Pack Build
 - HV ESS Structure Modification/Finishing
 - Module Assembly, Welding, Interconnections
 - HV ESS assembly and wiring
 - Module/Pack Integration
 - BMS Integration
- End of Line Testing
 - Safety Inspection tests
 - HV Isolation Tests
 - Functional tests
 - Prepare for shipping

8. Estimated Material & Tooling Costs:

Prototype HARBOR Pack Material Estimates are provided below. Note that these materials cover one prototype pack. Pack material and build costs shall be updated once requirements and designs are finalized. Note that due to unknown total quantities of packs and related shipping details, crating and shipping costs are not included.

For initial prototypes, special tooling costs are not expected. If tooling is required or requested, these costs shall be discussed and agreed with the Customer as a potential separate scope of work and budget.

Table 4 - Estimated Material Costs for Bench BMS and Bench Pack

MATERIALS	Standard		
			Totals
	1	Cells	\$ 9,250
	1	Electrical HW	\$ 4,950
	1	Thermal HW (Plates, etc.)	\$ 1,000
	1	Structural HW (w/o enclosure)	\$ 5,000
	1	Misc. Mech.	\$ 1,000
	1	Misc. Elec., Wiring	\$ 2,000
	Total Requested		\$ 23,200

9. Estimated Testing Costs: (Non-Material Costs)

Standard HDS In-line and EOL testing costs are included in the budget above. Additional testing costs, including pack validation, safety, and certification costs are not included. Any specialty testing required or requested during or after this course of work, shall be discussed and agreed with the Customer as a potential separate scope of work and budget.

10. Project Notes & Assumptions:

- A. HDS has developed a simplified timeline indicating key tasks. Updates to the timeline during the project shall be communicated as necessary. Note that project changes, including Customer-requested changes which are unable to be contained within the defined timing or budget shall be communicated to the customer. Potential deliverable, timing, and/or budget adjustments shall be negotiated in good faith between HDS and the Customer as modifications to this project or as separate scopes of work.
- B. At kick-off, HDS and Customer shall review and agree on requirements to ensure that HDS has assumed the proper level of effort for the required deliverables. Adjustments to the proposal may be required.
- C. HDS has strived to develop this quote based upon the incomplete specifications or requirements for the program. The HV Battery Systems developed during the course of work are meant as first sample prototypes for testing and evaluation only. Not all target specifications or requirements may be met due to evaluations and calculations which have not yet been initiated. Please see 'Nature of Prototype Systems', below.
- D. HDS assumes standard BMS communication and controls. If advanced or custom messaging or communication protocols are expected of HDS controllers, additional time and resources may be required outside of the NRE included herein.
- E. Quoted Labor Costs cover approximately 4 months of development. Delays in timing due to non-HDS activities or items outside of HDS control, such as supplier delays, customer changes, unforeseen technical difficulties, etc., may affect timing, deliverables, and resource costs. Potential deliverable, timing, and/or budget adjustments shall be negotiated in good faith between HDS and the Customer as modifications to this project or as separate scopes of work.
- F. **Materials Costs:** Due to unknown designs, final component quantities, potential new testing requirements, and potential lead time or expediting fees required, the material costs are included as estimates above. Additional materials, prototype parts, spare parts, other subsystems, software, or tools, which are not included explicitly in this quotation and required or requested of HDS which cannot be contained within the budget must be agreed to and pre-approved separately by the customer. These expenses shall be invoiced separately by HDS including shipping fees, taxes, and HDS coordination & handling fees of 8%.
- G. Although Basic EOL evaluation is included, extended validation testing is not included. Validation testing beyond integration shall be handled separately from this proposal.
- H. Additional design and engineering shall be required to make the developed prototype systems fit for volume production or to meet yet to be determined requirements, regulations, etc. See 'Nature of Prototype Systems' below.
- I. HDS shall internally manage all CAD and 2D drawings as it sees fit.
- J. To minimize consulting travel, time, and related costs, HDS and the Customer shall utilize electronic means of communication, including phone/conference calls, on-line meetings, and electronic file transfers for regular activity updates and communication.
- K. No travel is included in this quotation. Mileage and travel time costs for Customer-requested and pre-approved travel from HDS in Troy, to locations beyond a 30-mile radius of HDS shall be expensed and billed to Customer as incurred. Overnight lodging and meals for requested and pre-approved overnight stays (or other travel requested by Customer, such as supplier visits) shall be expensed and billed to Customer as incurred.
- L. Systems shall be built and prepared for shipment as Incoterms EXW at HDS, Troy, Michigan.
- M. **Nature of Prototype Systems:** Customer acknowledges and agrees that all designed systems, components, products or individual parts or assemblies need to be validated and tested. All designs of systems, components, products, individual parts, or assemblies should be prototyped, tested and debugged to meet a Customer's acceptance criteria and any state, federal or industry standards, rules, regulations or safety requirements. Customer acknowledges and agrees that all systems, components, products or individual parts discussed in this proposal are intended to be used for prototype, proof-of-concept testing and analysis only. Until all designed systems, components, products or individual parts or assemblies are tested and validated, HDS hereby disclaims all warranties, express or implied, including any implied warranties of merchantability or fitness for a particular purpose.

