

THE FOLLOWING TERMS AND CONDITIONS SHALL APPLY TO ALL TRANSACTIONS FOR MANUFACTURER'S PRODUCTS AND SERVICES

CONTRACT DOCUMENTS. All orders by Customer, whether by purchase order or otherwise, shall be confirmed by Manufacturer's Order Acknowledgement. The Order Acknowledgement, which includes any written amendments, supplements or modifications thereto and the terms and conditions stated herein, may incorporate by express terms any drawings, specifications, schedules, exhibits or other documents or things, all of which collectively shall constitute the complete agreement between Customer and Manufacturer ("Contract Documents"). The Order Acknowledgement, including any written amendments, supplements or modifications thereto, shall not be effective until signed by both Manufacturer and Customer. "Products" shall mean any goods that Manufacturer sells or leases to Customer. "Services" shall mean any consulting or other work Manufacturer provides to Customer. Published or quoted prices, discounts, and terms and conditions are subject to change without notice until confirmed in an Order Acknowledge signed by Customer and Manufacturer.

DELIVERY AND RISK OF LOSS. Products and Services shall be delivered and performed in accordance with the delivery schedule(s) set forth in the Contract Documents. All Products shall be shipped f.o.b. Manufacturer's location. Title to Products shall pass to Customer at time of final/full payment. Delivery shall be deemed complete when Products are loaded for shipment. Customer shall bear all risks of loss or damage to Products and be solely responsible for Products from the time of delivery. In the event of loss or damage to Products after delivery, Customer shall remain responsible for full payment. Customer acknowledges delay in production, delivery and performance of Services may occur due to causes beyond the control of Manufacturer, which delay may include without limitation fire, strike, lockout, dispute with workmen, flood, hurricane, earthquake, war, governmental action, accident, delay in transportation, shortage of fuel, inability to obtain material or embargo. In the event of any delay due to causes beyond the control of Manufacturer, the date(s) of delivery or other performance by Manufacturer shall be extended for a period equal to the time lost by reason of the delay plus such additional time as may be reasonably necessary for Manufacturer to perform.

TERMS OF PAYMENT/SECURITY INTEREST. If not otherwise provided in the Contract Documents, payment shall be due and payable without demand and without set off as follows: 50% with transmittal by Customer of a signed Order Acknowledge and the remaining 50% upon the earlier of delivery of Products to Customer and/or completion of Services by Manufacturer. Manufacturer shall issue invoices for such additional charges as may be applicable under the Contract Documents, and each such invoice shall be due and payable within 15 days after issuance. In the event payment has not been made when due, Customer shall be charged on the unpaid balance the lesser of 1.5% per month (18% per annum) or the maximum rate permitted by law. In the event payment is to be made over time on a schedule provided in the Contract Documents, Manufacturer shall retain a purchase money security interest in all Products until it has received payment in full. Manufacturer may file a copy of the Order Acknowledge and/or separate UCC-1 financing statement(s). Customer agrees to promptly execute such document as may be reasonably requested by Manufacturer to perfect its purchase money security interest.

OTHER CHARGES. All additional costs, including, but not limited to, charges for freight, packing, carriage, insurance, custom duties, permits (import/export) and certificates, which may be necessary or desired by Customer, shall be borne solely by the Customer unless expressly provided otherwise in the Contract Documents. Customer shall be responsible for all sales, use, personal property and other taxes or charges assessed by any governmental entity. Customer shall indemnify and hold Manufacturer harmless from and against any and all claims, demands or liabilities of any nature arising from or in connection with Customer's acts or omissions, including without limitation acts or omissions in the recording, paying, depositing or reporting of any taxes or assessments or otherwise. Customer shall be responsible for additional charges for any test, inspections or other services provided by Manufacturer that are not performed pursuant to the Contract Documents. Manufacturer shall only provide such training or other services as are expressly provided for in the Contract Documents.

NONCONFORMING/REJECTION OF PRODUCTS. Customer shall promptly inspect each delivery of Products for defects or nonconformity. Customer waives any claim or recourse for defects, nonconformity or rejection of Products if written notice as herein required is not given to Manufacturer with 15 days of Customer's physical receipt of Products. To be effective, notice of defect, nonconformity and rejection shall be sent to Manufacturer's address by prepaid overnight courier service, with receipt signature required, and such notice shall state with particularity all defects and nonconformity claimed and all reasons for rejection. All rejected Products must be promptly returned at Customer's expense. In the event of proper rejection and return, Manufacturer will replace all returned Products it determines in its sole discretion are defective or nonconforming.



