

ADDENDUM
SALES AGREEMENT
DAKTRONICS, INC
&
TEXAS A&M UNIVERSITY

This addendum ("Addendum") amends and supplements the Sales Agreement ("Agreement") between Daktronics, Inc. ("Daktronics") and Texas A&M University, a member of The Texas A&M University System, an agency of the State of Texas ("Purchaser"). All terms used herein and not otherwise defined shall have the meaning as in the Agreement. In the event of any conflict in the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall in all aspects govern and control. Both parties agree the Agreement is hereby amended and supplemented as follows:

Daktronics Standard Terms and Conditions of Sale

Section 2 Index of Documents, item c, remove "Or in the case of web-based software, Daktronics Software as a Service Agreement DD-2688225 (<http://www.daktronics.com/TermsConditions/DD2688225>)".

Section 5 Payment Terms, next to last sentence regarding Purchaser obligation to Daktronics for costs incurred in enforcing this Agreement is deleted in its entirety.

Section 7. Delivery and Risk of Loss. The first sentence is deleted and replaced with the following: "All purchases shall be delivered FCA Purchaser's facility (Incoterms® 2010)."

Section 14. Confidentiality. This section is deleted in its entirety and replaced with the following:

To the greatest extent permitted by law, Purchaser shall consider all nonpublic information furnished by Daktronics to be confidential ("Confidential Information"), and shall use the same efforts to protect Confidential Information as Purchaser uses to protect its own confidential information of a similar nature, but not less than a reasonable degree of care. "Confidential Information" does not include any information that: (1) is or becomes publicly known or available other than as a result of a breach of this Section 14 by Purchaser; (2) was already in the possession of Purchaser as the result of disclosure by an individual or entity that was not then obligated to keep that information confidential; (3) Daktronics had disclosed or discloses to an individual or entity without confidentiality restrictions; or (4) Purchaser had developed or develops independently before or after Daktronics discloses equivalent information to Purchaser. If Purchaser is legally required to disclose Confidential Information, Purchaser shall, to the extent allowed by law, promptly give Daktronics written notice of the requirement so as to provide Daktronics a reasonable opportunity to pursue appropriate process to prevent or limit the disclosure. If Purchaser complies with the terms of this Section 14, disclosure by Purchaser of that portion of the Confidential Information which Purchaser is legally required to disclose will not constitute a breach of this Agreement. Purchaser is not required to pursue any claim, defense, cause of action, or legal process or proceeding on Daktronics' behalf. This Section 14 will survive the termination of this Agreement for a period of three years.

Section 16. Default. The following is added to this Section 16: "Purchaser may terminate this Agreement effective upon written notice to Daktronics if Daktronics breaches any material term of this Agreement and fails to cure the breach within 30 days after receiving written notice of the breach. If the breach is incurable, Purchaser may terminate this Agreement effective immediately upon written notice to Daktronics."

Section 19. Limitation of Liability. Purchaser agrees to this Section 19 to the extent permitted by the Constitution and laws of the State of Texas. The first and second sentences are deleted and the following is added to the third sentence: "EXCEPT AS TO DAKTRONICS' INDEMNITY OBLIGATIONS UNDER SECTION 17,..."

Section 23. Taxes. Purchaser agrees to this Section 23 to the extent permitted by the Constitution and laws of the State of Texas.

Section 25. Governing Law. This section is deleted in its entirety and replaced with the following: This Agreement is construed under and in accordance with the laws of the State of Texas, and is performable in Brazos County, Texas. In addition, by statute (Texas Education Code §85.18), mandatory venue for all legal proceedings against Purchaser is to be in the county in which the principal office of the governing officer is located. At execution of this Agreement, such county is Brazos County, Texas.

27. Insurance. Daktronics shall obtain and maintain, for the duration of this Agreement or longer, the minimum insurance coverage set forth below. With the exception of Professional Liability (E&O), all coverage shall be written on an occurrence basis. All coverage shall be underwritten by companies authorized to do business in the State of Texas or eligible surplus lines insurers operating in accordance with the Texas Insurance Code and have a financial strength rating of A- or better and a financial strength rating of VII or better as measured by A.M. Best Company or otherwise acceptable to Purchaser. By requiring such minimum insurance, Purchaser shall not be deemed or construed to have assessed the risk that may be applicable to Daktronics under this Agreement. Daktronics shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverage. Daktronics is not relieved of any liability or other obligations assumed pursuant to this Agreement by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types. No policy will be canceled without unconditional written notice to Purchaser at least ten days before the effective date of the cancellation.

Insurance:

<u>Coverage</u>	<u>Limit</u>
A. <u>Worker's Compensation</u>	
Statutory Benefits (Coverage A)	Statutory
Employers Liability (Coverage B)	\$1,000,000 Each Accident

\$1,000,000 Disease/Employee
\$1,000,000 Disease/Policy Limit

Workers' Compensation policy must include under Item 3.A. on the information page of the workers' compensation policy the state in which work is to be performed for Purchaser. Workers' compensation insurance is required, and no "alternative" forms of insurance will be permitted.