11. Payment Terms & Invoice Schedule

- A. The suggested NRE arrangement is Fixed Cost. Material costs shall be billed at 50% up-front to account for part procurement and transit times. Alternative arrangements are possible. Please contact HDS to discuss options.
 - B. As certain requirements, design details, hardware, and testing/validation requirements are not yet finalized, additional costs, including requested changes in scope, timing, or deliverables, actual material costs, tooling, requested testing, etc., shall be identified, approved by Customer, and invoiced separately from this quote, including 8% handling charges, as required.
 - C. Payment terms are Net 30 after receipt of invoice by Customer.
 - D. HDS shall start work once a signed PO is received and HDS reserves the right to stop work if payments are not received on time.
 - E. Note our standard Limited Warranty & Terms and Conditions on the following pages, which are incorporated by reference as a required and integral part of this quotation.
 - F. Invoices for pre-approved travel shall be accompanied by actual travel costs incurred.
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Please let me know if you have any questions regarding this quote at your earliest convenience. As always, thank you for giving us the opportunity to bid for your business!

Sincerely,



James Piñón - President/CEO
Hybrid Design Services, Inc.
2479 Elliott Dr.
Troy, MI 48083
Main: +1 (248) 298-3400
Cell: +1 (313) 673-6917

jpinon@hds.us
www.hds.us

www.HybridDesignServices.com



APPENDIX A - Preliminary Battery Requirement Targets per MBARI RFI

Voltage, current, and SOC	
Nominal voltage	325 V
Min-max system voltage	270-350 V
Nominal capacity	30-35 Ah (10-12 kWh)
Discharge current (continuous)	5:00 AM
Discharge current (peak, < 10 s)	30 A
Surge Current (< 0.5 s)	35 A
Charge current (continuous)	5 A (average), 35 A (peak)
Duty cycle	See Appendix A
SOC range	80%
Maximum internal resistance	300 mΩ
Battery chemistry, type, and life cycle	
Chemistry	LFP, LTO, NMC (vendor recommendation requested)
Cell type	Vendor informed form factor
Cycle Life	1000 cycles
Calendar life	36 months
BMS	
BMS supplier	Vendor recommendation
BMS power on method	Always on
Under/over Voltage Protection	Vendor defined based on system voltage
Over Current Protection	Vendor defined based on system current
Communication protocol	CAN
SOC accuracy	<=5%
How does the customer use the SOC?	Charger system can monitor and adjust charge current/voltage as needed, scheduling loads of instruments/vehicle charging
Will the pack be paralleled?	Desirable
# Thermistors	As needed
BMS interaction with end application (discharge)	Communication of available power and capacity.
BMS interaction with end application (charge)	Set charger current and voltage limit
Sleep/low power mode requirements	As needed to minimize power consumption during long idle states
Heating/Cooling needs	Passively cooled ideally
Environmental Conditions	
Operating Temp Range	See Appendix A
Vibration limits	See Appendix A
Wires and connectors	
Wire lengths	1 m
Connectors	Screw terminal
Protection	
Output protection	Current Limited
Pre-charge circuit	Yes
External check for isolation?	Bender (external unit), integrate into BMS if possible
Ground point	Isolated DC system, battery enclosure bonded to seawater
Fused charger output lines	2-3x rated current
Fused discharge line	2-3x rated current
Enclosure	None, customer responsibility
Size/weight/density	
Weight	As required
Specific energy	As required
Energy density	As required
Dimensions	As required
Compliance Standards	
We would like information on specific safety standards that the vendor's systems typically meet, as well as recommendations for minimum safety certifications.	

