



**Purchase Order
Terms and Conditions
Tallahassee, Florida Operations**

Purchase Order Terms and Conditions

1. **ACCEPTANCE:** Acceptance of the offer represented by this Purchase Order is expressly limited to the terms of this Order. Signing and returning the acknowledgment document of this Purchase Order (if included herewith) or, in any event, any shipment of Articles, ordering of Supplies or commencement of performance hereunder shall constitute acceptance of this Order. The Order is the entire contract and no changes are binding on the Buyer unless they are in writing and signed by an authorized representative of the Buyer's Purchasing Department. This Purchase Order is limited to the terms and conditions contained therein or incorporated. Any additional or different terms in the Seller's form are hereby deemed to be material alterations and notice of objection to them and rejection of them is hereby given. Any shipment of Articles shall be deemed to be only within the terms and conditions herein. Any delivery order placed shall follow the terms and conditions of the master contract.
2. **DEFINITIONS:** The following terms shall have the meanings set forth below:
 - (a) "Buyer" means "TALLA-TECH", acting through its companies or business sites as identified on the face of the Purchase Order. If a subsidiary of affiliate of TALLA-TECH is identified on the face of this Purchase Order then "Buyer" means that subsidiary or affiliate.
 - (b) "Buyer's Purchasing Representative" means the person authorized by TALLA-TECH's cognizant procurement organization to administer and/or execute this Purchase Order.
 - (c) "PO" or "Purchase Order" or "Order" as used in any document constituting a part of this contract shall mean this "Contract."
 - (d) "Seller" means the party identified on the face of the Purchase Order with whom TALLA-TECH is contracting.
 - (e) "Articles(s)" means all required materials, supplies, goods and services constituting the subject matter of this Purchase Order.
3. **PACKING AND SHIPMENT:** Unless otherwise specified in this Order all Articles shall be delivered F.O.B. Destination. The Buyer's Order number and part numbers must be plainly marked on all invoices, packages, bills of lading and shipping orders. Shipping memos or packing lists must accompany Articles. The Buyer's count or weight shall be final and conclusive on shipments not accompanied by shipping memos or packing lists. Unless otherwise specified, all Articles are to be packed and shipped in accordance with best commercial practices. Notwithstanding anything to the contrary herein or contained within the Order, the risk of loss of or damage to Articles which fail to conform to the Order shall remain with Seller until cure or acceptance.
4. **OVERSHIPMENTS AND REJECTED MATERIAL – RETURN TO SELLER:** The Buyer's needs are for the quantities of Articles specified within the Purchase Order. Articles delivered in excess of the quantity ordered result in substantial administrative expense to the Buyer. Therefore, Articles delivered under this Purchase Order in excess of the quantity specified may be retained by the Buyer at no additional cost. The Buyer is under no obligation hereunder to notify Seller of any over shipments. Seller shall be liable for handling charges and return shipment costs for:
 - (a) Any excess quantities shipped by Seller and returned by the Buyer, and
 - (b) For any Articles which are rejected and returned to Seller for noncompliance with the specified requirements. The Buyer shall have, in addition, any other rights and remedies provided by law, equity or under this Order, the right to a set off against any open Purchase Order.
5. **DELIVERY:** The parties have agreed to the delivery dates established herein and the Buyer's schedules have been based thereon. Buyer may at its sole discretion agree to accept deliveries after the date established herein for delivery that has passed. Buyer may in such an instance hold Seller responsible for all costs occasioned to the Buyer as a result of late delivery which may include any additional cost to the Buyer resulting from expediting shipment. Any such acceptance of late deliveries shall be at such reduction in price as is equitable under the circumstances unless such late delivery arises out of causes beyond the control and without the fault or negligence of Seller. Acceptance of late deliveries shall not relieve Seller of the obligation to make future deliveries in accordance with the delivery schedule established herein. The Buyer reserves the right to refuse or

return at Seller's risk and expense, shipments received more than two weeks in advance of the schedule of deliveries set forth in this Order.

