

## STANDARD TERMS AND CONDITIONS OF SALE

1. **General.** The terms and conditions of sale hereinafter set forth are expressly made part of the quotation and/or acknowledgement of Seller. No purchase order shall be binding until it is acknowledged and accepted by an authorized employee of Seller. Any terms and conditions contained in Buyer's purchase order which are in addition to or inconsistent with the terms and conditions contained herein shall not be binding upon Seller unless they are expressly agreed to by Seller in writing.

2. **Prices.** Unit prices quoted for goods shall be valid for sixty (60) days. Orders received after expiration of that sixty-day period shall be priced as indicated in Seller's acknowledgement of Buyer's order, and those prices shall apply only to the specific quantities and delivery schedule shown in the acknowledgement. Seller reserves the right to invoice items included in blanket orders that have been rescheduled to be shipped more than twelve (12) months from the date of acceptance at the prices prevailing at the time of shipment. Unit prices do not include federal, state, local, excise, privilege, use, occupation or sales taxes, whether domestic or foreign.

3. **Minimum order.** Any orders less than Five Hundred (\$500.00) net shall be billed at five Hundred dollars (\$500.00).

4. **Source Inspection and Testing.** Seller shall furnish, on its premises, all reasonable facilities and assistance necessary for safe and convenient inspection and testing of the ordered goods by Buyer's representative, provided that such inspection and testing are restricted to the end item only and will not delay the scheduled shipment of the order. The charge for the inspection and testing will be five percent (5%) of the value of the goods submitted for inspection or three hundred and fifty dollars (\$350.00), whichever amount is higher.

5. **Terms of Payment.** Unless otherwise agreed by Seller in writing, payment terms are thirty (30) days net from the date of invoice, subject to approval by Seller of the amount and terms of credit, and all payments shall be in United States dollars. Seller reserves the right to require payment in advance or C.O.D. and otherwise to modify credit terms. Each shipment shall be considered a separate and independent transaction and payment therefore shall be made accordingly. When a partial shipment is made, payment therefore shall become due in accordance with the designated payment terms upon submission of an invoice therefore. If, in the sole judgment of Seller, the financial condition of Buyer at any time does not justify continuance of production or shipment on the terms of payment originally specified, Seller may require full or partial payment in advance. In the event Buyer becomes delinquent in its payments to Seller, or in the event of the bankruptcy or insolvency of Buyer, or in the event any proceeding is brought by or against Buyer under bankruptcy or insolvency laws, Seller shall be entitled to cancel any order then outstanding and to declare due and payable all unpaid sums for goods previously delivered to Buyer, and Seller shall be entitled to receive from Buyer payment for Seller's cancellation charges.

If Seller requires payment pursuant to a letter of credit, the letter of credit must be a confirmed irrevocable letter of credit payable at sight by a Maryland bank designated by Seller, against presentation of Seller's draft and corresponding documents. If such a letter of credit is not possible, then a Maryland bank designated by Seller must be the advising bank and funds must be available to that designated bank as the advising bank from a United States domiciled bank.

If prior to shipment Buyer pays Seller the full purchase price for the ordered goods, Buyer shall be entitled to a two percent (2%) discount on the purchase price.

6. **Shipment-Risk of Loss.** Unless otherwise agreed by the Seller in writing, all sales are made F.O.B. Seller's plant in Frederick, MD. Risk of loss shall pass to Buyer when the goods are delivered to the carrier. All goods of Buyer held by Seller shall be held at the risk and expense of Buyer. When special domestic or export packing is specified involving greater expense than that customarily incurred, a charge may be made by Seller to cover such extra expenses.

