

GENERAL TERMS AND CONDITIONS OF SALE

TELE Controls, Inc. • 1101 Wilson Blvd., 6th Floor, Suite 947A • Arlington • VA, 22209



By submitting an order for the purchase of Products (a "Purchase Order"), Buyer acknowledges and agrees to the following terms and conditions (the "Agreement"):

1. SELLER'S TERMS AND CONDITIONS - The following terms and conditions are deemed part of all quotations, acknowledgments, invoices, Purchase Orders and other documents, whether electronic or in writing, relating to the sale of goods or services ("Products") by TELE CONTROLS, INC., a Delaware corporation ("Seller") to Seller's customers ("Buyer"). These terms and conditions, together with Seller's quotation, order acknowledgement and invoice to a Purchase Order accepted by Seller, constitute the entire contract of sale and purchase between Seller and Buyer with respect to the Products covered by this Agreement, will supersede all previous communications, agreements or contracts, written or verbal between Seller and Buyer, and no understanding, agreement, term, condition or trade custom at variance herewith will be binding on Seller. In the event of a conflict between or among the terms of documents relating to the Products, the following order of priority will govern, except where the specific terms of a document provide otherwise: (a) any applicable order acknowledgment and invoice; (b) this Agreement; (c) the applicable quotation; and (d) the applicable Purchase Order. No waiver, amendment or modification of the terms and conditions hereof will be effective unless in writing and signed by an officer of Seller. SELLER OBJECTS TO, AND IS NOT BOUND BY, ANY TERMS OR CONDITIONS ON BUYER'S PURCHASE ORDER, CONFIRMATION FORMS OR OTHER DOCUMENTS, WHICH ATTEMPT TO IMPOSE UPON SELLER ANY TERMS AND CONDITIONS AT VARIANCE WITH SELLER'S TERMS AND CONDITIONS OF SALE SET FORTH HEREIN, AND SHIPMENT OR OTHER PERFORMANCE BY SELLER SHALL NOT CONSTITUTE ASSENT TO ANY SUCH INCONSISTENT TERMS.

2. QUOTATIONS - All quotations by Seller are subject to change or withdrawal without prior notice to Buyer unless otherwise specifically stated in the quotation. Quotations are made subject to approval by Seller of Buyer's credit. Seller shall have no obligation to sell or deliver Products covered by Seller's quotation unless and until Seller issues an order acknowledgement form or upon the shipment of Products by Seller.

3. TERMS OF PAYMENT - Unless otherwise expressly agreed to by Seller in writing, terms of payment are cash to be paid within twenty-one (21) days after date of invoice. For initial orders pre Time of payment is of essence. Any invoice not paid within twenty-one (21) days is subject to a late payment fee of two and one-half percent (2.5%) per month, or, if such rate exceeds that permitted by applicable law, then the highest lawful rate. Buyer also agrees to indemnify Seller for all collection costs on any delinquent accounts, including, without limitation, attorneys' fees and court costs. The inspection rights granted to Buyer hereunder will not affect or alter the payment terms or the timing of Buyer's payment obligations. Under no circumstances will Buyer have a right of set-off.

4. CREDIT - All shipments to be made hereunder shall at all times be subject to the approval of Seller's credit department. Seller may invoice Buyer and recover for each shipment made pursuant to this Agreement as a separate transaction without regard to any other Purchase Order or agreement with Seller. All overdue amounts must be paid before additional shipments are made, and Seller reserves the right to cancel any Purchase Order or refuse to accept or fill any Purchase Order then outstanding until all overdue amounts are paid in full. In the event that Seller, in its sole and absolute discretion, deems Buyer's credit to be unsatisfactory, Seller shall have the right, in addition to any of its other remedies, to (a) limit the amount of credit which Seller extends to Buyer and delay the delivery of Products based upon such limitations; (b) require full or partial payment in advance, (c) deliver Products to Buyer C.O.D., or (d) cancel or refuse to accept or fill any Purchase Order from Buyer then outstanding or thereafter placed.