B. Automobile Liability

Business Auto Liability Insurance covering all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 Single Limit of liability per accident for Bodily Injury and Property Damage;

C. Commercial General Liability

Each Occurrence Limit	\$1,000,000
General Aggregate Limit	\$2,000,000
Products / Completed Operations	\$1,000,000
Personal / Advertising Injury	\$1,000,000
Damage to rented Premises	\$300,000
Medical Payments	\$5,000

The required commercial general liability policy will be issued on a form that insures Daktronics' or its subcontractors' liability for bodily injury (including death), property damage, personal and advertising injury assumed under the terms of this Agreement.

Additional Endorsements

The Auto and Commercial General Liability Policies shall name The Texas A&M University System Board of Regents for and on behalf of The Texas A&M University System and Texas A&M University as additional insured's.

D. Daktronics will deliver to Purchaser:

Evidence of insurance on a Texas Department of Insurance approved certificate form verifying the existence and actual limits of all insurance after the execution and delivery of this Agreement and prior to the performance of any services by Daktronics under this Agreement. Additional evidence of insurance will be provided on a Texas Department of Insurance approved certificate form verifying the continued existence of all required insurance no later than thirty (30) days after each annual insurance policy renewal.

All insurance policies, with the exception of worker's compensation, employer's liability and professional liability will be endorsed and name The Board of Regents for and on behalf of The Texas A&M University System, The Texas A&M University System and Purchaser as Additional Insureds up to the actual liability limits of the policies maintained by Daktronics. Commercial General Liability and Business Auto Liability will be endorsed to provide primary and non-contributory coverage. The Commercial General Liability Additional Insured endorsement will include on-going and completed operations and will be submitted with the Certificates of Insurance.

All insurance policies will be endorsed to provide a waiver of subrogation in favor of The Board of Regents of The Texas A&M University System, The Texas A&M University System and Purchaser. No policy will be canceled without unconditional written notice to Purchaser at least ten days before the effective date of the cancellation. All insurance policies will be endorsed to require the insurance carrier providing coverage to send notice to Purchaser ten days prior to the effective date of cancellation, material change, or non-renewal relating to any insurance policy required in this Section 27.

Any deductible or self-insured retention must be declared to and approved by Purchaser prior to the performance of any services by Daktronics under this Agreement. Daktronics is responsible to pay any deductible or self-insured retention for any loss. All deductibles and self-insured retentions will be shown on the Certificates of Insurance.

Daktronics is required to secure an installation floater on equipment to be installed for full replacement value covering the property on an all risk coverage form for direct physical loss. Provider shall be listed as a loss payee on such policy.

Certificates of Insurance and Additional Insured Endorsements as required by this Agreement will be mailed, faxed, or emailed to the following Purchaser contact:

Department of Contract Administration
Texas A&M University
1182 TAMU
College Station, Texas 77843-1182
Facsimile: (979) 862-7130
Email: contracts@tamu.edu

Except as otherwise provided above, Daktronics must keep the insurance coverage required under this Agreement in force until all services have been fully performed and accepted by Purchaser in writing.

28. Access by Individuals with Disabilities. Daktronics represents and warrants that the electronic and information resources and all associated information, documentation, and support that it provides to Purchaser under this Agreement (collectively, the "EIRs") comply with the applicable requirements set forth in Title 1, Chapter 213 of the Texas Administrative Code and Title 1, Chapter 206, §206.70 of the Texas Administrative Code (as authorized by Chapter 2054, Subchapter M of the Texas Government Code). To the extent Daktronics becomes aware that the EIRs, or any portion thereof, do not comply, then Daktronics shall, at no cost to Purchaser, either (1) perform all necessary remediation or (2) replace the EIRs with new EIRs.

Daktronics Warranty & Limitation of Liability

Section 1. Warranty Coverage. In Section A, the second sentence is deleted and replaced with the following: "The Warranty Period shall commence upon Substantial Completion as defined herein." In Section B, the third sentence is deleted. In Section D, in the first sentence "or serviceably used" is deleted and "the remainder of the warranty period" is replaced with "one year from installation of the replacement part or Equipment."

Section 5. Governing Law. This section is deleted in its entirety and replaced with the following: This Agreement is construed under and in accordance with the laws of the State of Texas, and is performable in Brazos County, Texas. In addition, by statute (Texas Education Code §85.18), mandatory venue for all legal proceedings against Purchaser is to be in the county in which the principal office of the governing officer is located. At execution of this Agreement, such county is Brazos County, Texas.

Daktronics Software License Agreement

5. The second paragraph of Section 5 is deleted and replaced with the following: "In the event of breach or threatened breach or intended breach of this Section 5, Daktronics, in addition to any other rights and remedies available to it, may seek injunctive or equitable relief."

9.2 "NON-INFRINGEMENT" is deleted from Section 9.2.

10.1 The following is added to the end of Section 10.1: "where the Software alone would not be infringing, except where such combination is normal or reasonably anticipated in the Documentation or Daktronics' marketing materials."

