

INTERCOASTAL ELECTRONICS, INC (ICE) TERMS AND CONDITIONS OF PURCHASE

1. GOVERNING TERMS. These Terms and Conditions of Purchase ("Terms") shall apply to the purchase by ICE of the products and/or services ("Products") described in the Purchase Order, Quotation, Sales Order, Acknowledgment, or other contract documentation to which these Terms are attached, incorporated by reference and made an integral part (the "Contract Documents"). Except as expressly agreed by authorized representatives of both parties in writing, no other terms and conditions, including any terms and conditions attached to Seller's quotation, acknowledgment, or other contract documentation, shall apply to ICE purchase of the Products. Seller's shipment of any Product or performance of any purchase order or contract shall constitute acceptance of these Terms. As used herein, "Contract" refers to the applicable order pursuant to which Seller is selling the Products to ICE.

2. INVOICES: Seller shall invoice at the prices agreed in the Contract Documents or at Seller's most favored customer price under similar circumstances, whichever is lower. Seller's price shall include and Seller shall be responsible for all applicable taxes and duties. Payment shall be due thirty (30) days from ICE's acceptance of Products or receipt of a proper invoice, whichever is later. Discounts shall apply to payments mailed within the stated period starting from the later of receipt of a proper invoice or delivery at destination.

3. PACKAGING AND SHIPMENT: Seller shall comply with ICE's shipping instructions and suitably wrap, box and/or crate all products to protect against hazards of shipment, storage and exposure at its own expense. All packages containing hazardous materials/dangerous goods shall conform with all applicable regulations. Seller shall provide hazardous material data sheets promptly upon request. All packages must be labeled with any applicable purchase order number and include itemized packing slips. Unless otherwise agreed in the Contract Documents, title and risk of loss for Products shall pass at ICE's receiving dock.

4. PROPERTY FURNISHED BY ICE: All items furnished or paid for by ICE, shall remain ICE's property, shall not be disclosed to third parties or used for any purpose other than performing ICE's purchase orders, and shall be returned to ICE immediately upon request. Seller shall bear risk of loss and insure such items for their full replacement value. Seller shall mark all ICE-owned tooling and equipment with the name "ICE" and ICE's drawing or tool number where applicable.

5. WARRANTY: Seller warrants all Products to be new, merchantable, free from defects and unreasonable hazards in design, material, and workmanship, fit for the purposes described by ICE, conforming to applicable specifications of Seller and contract requirements, and manufactured and delivered in accordance with all applicable law. These warranties, Seller's service guarantees, and implied warranties, shall survive inspection, test and acceptance at all tiers, and shall run to ICE and subsequent owners and users of the products. ICE's remedies under these warranties shall include at ICE's election (a) return and full refund of the purchase price paid by ICE for such products, (b) repair by Seller or persons designated by Seller and accepted by ICE of any products found to be defective in violation of these warranties, without charge, or (c) replacement of products with new products that conform to applicable specifications.

6. INSPECTION: ICE shall have a reasonable period of time, but no less than thirty (30) days from the later of delivery or installation, to inspect any Products purchased hereunder. ICE may reject nonconforming Products or require Seller to correct the defects without charge. Payment shall not constitute acceptance. ICE, and its customers and regulatory agencies shall have the right to verify the quality of work, records and material on supplier premises during regular business hours.

7. DEFAULT: ICE may terminate this contract in whole or in part by written notice if Seller: (a) fails to timely perform any provision of this contract; (b) fails to make progress that endangers scheduled performance hereof, and does not cure such failure within a period of ten (10) days (or such longer period as ICE may authorize in writing) after receipt of written notice; or (d) fails promptly to provide adequate written assurances of performance satisfactory to ICE upon request. If ICE terminates part of the work, Seller shall diligently continue performance of the remainder. Seller shall be liable to ICE for any excess costs for repurchasing similar products or services and other damages incurred. If it is determined Seller was not in default, such termination shall be deemed a termination for convenience pursuant to Section 10, below.

Upon any termination for default of Seller, Seller shall transfer title and deliver, as directed by ICE, (a) any completed supplies, and (b) such partially completed

supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights as Seller has produced or acquired for the performance of the terminated part of this contract; and Seller shall, at ICE's direction, protect and preserve property in Seller's possession in which ICE has an interest.

8. LIMITATION OF LIABILITY. The rights and remedies of ICE provided in this contract and by law are cumulative. In no event shall ICE be liable for anticipated profits, or for incidental or consequential damages. ICE shall not be liable for penalties or for any amount in damages or otherwise in excess of the price allocable to the units of product or work giving rise to the claim.

9. SUSPENSION; TERMINATION FOR CONVENIENCE: ICE for its convenience may, at any time by written order, suspend or terminate this contract in whole or in part. Seller shall be entitled to an equitable adjustment in price and/or delivery to the extent actual, incurred costs or delays are caused by any such suspension not due to the fault or negligence of Seller. In no event shall ICE be obligated for any amount in excess of the contract price for terminated products, or for any amount greater than the percentage of the contract price reflecting the percentage of the work performed prior to notice of termination, whichever is less, plus reasonable costs established by Seller to the satisfaction of the ICE.

10. FORCE MAJEURE. Neither Seller nor ICE shall be liable to the other for failure to perform any obligation under the Contract to the extent such failure to perform is due to labor unrest, riot, war, fire, accident, weather or other natural disasters, lack of energy supplies, supplier delays, compliance with law, failure to obtain all necessary licenses, permits or approvals after reasonable efforts, or any unforeseen circumstances or other causes beyond such party's reasonable control.

11. CONFIDENTIAL INFORMATION. Seller may receive specifications, designs, programs, technical information and performance data of ICE concerning products, and customer information, business information or other information. All such information shall be considered confidential information of ICE ("Confidential Information") which Seller shall not disclose to third-parties or use for any purpose other than supplying Products to ICE without the express written permission of ICE. Seller has not and will not disclose to ICE any materials, documents or other information which are deemed to be Confidential Information to Seller or to any third party. Any receipt of any Confidential Information from Seller must be the subject of a separate written agreement made prior to the receipt by or disclosure to ICE.

12. SOLE TERMS. These Terms and the Contract Documents of which they are a part set forth the entire agreement between ICE and Seller with respect to their subject matter and supersede all previous written or oral agreements and understandings between ICE and Seller. These Terms and the Contract Documents may not be amended nor may compliance with any provision herein or therein be waived, except by a written document duly and validly executed by both ICE and Seller, or in the case of a waiver, the party waiving compliance. Any part of these Terms held to be void, invalid or nonforceable shall be treated as severable, leaving valid the remaining Terms.

13. FEDERAL ACQUISITIONS REQUIREMENT: Purchase Order Requirements

- 52.211-5 New Material Requirement. (AUG 2000)
- 52.222-20 Walsh-Healy Public Contracts Act (DEC 1996). This clause applies only if this contract exceeds \$10,000.
- 52.222-21 Prohibition of Segregated Facilities (FEB 1999).
- 52.222-25 Affirmative Action Compliance. (APR 1984)
- 52.222-26 Equal Opportunity (APR 2002)
- 52.222-35 Equal Opportunity for Special Disabled, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001). This clause applies only if this contract exceeds \$25,000.
- 52.222-36 Affirmative Action for Workers With Disabilities (JUN 1998). This clause applies only if this contract exceeds \$ 10,000.
- 252.225-7014 Preference for Domestic Specialty Metals (APR 2003), Alternate I (APR 2003).
- 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (MAY 2004).