5. PRICES - Prices - Prices and other information shown in any Seller publication (including product catalogs, brochures and electronic price lists) or provided by Seller verbally are subject to change without notice and to written confirmation by Seller. Such publications and verbal quotations are maintained and provided to Buyer only as a source of general information. Published or quoted Product prices do not include sales, use, excise, customs, value-added or similar taxes. Such taxes shall be the responsibility of Buyer and invoiced as a separate item to be paid by Buyer. Failure by the Seller to collect any such fees or taxes shall not affect Buyer's obligations hereunder, and Buyer shall fully defend, indemnify and hold harmless Seller with respect to such tax obligations.

6. MINIMUM BILLING CHARGE - Seller shall not accept any Purchase Order for any Products or Services where the aggregate price for all Products listed thereon is less than \$150.00, exclusive of all taxes, shipping, insurance and other costs. Upon Buyer's request, Seller may waive the minimum order requirement, subject to an additional \$25.00 handling charge. All such Purchase Orders must, and all invoices related thereto will, list the handling charge as a separate line item.

7. SHIPPING TERMS - Unless otherwise agreed in writing by the parties, deliveries of Products shall be made F.O.B. Seller's facility in Arlington, VA. Buyer will be responsible for and shall assume all risk and liability for, and agrees to indemnify Seller for, all loss, damage or destruction of the Products, as well as the results of any use or misuse by third parties who may acquire or use the Products, after Seller's delivery of the same to the carrier. Any loss occasioned by damage or shrinkage in transit will be for Buyer's account, and Buyer shall file any damage or loss claims directly with the carrier. Unless otherwise agreed in writing by the parties, packaging methods, shipping documents and manner, route and carrier of shipment shall be at Seller's sole discretion.

Seller reserves the right to ship items in a single or multiple shipments. Unless otherwise agreed in writing by the parties, all freight charges and insurance costs shall be the responsibility of Buyer and will be invoiced as a separate line item to be paid by Buyer.

8. INSPECTION AND ACCEPTANCE OF GOODS - Buyer shall examine Products promptly upon receipt of delivery from the carrier. Buyer shall advise the carrier of any damages or shortages prior to acceptance of Products and, except for any latent defects, shall advise Seller of any claims with respect to shortages, damages or discrepancies within seven (7) days after receipt thereof. If Buyer does not so notify the carrier and Seller of any nonconforming or damaged Products during this period, the Products shall be deemed accepted and it is expressly agreed that Buyer shall have waived all claims based on any defects that were or would have been discovered on reasonable inspection during this period. Buyer shall afford Seller a reasonable opportunity to inspect such nonconforming or damaged Products and to cure any nonconformity. BUYER'S FULL OR PARTIAL PAYMENT OR ACCEPTANCE OF DELIVERY OF PRODUCTS WITHOUT NOTIFYING THE CARRIER AND SELLER OF ANY DAMAGES OR SHORTAGES IN ACCORDANCE WITH THIS SECTION 8 SHALL CONSTITUTE ACCEPTANCE OF SUCH PRODUCTS.

9. TITLE - Title to the Products shipped to Buyer shall remain with Seller as security until full payment for such Products is made by the Buyer. Buyer shall indemnify Seller for all loss, liability, expenses, costs and damages relating to or arising from the Products prior to transfer of title to the Products pursuant to the terms hereof.

10. DELIVERY - Seller's delivery or shipping dates are approximate only and merely represent Seller's best estimate of time required to make delivery or shipment. Shipment dates are contingent on prompt receipt by Seller of all necessary shipping information. Seller shall not be held responsible for failure to meet estimated shipping dates, and in no event shall Seller be liable for any loss, cost, damage or expense whatsoever incurred by Buyer or its customers that may result therefrom.

11. RETURN POLICY - A Return Material Authorization ("RMA") is required prior to returning Products for any reason. No merchandise shall be returned without a written authorization from a TELE Controls, Inc. official. Seller, in its sole discretion may reject any nonwarranty return requests. Non-warranty returns of unused and resalable Products for credit will be subject to Seller's return policies in effect at the time, including applicable restocking charges and other conditions of return. Return requests of incorrectly ordered items will not be accepted. Products returned under warranty must be properly packed and shipped to Seller specified locations. All shipping containers must be clearly marked per Seller's instruction. Buyer will be responsible for all costs and expenses associated with any returns of Products (other than products returned at Seller's request pursuant to Section 13 hereof) and will bear the risk of loss or damage of all returned Products, unless Seller agrees otherwise in writing. Seller, in its sole discretion may reject any return of Product not approved by Seller in accordance with this paragraph or otherwise not returned in accordance with Seller's then current return policies.