10.2 Purchaser agrees to Section 10.2 to the extent permitted by the Constitution and laws of the State of Texas.

14. The second-to-last sentence of Section 14 is deleted and replaced with the following: "This Agreement is construed under and in accordance with the laws of the State of Texas, and is performable in Brazos County, Texas. In addition, by statute (Texas Education Code §85.18), mandatory venue for all legal proceedings against Licensee is to be in the county in which the principal office of the governing officer is located. At execution of this Agreement, such county is Brazos County, Texas."

The following terms are incorporated for all purposes into the Daktronics Standard Terms and Conditions of Sale, the Daktronics Warranty & Limitation of Liability, and the Daktronics Software License Agreement. When applicable to the Daktronics Software License Agreement, "Purchaser" means "Licensee":

Under Section 231.006, *Texas Family Code*, the vendor or applicant certifies that the individual or business entity named in this contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate.

Pursuant to Section 2252.903, *Texas Government Code*, Daktronics agrees that any payments owing to Daktronics under this Agreement may be applied directly toward certain debts or delinquencies that Daktronics owes the State of Texas or any agency of the State of Texas regardless of when they arise, until such debts or delinquencies are paid in full.

If Daktronics is a taxable entity subject to the Texas Franchise Tax (Chapter 171, *Texas Tax Code*), then Daktronics certifies that it is not currently delinquent in the payment of any franchise (margin) taxes or that Daktronics is exempt from the payment of franchise (margin) taxes.

Daktronics understands that acceptance of funds under this Agreement constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, "Auditor"), to conduct an audit or investigation in connection with those funds pursuant to Section 51.9335(c), *Texas Education Code*. Daktronics agrees to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation, providing all records requested. Daktronics will include this provision in all contracts with permitted subcontractors.

Daktronics expressly acknowledges that Purchaser is an agency of the State of Texas and nothing in this Agreement will be construed as a waiver or relinquishment by Purchaser of its right to claim such exemptions, privileges, and immunities as may be provided by law.

Daktronics acknowledges that Purchaser may request a consultant to perform a criminal background check on any employee and/or representative of Daktronics who conducts business pursuant to this Agreement on the campus of Purchaser.

By executing and/or accepting this Agreement, Daktronics and each person signing on behalf of Daktronics certifies, and in the case of a sole proprietorship, partnership or corporation, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of their knowledge and belief, no member of The Texas A&M University System ("TAMUS") or TAMUS Board of Regents, nor any employee, or person, whose salary is payable in whole or in part by Purchaser or TAMUS, has direct or indirect financial interest in the award of this Agreement, or in the services to which this Agreement relates, or in any of the profits, real or potential, thereof.

Daktronics must use the dispute resolution process provided in Chapter 2260 of the Texas Government Code to attempt to resolve a dispute arising under this Agreement and is a required prerequisite to suit in accordance with Chapter 107, Texas Civil Practices and Remedies Code. Daktronics must submit written notice of a claim of breach of contract to the University Contracts Officer, Purchaser.

PUBLIC INFORMATION ACT:

(a) Daktronics acknowledges that Purchaser is obligated to strictly comply with the Public Information Act, Chapter 552, *Texas Government Code*, in responding to any request for public information pertaining to this Agreement, as well as any other disclosure of information required by applicable Texas law.

(b) Upon Purchaser's written request, Daktronics will provide specified public information exchanged or created under this Agreement that is not otherwise excepted from disclosure under chapter 552, Texas Government Code, to Purchaser in a non-proprietary format acceptable to Purchaser. As used in this provision, "public information" has the meaning assigned Section 552.002, *Texas Government Code*, but only includes information to which Purchaser has a right of access.

(c) Daktronics acknowledges that Purchaser may be required to post a copy of the fully executed Agreement on its Internet website in compliance with Section 2261.253(a)(1), *Texas Government Code*.

Daktronics, Inc

Texas A&M University

Signature _____
Name: Sheila Anderson
Title: CFO & Treasurer
Date: 4/27/17

Signature _____
Name: Jerry R. Strawser
Title: Executive Vice President for Finance and
Administration and Chief Financial Officer
Date: 04/24/17

Signature _____
Name: Seth Hansen
Title: VP of Project Management
Date: 4/27/17

DAKTRONICS STANDARD TERMS & CONDITIONS OF SALE

Unless otherwise defined herein, all defined terms within these Standard Terms and Conditions of Sale shall have the same meaning and definition as provided elsewhere in the Contract Documents. The Contract Documents collectively may also be referred to as "the Agreement"

1. Scope of the Work. The scope of the obligations of Daktronics, defined herein as the "Work," includes: the Equipment; the Warranty; any licensed Software; installation and project management services provided in connection with the Equipment, if any, and any Extended Services as provided in the Quote or Sales Agreement (collectively, the "Services"). The obligations of Daktronics in this Agreement are subject to the express condition precedent that Purchaser shall perform its obligations under the Agreement.