HYBRID DESIGN SERVICES, INC. STANDARD TERMS AND CONDITIONS

(Services – v. Y240906)

1. **DEFINITIONS.** As used in any effective quote between Hybrid Design Services, Inc. (“HDS”) and an HDS customer (“you”) (all such quotes, collectively, the “Quote”), and these Standard Terms and Conditions (collectively, the “Agreement”), in addition to any other terms defined herein, the following defined terms will have the following meanings:

1.1. “Software” means the computer software or firmware programs described in the list of Deliverables, if any.

1.2. “Hardware” means mechanical systems, electronic systems, computer-related hardware, or integrated systems, and other non-software items described in the list of Deliverables, if any.

1.3. “Deliverables” means those items, including Software, Hardware, and combinations thereof, if any, to be provided under the Quote.

1.4. “Services” means the services to be performed by HDS as stated in the Quote and/or any list of Deliverables, subject to change by the mutual, written consent of the parties.

1.5 “Intellectual Property” means all intellectual property and proprietary rights including without limitation all rights of inventorship and authorship, inventions, patents, patent applications, and proprietary know-how for any product, process, method, machine, manufacture, design, composition of matter, or any new or useful improvement thereof, as well as copyrights, trademark, trade dress and service mark rights and all rights in trade secrets, computer software, data and databases, and mask works.

1.6 “Background Technology” means all programs, systems, data and materials, in whatever form that do not constitute Deliverables and are: (1) included in, or necessary to, the Deliverables; and (2) owned solely by either Party, licensed to the other Party with a right to sublicense, or licensed directly to you. Background Technology shall include, but is not limited to, those items referenced in the Quote.

2. SERVICES.

2.1. **Services.** HDS agrees to provide the Services to you. HDS has the sole right and obligation to supervise, manage, contract, direct, procure, perform, or cause to be performed all Services to be performed by HDS. Services shall be billed in thirty (30) minute increments. HDS charges for all Services performed for you.

2.2. **Cooperation.** You agree to fully cooperate with HDS and provide HDS (a) access to complete and accurate information and data, (b) access to prototypes, models, and other product hardware, (c) access to office accommodations and facilities and (d) approval or feedback on Services and Deliverables, as needed, in a timely fashion and as reasonably required by HDS to perform the Services. You acknowledge and agree that such cooperation and provision of information, data, product hardware, facilities, approval, and feedback, as needed, are essential to HDS’s ability to perform the Services. You acknowledge and agree that your failure to provide the cooperation in Section 2.2 may result in changes to the Services and Deliverables, including changes to the scheduling and additional fees.

2.3. **Changes.** If the Services or Deliverables (if any) are changed by you or any other person, including any changes pursuant to Section 2.2, HDS shall not be responsible for the change or the completion of such Services or Deliverables affected by the change unless HDS specifically consents to the change, scheduling, and additional fees, if any, in writing.