12. ORDER CANCELLATION - Purchase Orders acknowledged or shipped by Seller may not be canceled, altered or modified by Buyer except as otherwise permitted herein or agreed to in writing by Seller. Buyer will indemnify Seller for all costs and expenses already incurred and commitments made by Seller related to any terminated, cancelled or modified Purchase Order. Cancellation by Buyer prior to shipment pursuant to any standing, recurring or release Purchase Order is permitted only by written notice sixty (60) days before the originally scheduled shipment date as confirmed by Seller on the order acknowledgement related to such Purchase Order and is subject to reasonable cancellation and restocking charges, including reimbursement for direct costs. Notwithstanding any term to the contrary contained herein, a "Special Product" (non-stock product) will be identified and acknowledged when requested or ordered and cannot be canceled or returned. Buyer will be responsible for cancellation charges of the actual selling price for any cancelled or returned Special Products.

13. LIMITED WARRANTY - Seller warrants that the Products sold hereunder will be free from any defects in parts and workmanship for twelve (12) months from the date of shipment (the "Warranty Period") if used under normal operating conditions and in accordance with instructions shown in Seller's literature. Buyer must submit to Seller a written notice of any such alleged defect promptly after discovery of the same, but in any case within the Warranty Period. Seller may request the return of an allegedly defective Product for inspection and issue a RMA for such return. Buyer must ship the allegedly defective Product to Seller within ten (10) days of any such request. Buyer's failure to return such Products within this ten (10) day period will void the warranty set forth in this paragraph and Seller shall have no further liability with respect thereto. If Seller, in its sole discretion, after written notice from and inspection by Seller, should determine that any parts or workmanship were defective, Seller shall, at its sole option, repair or replace the part or parts at no cost (excluding installation) to Buyer. THE WARRANTY SET FORTH IN THIS PARAGRAPH IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES AND REMEDIES WHATSOEVER, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT. THE REMEDY PROVIDED HEREIN AS TO REPAIR OR REPLACEMENT OF PARTS SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT AND IS EXPRESSLY MADE IN SUBSTITUTION OF ANY AND ALL REMEDIES OTHERWISE PROVIDED.

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14. LIMITATION OF DAMAGES - IN NO EVENT SHALL SELLER, ITS AFFILIATES, OFFICERS, AGENTS OR EMPLOYEES BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING FROM THIS AGREEMENT OR THE PRODUCTS OR SERVICES PROVIDED HEREUNDER, INCLUDING (WITHOUT LIMITATION) LOSS OF PROFITS OR REVENUES, INTERRUPTION OF BUSINESS, LOSS OF USE OF THE PRODUCTS OR ANY ASSOCIATED EQUIPMENT, MATERIALS, COMPONENTS OR PRODUCTS, DAMAGE TO ASSOCIATED EQUIPMENT, MATERIALS, COMPONENTS OR PRODUCTS, COST OF SUBSTITUTE PARTS, OR CLAIMS OF BUYER'S CUSTOMERS FOR SUCH DAMAGES. SELLER WILL NOT BE LIABLE TO BUYER FOR ANY LOSS, DAMAGE, OR INJURY TO PERSONS OR PROPERTY RESULTING FROM THE HANDLING, STORAGE, TRANSPORTATION, RESALE, OR USE OF ITS PRODUCTS IN MANUFACTURING PROCESSES, OR IN COMBINATION WITH OTHER SUBSTANCES, OR OTHERWISE, INCLUDING (WITHOUT LIMITATION) ANY OBLIGATIONS OR LIABILITY ARISING OUT OF SELLER'S NEGLIGENCE OR FAULT. IN NO EVENT WILL SELLER'S LIABILITY UNDER THIS AGREEMENT OR IN CONNECTION WITH THE SALE OF PRODUCTS BY SELLER, WHETHER SUCH LIABILITY ARISES IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE PURCHASE PRICE OF THE SPECIFIC PRODUCTS OR SERVICES AS TO WHICH THE CLAIM IS MADE.