WARRANTY DISCLAIMER. EXCEPT AS EXPRESSLY PROVIDED IN THE CONTRACT DOCUMENTS, ALL PRODUCTS AND SERVICES ARE PROVIDED "AS IS" AND WITHOUT WARRANTY, REPRESENTATION OR CONDITION OF ANY KIND. NO WARRANTY OF ANY NATURE SHALL BE IMPLIED IN FACT OR IN LAW. IN NO EVENT SHALL THERE BE ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NOR SHALL ANY WARRANTY BE IMPLIED FROM A COURSE OF DEALING, USAGE OR TRADE.

LIMITATION OF DAMAGES. EXCEPT AS HEREIN PROVIDED, IN NO EVENT WILL MANUFACTURER BE LIABLE FOR LOSS OF PROFITS OR FOR ANY OTHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THE PRODUCTS OR SERVICES OR ANY ACT OR OMISSION OF MANUFACTURER, INCLUDING WITHOUT LIMITATION MANUFACTURER'S PERFORMANCE UNDER THE CONTRACT DOCUMENTS. MANUFACTURER'S LIABILITY, WHETHER ARISING OUT OF CONTRACT, WARRANTY, INFRINGEMENT, TORT OR OTHERWISE, SHALL NOT EXCEED THE AMOUNTS PAID BY CUSTOMER TO MANUFACTURER UNDER THE CONTRACT DOCUMENTS.

TECHNICAL DOCUMENTATION/OTHER SERVICES. Technical documents supplied to CUSTOMER by the MANUFACTURER shall be deemed confidential, remaining MANUFACTURER'S exclusive property and shall not be disclosed, copied or otherwise published to any unauthorized third party, nor shall such documents be used in any way not permitted by MANUFACTURER. Technical documents together with any copies shall be promptly returned to the MANUFACTURER upon its request. Technical information and specifications provided by MANUFACTURER shall be deemed only to be approximations unless specific tolerances are specified in the Contract Documents. The provisions of this paragraph shall survive cancellation or termination of or complete performance under the Contract Documents.

DEFAULT. In addition to and without limitation of its other legal and equitable remedies (1) Manufacturer reserves the right to suspend or terminate performance under the Contract Documents in the event of breach or anticipatory breach by Customer, and (2) if, in the sole judgment of Manufacturer, Customer's financial condition materially changes so as to increase Manufacturer's business risk, Manufacturer may suspend or terminate performance under the Contract Documents unless Customer provides additional financial security that is acceptable in all respects to Manufacturer in its sole discretion. If any sum is not paid when due, Manufacturer reserves the right to use lawful self-help and repossess all Products covered by any purchase money security interest without notice and without prejudice to any other rights or remedies otherwise available to Manufacturer. Customer shall be liable to Manufacturer for all costs, expenses and reasonable attorneys' fees incurred in collection of sums owed by Customer or enforcement of the Contract Documents. Waiver of a breach of the Contract Documents shall not operate nor be construed as a waiver of any subsequent breach.

SEVERABILITY. The invalidity or unenforceability of all or any part of any provision of the Contract Documents shall not render invalid or unenforceable the remainder of such provision or any other portion of the Contract Documents. If any provision shall be determined to be unenforceable, such provision shall be deemed modified and amended to the extent necessary to give effect to the parties' intent.

GOVERNING LAW, CONSENT TO JURISDICTION. The Contract Documents shall be deemed to have been entered into in Culpeper, Virginia, and shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without giving effect to the principles of conflicts of law thereof. For any dispute or matter in controversy between Customer and Manufacturer, Customer hereby waives federal diversity jurisdiction and submits exclusively to the jurisdiction of the state courts of Culpeper, Virginia. Any dispute or matter in controversy for which the federal courts have exclusive jurisdiction, Customer hereby submits to the Federal District Court for the Charlottesville, Virginia Division. Customer waives any objection to jurisdiction on the grounds of lack of personal jurisdiction, *forum non conveniens* or otherwise.

MISCELLANEOUS. A facsimile or electronic signature shall be as valid and binding as an original handwritten signature. Customer's written assent to Manufacturer's Order Acknowledgement shall constitute Customer's valid and binding signature regardless of the means or manner of transmission thereof. If any conflicts exist in the Contract Documents between terms which are printed and those which are typed or handwritten, the typed or handwritten language shall govern when signed or initialed by the parties. Customer agrees no ambiguity contained in the Contract Documents shall be construed for or against either party by reason of a party being the drafter thereof. The Contract Documents shall be binding on the parties and their successors and assigns. Any person signing the Order Acknowledge on behalf of Customer without actual authority guarantees Customer's performance.