2.4. **Third Parties.** HDS may retain third parties to furnish services in connection with its Services; provided, however, that the use of third parties shall not relieve HDS of its obligations hereunder.

3. INTELLECTUAL PROPERTY.

3.1. **Assignment and License.** Intellectual Property incorporated into the Deliverables under this Agreement shall be assigned to you as provided in the Quote. Background Technology shall be licensed to you as provided in the Quote.

3.2. **Third Party Intellectual Property.** To the extent that the Services require HDS to access or use any third-party Intellectual Property provided by you, you warrant that you have all rights and licenses of third parties necessary or appropriate for HDS to access or use such third-party Intellectual Property

and agree to produce evidence of such rights and licenses upon the reasonable request of HDS. To the extent that the Services require HDS to access or use any third-party Intellectual Property not provided by you, HDS warrants that it has all rights and licenses of third parties necessary or appropriate for HDS to access or use such third-party Intellectual Property and agree to produce evidence of such rights and licenses upon the reasonable request of customer.

4. FEES AND PAYMENTS.

4.1. **Service Fees.** You shall pay to HDS a service fee for the Services as specified in the Quote. Service fees shall be payable in US Dollars (\$USD) only, and due in full per the payment schedule specified in the Quote, regardless of exchange rate fluctuations. Unless otherwise specified in the Quote, you acknowledge and agree that the service fee is an estimate based on the estimated time to deliver the Deliverables and/or to perform the Services, and that the actual time (and, therefore, the actual fees) for such implementation and/or services may vary. For any Services that HDS performs pursuant to the Quote, and for which fees are not specified on the Quote, such Services shall be paid for at the rates specified in this Quote unless otherwise agreed by the parties in writing.

4.2. **Invoices.** Unless otherwise specified in the Quote, HDS shall invoice on a bi-weekly basis and all payments shall be due within fifteen (15) days after receipt of the invoice by you.

4.3. **Hardware and Software Costs.** You shall pay HDS for the Hardware and Software purchased on your behalf, if any, and delivered to you in the amounts and on the terms set forth in the Quote or any list of Deliverables.

4.4. **Expenses.** Unless otherwise specified in the Quote, you shall reimburse HDS for out-of-pocket expenses reasonably incurred in the performance of the Agreement, including without limitation, shipping, extraordinary out-of-pocket travel expenses or travel expenses, if any.

4.5. **Taxes.** The fees and all other amounts due to HDS as set forth in the Agreement are net amounts to be received by HDS, exclusive of all taxes, duties, and assessments, including without limitation all sales, withholding, VAT, GST, excise, ad valorem, and use taxes, and any customs, import, export, or other duties, levies, tariffs, or other similar charges that are imposed by any jurisdiction outside the United States of America for the transactions contemplated herein (collectively, the “Taxes”) and are not subject to offset or reduction because of any Taxes incurred by you or otherwise due as a result of the Agreement. You shall be responsible for, and shall pay directly, any and all Taxes relating to the performance of the Agreement, provided that this paragraph shall not apply to taxes based solely on HDS’s income.

4.6. **Late Charge.** You agree to pay a late charge of one and one-half percent (1.5%) per month or the highest amount allowed by law, whichever is greater, on all amounts not paid to HDS when due under the terms of the Agreement.

4.7. **Non-Payment.** In the event you fail to pay any fees and/or reimbursable expenses hereunder when they become due and payable in accordance with this Agreement, you shall, in addition to repaying amounts owed, pay HDS’ actual costs and actual expenses incurred in collecting the debt, including court costs, filing fees, and attorneys fees. The remedy set forth in this Section shall be in addition to, and not in lieu of, any other right or remedy HDS may have at law or in equity with respect to your failure to pay any fees arising hereunder.