15. PATENT INDEMNITY - Seller shall defend and hold Buyer harmless from and against any claims, liabilities, losses, damages, costs and expenses sustained by Buyer (including court costs and attorneys' fees) payable to a third party and arising from a suit or proceeding brought against Buyer by a third party based on a claim that any Product furnished hereunder constitutes an infringement of any existing United States patent, provided Seller is notified promptly in writing and is given complete authority (including, without limitation, the authority to settle) and cooperation required for the defense. Seller shall not be responsible for any costs, expense or compromise incurred or made by Buyer without Seller's prior written consent. If any Product is in Seller's opinion likely to or does become the subject of a claim for patent infringement, Seller may at its option and expense (a) procure for Buyer the right to continue using such Product, (b) replace the Product with a noninfringing but practically equivalent Product; (c) modify the Product so that it becomes noninfringing, or (d) in the event Seller is not, it its sole discretion, reasonably able to modify, substitute, or otherwise procure for Buyer the right to continue using such Product, Seller may discontinue selling such Product without any further liability to Buyer. Seller shall not be liable for any infringement or claim based upon (1) use of the Product in combination with other equipment not supplied by Seller, (2) use of the Product in a manner other than in the manner intended by Seller, (3) modifications to the Product made by Buyer or any other party, or (4) any goods supplied pursuant to the design or specification of Buyer. THE FORGOING STATES BUYER'S SOLE AND EXCLUSIVE REMEDY AND THE ENTIRE LIABILITY OF SELLER TO BUYER ARISING FROM PATENT INFRINGEMENT.

16. INDEMNIFICATION - Buyer shall indemnify and hold Seller, its officers, directors, employees, agents, affiliates, successors and assigns harmless from and against all claims, liabilities, losses, damages, costs and expenses sustained by them (including court costs and attorneys' fees) arising out of or in any way connected with the breach of this Agreement by Buyer or any of its affiliates, employees, officers or agents.

17. TECHNICAL DATA; PRODUCT USE - All physical properties, statements and recommendations are either based on the tests or experience that Seller believes to be reliable, but they are not guaranteed. Buyer is solely responsible for determining whether any Product is fit for a particular purpose and suitable for Buyer's method of application. Accordingly, Seller is not responsible for the results or consequences of use, misuse or application of its Products by anyone.

18. OWNERSHIP OF INTELLECTUAL PROPERTY - All drawings, know-how, designs, specifications, inventions, devices, developments, processes, copyrights and other information or intellectual property disclosed or otherwise provided to Buyer by Seller and all rights therein (collectively, "Intellectual Property") will remain the property of Seller and will be kept confidential by Buyer in accordance with this Agreement. Buyer shall have no claim to, nor ownership interest in, any Intellectual Property, and such information, in whatever form and any copies thereof, shall be promptly returned to Seller upon written request from Seller. Buyer acknowledges that no license or rights of any sort are granted to Buyer hereunder in respect of any Intellectual Property.

19. CONFIDENTIAL INFORMATION - All information furnished or made available by Seller to Buyer in connection with the subject matter of this Agreement or of Buyer's Purchase Order shall be held in confidence by the Buyer. Buyer agrees not to use such information or disclose such information to others without Seller's prior written consent. The obligations in this paragraph will not apply to any information which (a) at the time of disclosure was or thereafter becomes, generally available to the public by publication or otherwise through no breach by the Buyer of any obligation herein, (b) the Buyer can show by written records was in the Buyer's possession prior to disclosure by Seller, or (c) is legally made available to the Buyer by or through a third party having no direct or indirect confidentiality obligation to Seller with respect to such information.

20. FORCE MAJEURE - Seller shall not be liable for failure to perform or delay in performance or delivery of any Products due to (a) fires, floods, strikes, or other labor disputes, accidents, sabotage, terrorism, war, riots, acts of precedence or priorities granted at the request or for the benefit, directly or indirectly, of any federal, state or local government or any subdivision or agency thereof, delays in transportation or lack of transportation facilities, restrictions imposed by federal, state or local laws, rules or regulations; or (b) any other cause beyond the control of Seller.