2. Index of Documents.

- a. The Sales Agreement OR the Quote, as applicable
- b. Daktronics Standard Terms and Conditions of Sale SL-02375 (http://www.daktronics.com/terms_conditions/SL-02375.pdf)
- c. Daktronics Software License Agreement SL-07862 (http://www.daktronics.com/terms_conditions/SL-07862.pdf) OR in the case of web-based software, Daktronics Software as a Service Agreement DD-2688225 (<http://www.daktronics.com/TermsConditions/DD2688225>)
- d. Daktronics Warranty and Limitation of Liability (the "Warranty")

The applicable documents referred to in this section shall be construed with, and as an integral part of, this document to the same extent as if they were set forth verbatim herein.

3. Change Orders. The parties, without invalidating the Agreement, may modify the scope of the Work. The modifications shall be referred to as "Change Orders." The parties shall mutually agree in writing as to the cost or credit from a Change Order as well as any modifications in delivery time; which written agreement shall be an express condition precedent to the effectiveness of any Change Order. Daktronics shall not perform any Change Order or change directive or any other such modification order without the prior written approval of both parties.

4. Software. The term "Software" means the original computer software program and all whole or partial copies of the software program in whatever form or media provided. The Software consists of, but is not limited to, machine-readable instructions, its components, manuals and other such documentation, data, audio-visual content, (such as images, text, recordings, or pictures), and all other related materials provided pursuant to the terms and conditions of this Agreement. Web-based software is licensed to the Purchaser by Daktronics Software as a Service ("SaaS") Agreement DD-2688225. All other Software, including firmware, which is furnished to Purchaser is licensed to the Purchaser per the terms and conditions of the Software License Agreement SL-07862.

5. Payment Terms. Unless otherwise stated in the executed Quote or Sales Agreement, payment terms shall be "pay with order." Daktronics will include a monthly service charge of 1.5% per month on amounts outstanding after the due date. Daktronics may accept partial payment in an amount less than the full amount of any invoice, but such acceptance shall not constitute a waiver of Daktronics' right to collect the remaining balance, notwithstanding Daktronics' endorsement of a check or other negotiable instrument. Purchaser shall be liable for any and all costs and expenses (including attorney's fees) incurred by Daktronics in enforcing any provision of this Agreement. Daktronics will not honor any back charges unless approved, in advance, in writing by Daktronics.

6. Cancellation. In the case of a cancellation for convenience, Daktronics may, in its sole discretion, charge: (i) for custom Equipment, all costs incurred plus reasonable overhead and profit for work performed up to the effective date of termination; and, (ii) for standard Equipment, a cancellation and restocking fee of up to 50% of the Purchase Price.

7. Delivery and Risk of Loss. Unless otherwise stated, all purchases shall be delivered FCA Daktronics' facility (Incoterms® 2010). Daktronics shall coordinate the shipment of the Equipment and shall ship the Equipment in accordance with Purchaser's instructions. Risk of loss to the Equipment shall pass to Purchaser in accordance with the applicable shipping terms. If for any reason Purchaser is not able to take delivery of the Equipment, Daktronics may, at its sole discretion, store the equipment. All costs of the storage, including taxes and insurance, shall be immediately payable by Purchaser upon demand by Daktronics. Notwithstanding the above, and unless otherwise specifically noted, Purchaser shall determine any export license requirements, obtain any export license or other official authorization, and carry out any customs formalities for the export of the Equipment.

8. Installation. Subject to the terms and conditions of the Agreement, the Purchaser shall perform its respective obligations, if any, as designated in the Contract Documents. Purchaser shall fully cooperate with Daktronics in connection with the installation of the Equipment. The Purchaser agrees and acknowledges that Daktronics may subcontract any of the Services to third parties selected by Daktronics; provided, however (i) nothing herein shall create any contractual relationship between the Purchaser and any subcontractor; and (ii) Daktronics shall be fully responsible hereunder for the performance, actions and omissions of Daktronics' employees, all subcontractors and all other persons or entities performing any of the Services on the project described herein, as if such performance, actions and omissions were those of Daktronics.

9. Acceptance; Substantial Completion. "Acceptance" shall be defined as follows: (i) in the case of the sale of Equipment without installation by Daktronics, Acceptance will occur upon delivery of the Equipment; (ii) in the case of the sale of Equipment with installation by Daktronics, Acceptance will occur upon: (a) Substantial Completion (as defined below); and (b) the provision of all Services in accordance with the requirements of this Agreement, (except services which are on-going in nature, such as Warranty services); (c) the completion and documentation of testing and other reviews demonstrating that the Equipment and the Services meet all the requirements of this Agreement; and (d) delivery to the Purchaser of such testing and review documentation.

"Substantial Completion" means the operational availability of the Equipment to the Purchaser in material accordance with its specifications, without regard to punch-list items, or other non-substantial items which do not affect the operation of the Equipment.

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10. Title. Title to the Equipment shall pass from Daktronics to the Purchaser upon Acceptance. No transfer, renewal, extension or assignment of this Agreement or of any interest therein shall operate as a payment or transfer of title to the Purchaser or in any manner relieve the Purchaser of its obligations. No title shall pass to Purchaser with respect to Software, which is furnished solely on a license basis.