6. **FORCE MAJEURE:** Except for defaults of the Seller's subcontractors at any tier, the Buyer nor the Seller shall be liable for any failure to perform due to any cause beyond their reasonable control and without their fault or negligence. Such causes include, but are not limited to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In the event that performance of this Purchase Order is hindered, delayed or adversely affected by causes described above, the party whose performance is so affected shall notify the other party's cognizant representative in writing and, at Buyer's option, this Purchase Order shall be completed with such adjustments as are reasonable required by the existence of Force Majeure or this Purchase Order may be terminated for convenience.
7. **TERMINATION:** In accordance with the Notices Clause 31, Buyer may terminate at any time for its convenience or terminate for Seller's breach, all or any part of this Order. If this Order is terminated for Seller's breach or if Seller is in breach of this Order when it is terminated for convenience, Seller shall have no claim against Buyer for any costs incurred or any profit with respect to the terminated or cancelled portion of the Order. If this Order is terminated for convenience by Buyer, Seller shall be paid an equitable amount to cover the effort actually expended by Seller plus a reasonable profit thereon; provided, however that no amount shall be paid for any anticipatory profits and the total amount shall not exceed the prices contained within the Order for the Articles terminated. In addition to Buyer's right to cancel at any time for Seller's breach of any of the provisions of this Order, including the failure to meet their delivery schedule, all or any portion of this Order may be cancelled by Buyer, if Seller, in Buyer's judgment, is failing to make sufficient progress as to endanger performance of this Order in accordance with the terms, and Seller fails to furnish Buyer adequate assurance of due performance within ten (10) days (or such further period as Buyer may grant) after receipt of Buyer's written request for assurances. The rights and remedies provided herein shall not be exclusive, but are cumulative and in addition to any other rights and remedies provided by law or covered under this Order.
8. **DISPUTES:** All claims, controversies, or disputes arising out of or relating to this Purchase Order (hereinafter, the "Dispute"), shall be resolved by negotiation and mutual agreement between the parties. If the dispute is not resolved by negotiation, the Dispute shall be resolved solely as indicated in this clause. Either Buyer or the Seller (separately a "Party" and collectively the "Parties") may invoke the procedures specified in this clause.
 - (a) The Dispute shall be submitted in writing to a senior executive at each Party (hereinafter, "Executives") and those Executives shall attempt to resolve the Dispute within thirty (30) days after such submittal.
 - (b) If the Executives are unable to resolve the Dispute within the thirty (30) day period provided above, the Parties shall endeavor to settle the Dispute by mediation under the then current commercial mediation rules of the American Arbitration Association (AAA). If the parties are unable to agree on a mediator within thirty (30) days after a request for mediation, the mediator will be selected pursuant to the rules and procedures of the AAA.
 - (c) Any Dispute which remains unresolved thirty (30) days after the appointment of a mediator shall be settled by binding arbitration by a sole arbitrator in accordance with the then current commercial arbitration rules of the AAA. If the Parties are unable to agree on an arbitrator within thirty (30) days of the filing of the Demand for Arbitration, an arbitrator shall be selected pursuant to the rules and procedures of the AAA. The Parties shall bear their own costs and expenses, including attorney's fees, but the arbitrator may, in the award, allocate all the administrative costs of the arbitration (and the mediation, if applicable), including the fees of the arbitrator and mediator, against the Party who did not prevail. The arbitration award shall be in writing and shall specify the factual and legal bases for the award. Judgment on the award may be entered in any court having jurisdiction. The arbitrator is not empowered to award damages in excess of compensatory damages and each Party hereby irrevocably waives any right to recover such excess damages.

- (d) Notwithstanding the above, if this Purchase Order has been issued in support of a US Government prime contract or higher tier subcontract, and the cognizant Government Contracting Officer issues a final decision relating to this Order or to the Articles to be delivered hereunder, such decision, if binding on Buyer, shall in turn be binding upon Seller and Seller shall not be entitled to additional compensation or reimbursement for compliance therewith.
- (e) The Parties will continue to perform under this Purchase Order during the Dispute resolution process.

9. **CONFIDENTIALITY:** Seller shall keep confidential all information, drawings, specifications, or data, and return to the Buyer upon request all documents furnished by the Buyer and marked proprietary, and shall not divulge or use such information, drawings, specification, or data for the benefit of any other party except as required for the efficient performance of this Order. Seller shall not make copies or permit copies to be made without the prior written consent of the Buyer. Seller shall thereafter make no further use, either directly or indirectly, of any such data or any information derived therefrom without obtaining the Buyer's written consent; provided, however, the foregoing limitation shall not apply to items produced for direct sale to the U.S. Government in the event that the U.S. Government has the right to authorize the use of the Buyer's information, drawings, specifications or data for such purpose and the Seller so notifies the Buyer in writing.