7. **Shipment Date and Force Majeure.** Any time quoted for shipment of the ordered goods shall be deemed to be from receipt by Seller of all necessary information, drawings and/or equipment, if any, to enable Seller to begin the work. Seller will use its best efforts to ship all orders according to the agreed schedule. Seller shall not be responsible for any failure to perform due to unforeseen causes beyond Seller's reasonable control. Examples of such causes are acts of God, war, riot, embargoes, acts of civil or military authorities, fire, floods, accidents, strikes and shortages of transportation facilities, fuel, labor or materials. In the event of any delay in shipping orders that results from any such cause, the date of shipment shall, at the request of Seller, be deferred for a period equal to the loss of time resulting from the delay, and Buyer shall be notified in writing of such delay.

8. **Finance Charge.** A finance charge of two percent (2%) per month (24% per annum) or fraction thereof shall be added to past due invoice balances.

9. **Patent Indemnity.** Buyer shall indemnify and hold Seller-harmless against any expenses, damages, costs or losses (including, but not limited to, attorney fees and court costs) resulting from any suit or proceeding brought for infringement of patents or trademarks or for unfair competition arising from compliance with Buyer's designs, specifications or instructions.

10. **Warranty.** Seller warrants each product it manufactures to be free from defects in material and workmanship under normal use and service anywhere in the world. Seller's only obligation under this Warranty is to repair or replace, at its plant, any product or part thereof that is returned with transportation charges prepaid to Seller by the original purchaser within ONE YEAR from the date of shipment. The foregoing Warranty does not apply to, and in Seller's sole opinion, products that have been subject to improper or inadequate maintenance, unauthorized modifications, misuse or operation outside the environment specifications for the product.

Seller's software products are supplied without representation or Warranty of any kind. Seller therefore assumes no responsibility and will not accept liability (consequential or otherwise) arising from the use of program materials, disc, or tape.

The Warranty period is controlled by the Warranty document furnished with each product and begins on the date of shipment. All Warranty returns must be authorized by Seller prior to their return.

Seller reserves the right to make changes in the design of its products at any time without incurring any obligation to make those changes on products it has previously sold.

The Warranty stated above is your sole and exclusive Warranty and is in lieu of all other Warranties, express or implied, but not limited to any implied Warranty or merchantability or fitness for any particular purpose. Seller shall not be liable for any special, indirect, incidental or consequential damages, whether in contract, tort or otherwise.

11. **Data.** Any specification, drawing, technical information or other data (except calibration data and instruction manuals) that has not been published by Seller and which is furnished by Seller to Buyer shall remain Seller's property, shall be kept confidential by Buyer and shall be returned to Seller at its request.

12. **Assignment.** Buyer shall not be entitled to assign its rights with respect to this transaction without the express written consent of Seller.

13. **Cancellations, Reduction and Rescheduling.** Orders may not be cancelled, reduced in quantity or rescheduled without the express written consent of Seller and without payment to Seller of such reasonable charges as Seller may specify (including, but not limited to, charges for work in process, purchase commitments, amortized costs, tooling and production interruption). Under no circumstances will Buyer be permitted to reduce its order or reschedule the shipment date within thirty (30) days of the scheduled date of shipment.

14. **Confidential Information.** No specifications, drawings, plans, documents or other information furnished to Seller by Buyer shall be considered proprietary or confidential unless and to the extent covered by a written agreement executed by an authorized employee of Seller.

15. **Claims.** Any claim for shortage, deductions or erroneous charges must be presented in writing to Seller within ten (10) days after receipt of the shipment by Buyer. Any claim not so presented will not be allowed.

16. **Modifications.** Any modifications or changes in drawings, designs, specifications, method of shipment or any of the terms and conditions contained herein shall not be effective unless expressly agreed to in writing by an authorized employee of the Seller. All such modifications or changes are subject to such equitable price adjustments as Seller may specify.

17. **Use of Patents, etc.** Buyer shall not receive any rights to Seller's patents, trademarks, trade names, service marks, logos or copyright through the purchase of goods from Seller.

18. **Entire Agreement.** The terms and conditions set forth herein constitute the final written expression of all of the terms and conditions of sale and are a complete and exclusive statement of those terms. Any and all representations, promises, warranties or statements by Seller's employees or agents that differ in any way from the terms and conditions set forth herein shall be of no force and effect.