11. Security Interest. As collateral security for the payment of the Purchase Price of the Equipment, Purchaser hereby grants to Daktronics a security interest in and to all of the right, title and interest of Purchaser in, to and under the Equipment. Where permitted by law, the parties acknowledge that the security interest granted under this provision constitutes a purchase money security interest. Upon request, Purchaser shall execute and deliver such further documents as reasonably requested by Daktronics to preserve and perfect such security interests.

12. Warranty. The Warranty and Limitation of Liability (the "Warranty"), is the complete and final warranty with regard to the Equipment. Purchaser acknowledges and agrees that the provisions of the Warranty constitute the sole and exclusive remedy available to it with regard to said defective Equipment.

13. Warranty Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THE AGREEMENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, DAKTRONICS DISCLAIMS ANY AND ALL OTHER PROMISES, REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SYSTEM INTEGRATION AND/OR DATA ACCURACY. Critical and unforeseeable factors beyond the control of Daktronics prevent it from eliminating all risks in connection with the use of the Equipment. Purchaser acknowledges and assumes all risks and liability resulting from the handling, storage and use of the Equipment. The Warranty shall become null and void if the Purchaser alters the Equipment or the Software in a manner inconsistent with the specifications of the Equipment or the Software. Further, the Warranty shall become null and void if the Purchaser, its employees, representatives, or subcontractors (not Daktronics) improperly repairs or alters the Equipment in a manner inconsistent with the Equipment manufacturer's standards or recommendations.

14. Confidentiality. To the greatest extent permitted by law, Purchaser shall consider all information, including the terms and conditions of this Agreement, furnished by Daktronics to be confidential ("Confidential Information"), and shall not disclose any such information to any other person, or use such information itself for any purpose other than fulfillment of this Agreement, unless Purchaser obtains written permission from Daktronics to do so. This confidentiality requirement shall apply, but is not limited, to: drawings, specifications, or other documents prepared by Daktronics for Purchaser under this Agreement. Purchaser shall provide Confidential Information only to those of its agents, contractors and employees who have been informed of the requirements of this paragraph and have agreed to be bound by them. Purchaser agrees not to disclose, publish, disseminate, or otherwise permit any unauthorized use of, or access to, any of the Confidential Information in any way except with the written consent of Daktronics. Purchaser further agrees: (i) not to make any use whatsoever at any time of such Confidential Information other than stated herein except to evaluate internally its relationship with Daktronics, and (ii) not to copy or reverse engineer any such Confidential Information. The provisions of this paragraph shall survive termination of the Agreement.

15. Use of Image. Purchaser permits Daktronics to photograph, make reference to, or take video of the project site, including both the completed work and the work in progress, for purposes including, but not limited to, use in website and marketing materials, provided that Daktronics may not, without prior written consent, do so in a manner which implies endorsement by Purchaser.

16. Default. Daktronics reserves the right to terminate this contract and accelerate all amounts due and payable if Purchaser fails to make payment to Daktronics within ten days of the agreed payment dates or otherwise fails to comply with this Agreement, or if any proceeding is filed by or against Purchaser in bankruptcy. Daktronics reserves all its rights (both legal and equitable) under the contract, applicable statutes, or the common law. Selection of a remedy by Daktronics shall in no way be construed as a waiver of other remedies available to Daktronics. If Purchaser fails to perform any covenant or obligation under this Agreement or any other agreement that Purchaser has with Daktronics, including without limitation the failure to pay when due any amounts owed to Daktronics under this Agreement or any other agreement between the parties, Daktronics shall be excused from the performance of any of its obligations under this Agreement and any other Agreement it has with the Purchaser until such time as said default is cured, if ever. Except as otherwise provided in this Agreement, Purchaser shall perform its payment obligations under this Agreement without setoff, deduction, recoupment or withholding of any kind for amounts owed or payable to Daktronics, whether under this Agreement or a separate agreement between the Parties.

17. Indemnity. Daktronics shall indemnify, defend and hold harmless the Purchaser and their respective subsidiaries, officers, directors, shareholders, partners, employees, agents, insurers, successors and assigns from any and all liability, losses, damages, costs or expenses (collectively, "Losses") arising out of: (i) any negligent act or omission by Daktronics or its personnel, agents, subcontractors, or others engaged by Daktronics or under Daktronics' control; (ii) any claim against any indemnified party by reason of or alleging any unauthorized or infringing use by an indemnified party of any patent, process, trade secret, copyright, trademark, or other intellectual property right in any material, information, technology, process, or data regarding the Equipment or the Software and its components; or, (iii) any fine or assessment with respect to any violation or alleged violation of any applicable laws regarding safety or health.

To the greatest extent permitted by law, the Purchaser shall indemnify, defend and hold harmless Daktronics and its subsidiaries, officers, directors, shareholders, partners, representatives, employees, agents, insurers, successors and assigns of each of the foregoing from any and all Losses arising out of: (i) any negligent act or omission by the Purchaser or its personnel, agents, subcontractors, or others engaged by the Purchaser or under their control (other than Daktronics or its personnel, agents, subcontractors, or others engaged by Daktronics or under Daktronics' control), or (ii) any claim against Daktronics by reason of or alleging any unauthorized or infringing use by Daktronics of any copyright, trademark, or other intellectual property right in any material, information, technology, process, or data provided by Purchaser and used by Daktronics at the direction of the Purchaser.