5. WARRANTIES.

5.1 **HDS Services and Deliverables.** HDS warrants that (a) the Services will be performed in a workmanlike manner and (b) the Deliverables will be original and not infringe on any patent, copyright or other proprietary right of any third person (except where you have provided the allegedly infringing content to HDS for duplication or use); and (c) the Services and the Deliverables shall meet all specifications and functions mutually agreed to and/or described in a Quote or list of Deliverables. You must report in written form deficiencies in the Services to HDS within thirty (30) days of the performance of the Services to receive warranty remedies. For any breach of the warranty contained in this Section, your sole and exclusive remedy, and HDS’s entire liability and obligation shall be, at HDS’s sole election, to re-perform the Services, re-deliver the Deliverables or refund the fees paid for such Services.

5.2 Manufacturer Goods. HDS makes no warranty, expressed or implied, with regard to Manufacturer Goods (as defined below). HDS does, however, assign and transfer to you any and all warranties of the manufacturer with regard to Manufacturer Goods. "Manufacturer Goods" means all hardware or software (including the Hardware and Software and any updates) or any other products purchased by HDS from a third-party or which HDS installs or incorporates with the Deliverables on your behalf and for your benefit, whether or not listed on the list of Services or any Deliverables. In no event shall HDS, its subsidiaries, affiliates, directors, officers, employees, or agents be liable to you for any loss resulting from Manufacturer Goods.

5.3 Warranty Limitations. Other than as expressly set forth above, HDS does not make any express or implied warranties, conditions, or representations to you, any of your affiliates, or any other party with respect to any hardware and software (including the Hardware and Software or any combination thereof), or the Services, or any other services or products provided under the Agreement or otherwise, whether oral or written, express, implied, or statutory. Without limiting the foregoing, any implied warranty or condition of merchantability, noninfringement, or fitness for a particular purpose is expressly excluded and disclaimed. HDS does not represent that any hardware or software (including the Hardware or the Software) will satisfy your requirements, that any software is without defect or error, that any software will operate with your other hardware or software, or that copies of any software will possess functional integrity. You are responsible for complying with all laws, rules and regulations governing Services or Deliverables.

5.4 Damages Limitation. In no event shall HDS, its subsidiaries, affiliates, directors, officers, employees, or agents be liable for any loss of data or incidental, special, exemplary, or consequential damages based on any theory of contract, tort, strict liability, negligence, or otherwise, even if HDS has been advised of the possibility of such damages except for bodily injury or property damage. HDS's cumulative liability to you for all claims relating to the Agreement shall not exceed the total amount of all fees paid to HDS hereunder for the six (6) months preceding the event that gave rise to the claim; provided, however, to the extent the claim is covered by HDS insurance, HDS's cumulative liability to you for such claim shall not exceed the amount of the insurance limits plus the total amount of all fees paid to HDS hereunder for the six (6) months preceding the event that gave rise to the claim. HDS shall carry General Liability insurance in the amount of at least \$1 million per occurrence and \$2 million in the aggregate. Any claim by you against HDS, under this Agreement or otherwise, must be brought within one (1) year of the event that gave rise to the claims.

6. INDEMNIFICATION. Both Parties hereby agree to hold harmless and indemnify the other Party, its subsidiaries, affiliates, directors, officers, employees, or agents from any and all expenses, losses, and damages, including legal fees, incurred as a result of claims by third parties against a Party resulting from the other Party's use of any hardware, software, products, or information furnished by you to HDS (e.g., claims of patent infringement, copyright infringement, unfair trade practices or competition, or appropriation of proprietary information).

7. TERM AND TERMINATION.

7.1. Term. This Agreement shall commence only when the Quote is signed by you, and any amounts payable to HDS on signing are paid in full. Unless earlier terminated pursuant to the terms set forth in this Section 7, this Agreement shall remain in effect until terminated as provided in Section 7.2 below.