In the event of the occurrence of any of the foregoing, the time for performance shall be extended for such time as may be reasonably necessary to enable Seller to perform. Seller may, during any period of shortage due to any of the above circumstances, allocate its available supply of Products among itself and its Buyers in such manner, as Seller, in its judgment, deems fair and equitable.

21. ASSIGNMENT AND DELEGATION - No assignment of any rights or interest or delegation of any obligation or duty of Buyers under these terms and conditions, Seller's quotation, order acknowledgment, or invoice, or Buyer's Purchase Order may be made without the prior written consent of Seller. Any attempted assignment or delegation will be wholly void and totally ineffective for all purposes.

22. WAIVER - No failure of Seller to insist upon strict compliance by Buyer with these terms and conditions or to exercise any right accruing from any default of Buyer shall impair Seller's rights in case Buyer's default continues or in case of any subsequent default by Buyer. Waiver by Seller of any breach by Buyer of these terms and conditions shall not be construed as a waiver of any other existing or future breach.

23. LIMITATION OF ACTIONS - Notwithstanding any contrary statute of limitations, any cause of action for any alleged breach of these terms and conditions by Seller shall be barred unless commenced by Buyer within one (1) year from the accrual of such cause or action.

24. LITIGATION COSTS - If any litigation or arbitration is commenced between Seller and Buyer concerning any provision of this Agreement, the party prevailing in the litigation or arbitration is entitled, in addition to such other relief that is granted, to a reasonable sum as and for their attorney's fees in such litigation or arbitration, provided that if each party prevails in part, such fees shall be allocated in such manner as the court or arbitrator shall determine to be equitable in view of the relative merits and amounts of the parties' claims.

25. DISPUTES - (a) Either party shall give the other party written notice of any dispute arising out of or relating to this Agreement (the "Dispute") and not resolved in the normal course of business. Prior to commencing an arbitration pursuant to Section 25(b), the parties shall attempt in good faith to resolve such dispute promptly by negotiations between executives who have authority to settle the Dispute. If unsuccessful, the parties shall further attempt in good faith to settle the Dispute by nonbinding third-party mediation administered by the American Arbitration Association under its Commercial Mediation Rules, with mediator fees and expenses apportioned equally to each side. (b) In the event that the Dispute is not resolved as a result of the procedures set forth in Section 25(a), either party may submit the Dispute to arbitration under the authority of the American Arbitration Association. The arbitration shall take place in Dover, Delaware and shall be governed by the rules of the American Arbitration Association. The parties shall agree upon a single arbitrator or, if the parties cannot agree upon an arbitrator within thirty (30) days, then the parties agree that a single arbitrator shall be appointed by the American Arbitration Association. The arbitrator may award attorneys' fees and costs as part of the award. The award of the arbitrator shall be binding and may be entered as a judgment in any court of competent jurisdiction. (c) The procedures set forth in this Section 25 are the exclusive procedures for the resolution of any Dispute between the parties; provided, however, that, notwithstanding the foregoing, Seller will have the right, and in addition to all other remedies available to it at law, in equity or under this Agreement, to affirmative or negative injunctive relief from a court of competent jurisdiction in the event Buyer violates or threatens to violate the terms of Sections 18 or 19. Each party acknowledges that a violation of Sections 18 or 19 would cause irreparable harm and that all other remedies are inadequate. Each party further agrees and acknowledges that any such action or proceeding for equitable relief must be brought in a state or federal court having jurisdiction in Dover, Delaware, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding and agrees to waive any defenses to venue and jurisdiction including forum non conveniens.

26. GOVERNING LAW - The laws of the State of Delaware shall govern the validity, interpretation and enforcement of this agreement, without regard to its conflicts of law principles. The application of the United Nations Convention on Contracts for the International Sale of Goods shall be excluded. Should any term or provision hereof be held wholly or partly invalid or unenforceable under applicable law, the remainder of the agreement evidenced hereby will not be affected thereby.