18. Existing Structure. Except to the extent Daktronics is specifically responsible for any structural element per the Agreement, Purchaser represents and warrants that the existing structure, including without limitation any existing steel, walls, columns, trusses, footings, hoists attachment points, wiring, power

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supplies, or any other foundation or existing structural elements (the "Existing Structure") shall be adequate to support the weight, size, windload, and all other technical specifications of the Equipment and shall hold Daktronics harmless from any failure of any Existing Structure.

19. **Limitation of Liability.** Daktronics' liability shall be limited solely to the repair or replacement of the Equipment or giving credit for the Equipment under the warranty clause herein, if the applicable warranty period described in that clause has not expired. The damage limitation provided in this Agreement and the remedies stated herein shall be exclusive and shall be Purchaser's sole remedies. THE PARTIES AGREE THAT IN NO EVENT WHATSOEVER SHALL THE LIABILITY OF EITHER PARTY EXCEED THE AMOUNT OF THE PURCHASE PRICE. IT IS AGREED THAT IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES, REGARDLESS OF CAUSE, WHETHER SUCH LOSSES ARISE DIRECTLY OR INDIRECTLY FROM THE OTHER PARTY'S ACTS, OMISSIONS, OR BREACH. For the purposes of this Agreement, the Parties agree that "Consequential Damages" include, but are not limited to, loss of use, loss of profit, loss of business opportunity, and loss of advertising revenue. Purchaser explicitly accepts the provisions of this paragraph in return for the prices granted under the Agreement. Purchaser understands and agrees that the prices granted herein would be higher in the absence of this limitation of liability. No action against Daktronics shall be commenced more than one year after the accrual of the cause of action. Daktronics shall have no liability with respect to claims relating to or arising from use of third-party products and services.

20. **Force Majeure.** Daktronics shall be excused from any liability under this Agreement for any delay in performance or failure to perform which delay or failure to perform is caused by circumstances which are beyond the reasonable control of Daktronics, including without limitation acts of God, natural disaster, labor or material shortages, war, earthquakes, or acts of terrorism.

21. **Assignment.** Unless otherwise stated, the Purchaser may not assign this Agreement, or any portion thereof, without the written consent of Daktronics. Daktronics reserves the right to, without the consent of Purchaser, assign any of its rights and delegate any of its duties under this Agreement to a subsidiary or parent company of Daktronics. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns.

22. **Acceptance of Terms.** Daktronics' acceptance of Purchaser's order is on the express condition that only the terms and conditions set forth in the Agreement shall apply to the sale. Any term, provision or condition in conflict with, in addition to, or in modification of any of the terms and conditions of the Agreement shall not be binding upon Daktronics. Daktronics' failure to object to any term or condition contained in any communication from Purchaser shall not be deemed a waiver of the terms and conditions herein.

23. **Taxes.** Unless otherwise stated, the Purchase Price is exclusive of federal, state and local taxes, including without limitation sales, use, excise, privilege, transactional, gross receipts, ad valorem or any other transactional tax or customs and duties ("Tax" or "Taxes") paid or payable by Daktronics, however designated, levied or based on amounts payable to Daktronics under or in connection with this Agreement. Purchaser shall immediately pay upon demand the full amount of any such applicable Tax and shall hold harmless and indemnify Daktronics from the claims of any governmental authority asserting that any such Tax is due and payable. Purchaser must present an exemption certificate if it claims any exemption from Tax. Absent presentation of an exemption certificate, all applicable Taxes shall be added to the Purchase Price of the Equipment.

24. **Anti-corruption.** The Parties agree that neither Party nor any of its respective subsidiaries nor, to that Party's knowledge, any other person associated with or acting on behalf of that Party, including, without limitation, any director, officer, agent, employee or affiliate of the Party or any of its subsidiaries has (i) made any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity or to influence official action; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee; (iii) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment; or (iv) violated or is in violation of any anti-bribery, anti-corruption or any other applicable statute including, without limitation, the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Anti-Bribery Act, the anti-corruption provisions of the Chinese Criminal Law, or any other applicable anti-corruption act, as amended, and the rules and regulations thereunder. Purchaser represents that it has instituted and maintains policies and procedures designed to ensure compliance therewith. Purchaser grants to Daktronics the right to audit and review, upon reasonable notice, the books and records of the Purchaser to ensure compliance with this provision. Any audit shall be performed at Daktronics sole cost and expense. Purchaser shall produce, reproduce, copy or transmit any record requested by Daktronics. Failure by Purchaser to comply with this section or any audit request by Daktronics shall constitute grounds for an immediate termination of this Agreement. Upon termination for a violation of this section, neither party shall owe the other party any further obligation notwithstanding any other provision contained herein.

25. **Governing Law.** This Agreement shall be governed by the laws of the state of South Dakota without regard to its conflict of law principles, and the parties consent to the jurisdiction and venue of the courts of South Dakota for any action, suit or proceeding. The parties agree that the United Nations Convention on the International Sale of Goods shall not apply to this Agreement.