10. **WARRANTIES**

- (a) The Seller warrants that all Articles to be delivered hereunder shall be free from defect in workmanship and material and shall conform to the specification. If the Buyer shall give the Seller notice of any defect or nonconformity (whether latent or patent) within one year from the date of final acceptance of any Articles affected thereby, the Seller shall at no cost to the Buyer and with all possible speed, repair or replace Articles thereof. Warranties shall then continue for an additional one-year period as to the repaired or replaced Articles. Warranties shall survive the Buyer's inspection, delivery, acceptance or payment by the Buyer and shall together with Seller's service guarantees, if any, run to the Buyer and its customer.
- (b) Seller warrants that each and every chemical substance delivered hereunder shall, at the time of sale, transfer, or delivery, be on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to Section 8 of the Toxic Substances Control Act (Title 15 USC Para. 2601, et. seq.).
- (c) The above warranties shall be in addition to any other rights and warranties available to the Buyer.

11. **PAYMENT:** Seller shall be paid the prices set forth herein less deductions, if any, after delivery and acceptance by the Buyer and upon the submission of proper invoices. Payment will be made on partial deliveries accepted by the Buyer. In case of conflict between unit prices and total price, unit prices shall control. Invoices shall be sent by the Seller to the Buyer's Accounts Payable Department at the address shown on the Purchase Order. Invoices are not to be enclosed with goods or submitted to individuals or other addresses. Any payments made for Articles delivered prior to final acceptance of the Articles shall not constitute final acceptance of the Articles. Delays in receiving invoices as well as errors and omissions thereon will be considered just cause for withholding payment without losing discount privileges. Unless otherwise agreed, invoices covering Articles shipped in advance of specified delivery dates will not be paid until their normal maturity after the date specified for delivery.

12. **PATENTS AND DATA**

- (a) Patent Rights
Seller agrees to promptly disclose and upon request to assign to Buyer each invention conceived or first actually reduced to practice during the performance of this Order.
- (b) Rights in Data
Seller hereby grants to Buyer a royalty-free non-exclusive transferable and irrevocable license throughout the world to use, duplicate, sublicense or disclose for any purpose whatsoever, and to authorize others to do so, all data (which term includes but is not limited to writings, recordings, pictorial reproductions, drawings, computer programs, or other graphic representations and works

of any similar nature whether or not copyrighted) required to be or actually delivered to Buyer under this Purchase Order.

13. INDEMNIFICATION

- (a) Seller agrees to indemnify, hold harmless and defend Buyer, its agents, employees, officers and directors from any and all costs and expenses, including attorneys' fees, which Buyer may pay or become obligated to pay, on account of any, all and every demand or claim or assertion of liability arising, or alleged to have arisen, out of (1) Seller's breach of any expressed or implied warranty; (2) Seller's default; (3) the negligent or deliberate acts and/or omissions of Seller or its agents, employees, officers, and directors; (4) Seller's or Seller's subcontractors' liabilities for non-compliance with the provisions of Clauses 18 and 19; (5) any and all actions or proceedings charging infringement of any intellectual property right including patent, trademark, copyright, or mask work, by reason of sale or use of any Articles furnished hereunder; (6) bodily injury to or property damage of any person including Seller's or Seller's subcontractors' employees, arising out of performance of any work hereunder, including Seller's use of premises or equipment.
- (b) In the event the liability of Seller shall arise by reason of the negligence of Buyer or Buyer's agents, employees, officers, and directors, or by reason of specific compliance with detailed instructions of Buyer, Seller shall not be liable under the provisions of this clause except to the extent of the Seller's negligence. Buyer agrees to provide Seller with timely notice of any potential claim covered by this clause.

14. **INSPECTION:** All Articles called for hereunder or portions thereof shall be subject to inspection and test by the Buyer and authorized Government representatives, if applicable, at any point during the manufacture thereof and in any event prior to acceptance. Final inspection and acceptance shall be after delivery in accordance with this Purchase Order. If any inspection or test is made on the premises of Seller, Seller shall provide reasonable facilities and assistance for the safety and convenience of inspection personnel. The Buyer shall have the right to reject Articles found upon inspection not to conform to this Purchase Order, to require their correction (either in place or at Seller's plant, at the Buyer's option), or to accept nonconforming Articles at a reduction in price which is equitable under the circumstances. If, as a result of sampling inspection, any portion of a lot or shipment of like or similar items is found not to be conformity with this Order, the Buyer may reject and return the entire shipment or lot without further inspection, or, at its option, complete inspection of all items in the shipment or lot, reject and return any or all nonconforming units (or accept them at a reduced price) and charge Seller the cost of such inspection. Items once rejected shall not thereafter be tendered for acceptance unless the former rejection is made known. The Buyer's acceptance of any nonconforming Articles shall not constitute a waiver of specification requirements for any additional Articles required to be delivered hereunder. The Buyer shall not be required to inspect or test Articles hereunder. It shall be the Seller's responsibility to adequately test and inspect the Articles to be tendered for acceptance to assure that such Articles are in strict conformance with all the requirements of this Order. By such tender Seller assures the Buyer that such Articles offered so comply. Except as otherwise provided in this Purchase Order, a final acceptance shall be conclusive except as regards latent defects, fraud or such gross mistakes as amount to fraud.