7.2. Termination. Either party may terminate the Agreement at any time upon giving written notice as follows: (a) in the event that the other party fails to discharge any obligations or remedy any default under the Agreement for a period of fifteen (15) days after the notifying party has given the other party written notice specifying such failure or default, and such failure or default is not cured during this fifteen (15) day period; (b) in the event that the other party makes an assignment for the benefit of creditors, or commences or has commenced against it any proceeding in bankruptcy, insolvency, or reorganization pursuant to bankruptcy laws or laws of debtor's moratorium; or (c) after 30 days' notice for any reason.

7.3. Post-Termination Rights. Termination of the Agreement shall not limit either party from pursuing other remedies available to it, including injunctive relief, nor shall such termination relieve you of your obligation to pay all fees that have occurred or are otherwise owed by you under the terms of the Agreement.

8. GENERAL PROVISIONS.

8.1 Relationship of Parties. The Agreement shall not be construed to create

any employment relationship, partnership, joint venture, or agency relationship or to authorize either party to enter into any commitment or agreement which is binding on the other party.

8.2 Non-solicitation. During the term of this Agreement and for one (1) year thereafter, neither Party shall encourage or solicit any employee of the other Party to leave the other Party for any reason or to accept engagement with any other person or entity. As part of this restriction, neither Party shall (a) interview or provide any input to any third party regarding any such person during such time period, or (b) retain or hire, either directly or indirectly, any person who is or was employed by the other Party at any time during the term of this Agreement and one (1) year after the termination of this Agreement.

8.3 Assignment. Neither Party may assign, sublicense, or otherwise transfer the Agreement, or any of your rights or obligations under the Agreement, to any party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. The Agreement shall be binding upon and inure to the benefits of the parties, their legal representatives, permitted transferees, successors, and assigns as permitted by the Agreement.

8.4 No Waiver. No delay or failure in exercising any right hereunder and no partial or single exercise thereof shall be deemed to constitute a waiver of such right or any other rights hereunder. No consent to a breach of any express or implied term of the Agreement shall constitute consent to any prior or subsequent breach.

8.5 Notices. All notices required to be given hereunder shall be given in writing and shall be delivered to the signatory at the address set forth in the Quote, or such other person and address as may be designated from time to time in writing, either (a) by hand, (b) by certified mail with proper postage affixed thereto, (c) by nationally recognized overnight courier, or (d) by facsimile (with confirmation copy subsequently sent to the other party by registered mail). All such communications shall be deemed received by the other party upon the earlier of actual receipt or actual delivery.

8.6 Severability. If any provision of this Agreement is declared invalid by a court of competent jurisdiction, such provision shall be ineffective only to the extent of such invalidity, so that the remainder of that provision and all remaining provisions of these terms and conditions shall be valid and enforceable to the fullest extent permitted by applicable law.

8.7 Force Majeure. Neither party shall be liable for delay in any of its performance hereunder due to causes beyond its reasonable control, including but not limited to, an act of God, war, or a natural disaster.

8.8 Governing Law. The Agreement shall be governed and interpreted in accordance with the laws of the State of Michigan without regard to its conflicts of laws principles. You consent to submit to the exclusive jurisdiction of the state and federal courts in the State of Michigan.

8.9 Complete Agreement. These terms and conditions, and all exhibits signed by you, if any, supersede in full all prior discussions and agreements, oral and written, between the parties and constitutes the entire understanding of the parties relating to the matters set forth herein.

8.10 Amendment or Modification. No amendment or modification of these terms and conditions or any exhibit, if any, signed by you shall be valid or binding upon the parties unless it is in writing and signed by the duly authorized officers of the parties.

8.11 Conflicts. In the event of any discrepancies between the Quote, these Standard Terms and Conditions, or an exhibit, if any, these terms and conditions shall prevail unless such other document specifically states that it is intended to prevail over these Standard Terms and Conditions.

8.12 Export Controls. You may be subject to, and are solely responsible for complying with, restrictions and controls imposed by the U.S. Export Administration Act, as amended, and agree to comply with applicable export and import control laws and regulations issued from time to time by the U.S. Department of Commerce and other governmental agencies, foreign or domestic.