26. **Miscellaneous.** This Agreement represents the entire agreement of the parties and supersedes any previous understanding or agreement. This Agreement may not be amended or altered in any manner except in a writing signed by both parties. This Agreement may be executed in counterparts. Except as otherwise explicitly set forth in this Agreement, each party hereto shall pay its own expenses, including without limitation accounting and attorneys' fees, in connection with this Agreement. The Purchaser and Daktronics are not partners or joint venturers. If any part of this Agreement is in any manner held to be invalid, illegal, void, or to be in conflict with any law, then the validity of the remaining portions or provisions of this Agreement shall not be affected, and such part, term, paragraph or provision shall be construed and enforced in a manner designed to effectuate the intent expressed in this Agreement to the maximum extent permitted by law. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

DAKTRONICS WARRANTY & LIMITATION OF LIABILITY

This Warranty and Limitation of Liability (the "Warranty") sets forth the warranty provided by Daktronics with respect to the Equipment. By accepting delivery of the Equipment, Purchaser and End User agree to be bound by and accept these terms and conditions. Unless otherwise defined herein, all terms within the Warranty shall have the same meaning and definition as provided elsewhere in the Agreement.

DAKTRONICS WILL ONLY BE OBLIGATED TO HONOR THE WARRANTY SET FORTH IN THESE TERMS AND CONDITIONS UPON RECEIPT OF FULL PAYMENT FOR THE EQUIPMENT.

1. Warranty Coverage

A. Daktronics warrants to the original end user (the "End User") that the Equipment will be free from Defects (as defined below) in materials and workmanship for a period of one (1) year (the "Warranty Period"). The Warranty Period shall commence on the earlier of: (i) four weeks from the date that the Equipment leaves Daktronics' facility; or (ii) Substantial Completion as defined herein. The Warranty Period shall expire on the first anniversary of the commencement date.

"Substantial Completion" means the operational availability of the Equipment to the End User in accordance with the Equipment's specifications, without regard to punch-list items, or other non-substantial items which do not affect the operation of the Equipment.

B. Daktronics' obligation under this Warranty is limited to, at Daktronics' option, replacing or repairing, any Equipment or part thereof that is found by Daktronics not to conform to the Equipment's specifications. Unless otherwise directed by Daktronics, any defective part or component shall be returned to Daktronics for repair or replacement. This Warranty does not include on-site labor charges to remove or install these components. Daktronics may, at its option, provide on-site warranty service. Daktronics shall have a reasonable period of time to make such replacements or repairs and all labor associated therewith shall be performed during regular working hours. Regular working hours are Monday through Friday between 8:00 a.m. and 5:00 p.m. at the location where labor is performed, excluding any holidays observed by Daktronics.

C. Daktronics shall pay ground transportation charges for the return of any defective component of the Equipment. All such items shall be shipped by End User DDP Daktronics designated facility. If returned Equipment is repaired or replaced under the terms of this Warranty, Daktronics will prepay ground transportation charges back to End User and shall ship such items DDP End User's designated facility; otherwise, End User shall pay transportation charges to return the Equipment back to the End User and such Equipment shall be shipped Ex Works Daktronics designated facility. All returns must be pre-approved by Daktronics before shipment. Daktronics shall not be obligated to pay freight for any unapproved return. End User shall pay any upgraded or expedited transportation charges.

D. Any replacement parts or Equipment will be new or serviceably used, comparable in function and performance to the original part or Equipment, and warranted for the remainder of the Warranty Period. Purchasing additional parts or Equipment from the Seller does not extend the Warranty Period.

E. Defects shall be defined as follows. With regard to the Equipment (excepting LEDs), a "Defect" shall refer to a material variance from the design specifications that prohibit the Equipment from operating for its intended use. With respect to LEDs, "Defects" are defined as LED pixels that cease to emit light. Unless otherwise expressly provided, this Warranty does not impose any duty or liability upon Daktronics for partial LED pixel degradation. Notwithstanding the foregoing, in no event does this Warranty include LED pixel degradation caused by UV light. This Warranty does not provide for the replacement or installation of communication methods including but not limited to, wire, fiber optic cable, conduit, trenching, or for the purpose of overcoming local site interference radio equipment substitutions.

EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS WARRANTY, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, DAKTRONICS DISCLAIMS ANY AND ALL OTHER PROMISES, REPRESENTATIONS AND WARRANTIES APPLICABLE TO THE EQUIPMENT AND REPLACES ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ACCURACY OR QUALITY OF DATA. OTHER ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY DAKTRONICS, ITS AGENTS OR EMPLOYEES, SHALL NOT CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF THIS LIMITED WARRANTY.

THIS LIMITED WARRANTY IS NOT TRANSFERABLE.