15. **GRATUITIES/KICKBACKS:** No gratuities (in the form of entertainment, gifts or otherwise) or kickbacks shall be offered or given by Seller, to any employee of Buyer with a view toward securing favorable treatment as a supplier. **By accepting this Contract, Seller certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58), both of which are incorporated herein by this specific reference, except that paragraph(c)(1) of FAR 52.203-7 shall not apply.**

16. **BUYER PROPERTY:** Unless otherwise expressly agreed in writing, all material, tooling, designs, data, documents and any other property furnished to the Seller by the Buyer or paid for by the Buyer in connection with this Purchase Order: (1) shall be and remain the property of the Buyer; (2) shall be subject to delivery to the Buyer upon request; (3) shall not without the Buyer's written permission be used for or disclosed to anyone other than the Buyer; (4) shall be held at the Seller's risk; and (5) shall be kept insured by the Seller at the Seller's expense while in its custody or control in a amount

equal to replacement cost thereof, with loss payable to the Buyer. Copies of policies or certificates of such insurance shall be furnished to the Buyer upon request.

17. **SUBCONTRACTING:** Seller shall not subcontract for completed or substantially completed Articles called for hereunder without the prior written consent of the Buyer. This limitation does not apply to the purchase of standard commercial supplies or raw materials.
18. **ASSIGNMENTS:** Seller may not assign any rights under this Purchase Order or any portion thereof, except that claims for money due hereunder may be assigned by Seller to a bank, trust company or other financial institution including any federal lending agency. Any payment by Buyer to an assignee of any monies due or to become due hereunder shall be subject to set off or recoupment for any present or future claim or claims which Buyer may have against the Seller arising under this and any other contract or Purchase Order.
19. **RELEASE OF INFORMATION AND ADVERTISEMENTS:** Except as required by law, no public release of any information, or confirmation or denial of same, with respect to the contract or the subject matter hereof, will be made by Seller without the prior written approval of Buyer.
20. **COMPLIANCE WITH LAWS:** Seller represents that it has and will continue during the performance of this Order to comply with the provisions of all applicable federal, state and local laws and regulations. Seller agrees to furnish the Buyer upon request, satisfactory evidence of compliance.
21. **EXPORT CONTROLS:**
 - (a) Seller agrees to comply with all U.S. export control laws and regulations in compliance with the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR). Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data or services, to include transfer to foreign persons employed by or associated with, or under contract to Seller or Seller's lower-tier suppliers, without the appropriate export administration authorization.
 - (b) Seller agrees to notify Buyer if any Articles or service to be delivered under this Purchase Order is restricted by export control laws or regulations.
 - (c) Seller shall immediately notify the Buyer's Purchasing Representative if Seller is listed in the Denied Parties List or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.
22. **CHANGES:** The Buyer may at any time prior to final delivery under this Purchase Order, by notice in accordance with Clause 30, make changes within the general scope hereof in any one or more of the following: (1) drawings, designs or specifications where the Articles to be furnished are to be specially manufactured for the Buyer in accordance therewith; (2) method of shipment or packing; (3) the place of inspection, acceptance or delivery; (4) description of services to be performed, (5) time of performance of the services (e.g.), hours of day, day of the week, (6) place of performance of the services, and (7) the delivery schedule. Buyer may also issue a Stop Work order for up to ninety days under the authority of this Changes clause. Within ninety days, Buyer will either authorize work to continue, extend the stop work order, or terminate the order. If any such change causes an increase or decrease in the cost or time required for performance of this Order, an equitable adjustment shall be made in the price or delivery schedule or both, and the Order shall be modified accordingly. Any claim by the Seller for adjustment under this clause must be asserted within fifteen (15) days from the date of notification of the change. If the Buyer decides that the facts justify such action, the buyer may receive and act upon any such claim asserted prior to final payment under this Order. Failure to agree to an adjustment shall not excuse the Seller from proceeding with this Order as changed. If this Order is placed under a Government prime contract, the cost principles set forth in Federal Acquisition Regulation (FAR), Part 31, and the Department of Defense (DoD) FAR Supplement (DFARS) Part 231 shall be applicable in the determination and negotiation of any equitable adjustment of price hereunder. Whether made pursuant to this clause or by mutual agreement, changes shall not be binding upon the Seller unless directed in writing by a member of the Buyer's Purchasing Department. The issuance of information, advice, approval, or instructions by