2. Exclusion from Warranty Coverage

This Warranty does not impose any duty or liability upon Daktronics for any:

A. damage occurring at any time, during shipment of Equipment unless otherwise provided for in the Agreement. When returning Equipment to Daktronics for repair or replacement, End User assumes all risk of loss or damage, agrees to use any shipping containers that might be provided by Daktronics, and to ship the Equipment in the manner prescribed by Daktronics;

B. damage caused by: (i) the improper handling, installation, adjustment, use, repair, or service of the Equipment, or (ii) any physical damage which includes, but is not limited to, missing, broken, or cracked components resulting from non-electrical causes; altered, scratched, or fractured electronic traces; missing or gauged solder pads; cuts or clipped wires; crushed, cracked, punctured, or bent circuit boards; or tampering with any electronic connections, provided that such damage is not caused by personnel of Daktronics or its authorized repair agents;

C. damage caused by the failure to provide a continuously suitable environment, including, but not limited to: (i) neglect or misuse; (ii) improper power including, without limitation, a failure or sudden surge of electrical power; (iii) improper air conditioning, humidity control, or other environmental conditions outside of the Equipment's technical specifications such as extreme temperatures, corrosives and metallic pollutants; or (iv) any other cause other than ordinary use;

DAKTRONICS WARRANTY & LIMITATION OF LIABILITY

D. damage caused by fire, flood, earthquake, water, wind, lightning or other natural disaster, strike, inability to obtain materials or utilities, war, terrorism, civil disturbance, or any other cause beyond Daktronics' reasonable control;

E. failure to adjust, repair or replace any item of Equipment if it would be impractical for Daktronics personnel to do so because of connection of the Equipment by mechanical or electrical means to another device not supplied by Daktronics, or the existence of general environmental conditions at the site that pose a danger to Daktronics personnel;

F. statements made about the product by any salesperson, dealer, distributor or agent, unless such statements are in a written document signed by an officer of Daktronics. Such statements as are not included in a signed writing do not constitute warranties, shall not be relied upon by End User and are not part of the contract of sale;

G. damage arising from the use of Daktronics products in any application other than the commercial and industrial applications for which they are intended, unless, upon request, such use is specifically approved in writing by Daktronics;

H. replenishment of spare parts. In the event the Equipment was purchased with a spare parts package, the parties acknowledge and agree that the spare parts package is designed to exhaust over the life of the Equipment, and as such, the replenishment of the spare parts package is not included in the scope of this Warranty;

I. security or functionality of the End User's network or systems, or anti-virus software updates;

J. performance of preventive maintenance;

K. third-party systems and other ancillary equipment, including without limitation front-end video control systems, audio systems, video processors and players, HVAC equipment, batteries and LCD screens;

L. incorporation of accessories, attachments, software or other devices not furnished by Daktronics; or

M. paint or refinishing the Equipment or furnishing material for this purpose.

3. Limitation of Liability

Daktronics shall be under no obligation to furnish continued service under this Warranty if alterations are made to the Equipment without the prior written approval of Daktronics.

It is specifically agreed that the price of the Equipment is based upon the following limitation of liability. In no event shall Daktronics (including its subsidiaries, affiliates, officers, directors, employees, or agents) be liable for any claims asserting or based on (a) loss of use of the facility or equipment; lost business, revenues, or profits; loss of goodwill; failure or increased cost of operations; loss, damage or corruption of data; loss resulting from system or service failure, malfunction, incompatibility, or breaches in system security; or (b) any special, consequential, incidental or exemplary damages arising out of or in any way connected with the Equipment or otherwise, including but not limited to damages for lost profits, cost of substitute or replacement equipment, down time, injury to property or any damages or sums paid to third parties, even if Daktronics has been advised of the possibility of such damages. The foregoing limitation of liability shall apply whether any claim is based upon principles of contract, tort or statutory duty, principles of indemnity or contribution, or otherwise.

In no event shall Daktronics be liable for loss, damage, or injury of any kind or nature arising out of or in connection with this Warranty in excess of the Purchase Price of the Equipment. The End User's remedy in any dispute under this Warranty shall be ultimately limited to the Purchase Price of the Equipment to the extent the Purchase Price has been paid.

4. Assignment of Rights

The Warranty contained herein extends only to the End User (which may be the Purchaser) of the Equipment and no attempt to extend the Warranty to any subsequent user-transferee of the Equipment shall be valid or enforceable without the express written consent of Daktronics.

5. Governing Law

The rights and obligations of the parties under this Warranty shall not be governed by the provisions of the United Nations Convention on Contracts for the International Sales of Goods of 1980. The parties consent to the application of the laws of the State of South Dakota to govern, interpret, and enforce each of the parties' rights, duties, and obligations arising from, or relating in any manner to, the subject matter of this Warranty, without regard to conflict of law principles.

6. Availability of Extended Service Agreement

For End User's protection, in addition to that afforded by the warranties set forth herein, End User may purchase extended warranty services to cover the Equipment. The Extended Service Agreement, available from Daktronics, provides for electronic parts repair and/or on-site labor for an extended period from the date of expiration of this warranty. Alternatively, an Extended Service Agreement may be purchased in conjunction with this Warranty for extended additional services. For further information, contact Daktronics Customer Service at 1-800-DAKTRONICS (1-800-325-8766).