the Buyers' technical personnel or other representative shall not affect the Buyer's and Seller's rights and obligations hereunder unless the same is in writing and signed by a member of the Buyer's Purchasing Department and it is expressly stated therein that it constitutes an amendment to this Order.

23. **APPLICABLE LAW:** This Order is to be construed and interpreted in accordance with the laws of the state of Florida, except for its conflict of laws rules.
24. **WAIVER:** No waiver by the Buyer of any breach of this Purchase Order shall be held to be a waiver of any other or subsequent breach. All rights and remedies available to the Buyer shall be taken and construed as cumulative, that is, in addition to any other rights and remedies provided herein or by law.
25. **TAXES:** The prices set forth in the Purchase Order include all applicable federal, state and local taxes.
26. **OFFSET CREDIT/COOPERATION:** All offset or counter-trade credit value resulting from this Purchase Order shall accrue solely to the benefit of Buyer. Seller agrees to cooperate with Buyer in the fulfillment of any foreign offset/counter-trade obligations.
27. **PARTS OBSOLESCENCE:** Buyer may desire to place additional Orders for Articles purchased hereunder. Seller shall provide Buyer with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any Articles purchased under this Purchase Order. This provision survives the delivery of items under the Order.
28. **QUALITY CONTROL SYSTEM:** Seller shall provide and maintain a quality control system to an industry recognized Quality Standard and in compliance with any other specific quality requirements identified in this Purchase Order. Records of all quality controls inspection work by Seller shall be kept complete and available to Buyer and its customers.
29. **SEVERABILITY:** Each paragraph and provision of this Order is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of this Purchase Order will remain in full force and effect.
30. **SURVIVABILITY:** If this Purchase Order expires, is completed or is terminated, Seller shall not be relieved of the obligations in the following provisions:
 - (a) Purchase Order Terms and Conditions Clause 8 (Disputes); Clause 9 (Confidentiality); Clause 10 (Warranty); Clause 12 (Patents and Data); Clause 13 (Indemnification); Clause 16 (Buyer Property); Clause 19 (Advertisement); Clause 20 (Compliance with Laws); Clause 21 (Export Controls); Clause 23 (Applicable Law); and Clause 27 (Parts Obsolescence).
 - (b) Those U.S. Government flow-down provisions that by their nature should survive.
31. **NOTICES:** Any notice to be given under a Purchase Order issued under the Terms and Conditions hereunder must be in writing. Notices may be sent via certified or registered mail; via fax with a conforming copy; or via electronic means provided an electronic signature confirms its authenticity, in a manner agreed to in advance. Notice will be deemed to have been given only when received. All notices from Seller to Buyer should be mailed to the attention of the Purchasing Director, at the facility from which the specific Purchase Order was issued.
32. **INSURANCE/ENTRY ON TALLA-TECH PROPERTY:** In the event that SELLER, its employees, agents, or subcontractors enter the site(s) of TALLA-TECH or its customers for any reason in connection with this Contract, then SELLER and its subcontractors shall procure and maintain worker's compensation, comprehensive general liability, bodily injury and property damage insurance in reasonable amounts, and such other insurance as TALLA-TECH may require. In addition, SELLER and its subcontractors shall comply with all site requirements. SELLER shall indemnify and hold

harmless TALLA-TECH, its officers, employees, and agents from any losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, by reason of property damage or loss or personal injury to any person caused in whole or in part by the actions or omissions of SELLER, its officers, employees, agents, suppliers, or subcontractors. SELLER shall provide TALLA-TECH thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance. If requested, SELLER shall send a "Certificate of Insurance" showing SELLER's compliance with these requirements. SELLER shall name TALLA-TECH as an additional insured for the duration of this Contract. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of TALLA-TECH and is not contributory with any insurance that TALLA-TECH may carry. "Subcontractor" as used in this clause shall include SELLER's subcontractors at any tier.