

**CONAX FLORIDA CORPORATION'S TERMS AND CONDITIONS OF PURCHASE  
EFFECTIVE DATE: JUNE 22, 2004**

1. PACKING AND SHIPPING ALL ITEMS SHALL BE SUITABLY PREPARED AND PACKED FOR SHIPMENT. BUYER WILL NOT ALLOW EXTRA CHARGES FOR PACKING, CARTAGE OR ANYTHING ELSE UNLESS STATED IN THIS ORDER. SELLER SHALL MARK THE NUMBER OF THIS ORDER ON EACH CONTAINER AND ENCLOSE A PACKING SLIP WITH THE ORDER NUMBER IN EACH CONTAINER. SELLER SHALL MAIL INVOICES IN TRIPLICATE. SHIPPING DOCUMENTS AND COPY OF PACKING SLIP TO BUYER.
2. PRICES AS SPECIFIED IN THIS ORDER ARE THOSE AGREED UPON AND ARE NOT SUBJECT TO INCREASE, UNLESS SPECIFICALLY AUTHORIZED BY AN AMENDMENT TO THIS ORDER.
3. DELIVERY SCHEDULE - SELLER SHALL FOLLOW THE DELIVERY SCHEDULE SHOWN ON THIS ORDER AND SHALL NOT MAKE DELIVERIES LATER OR SUBSTANTIALLY EARLIER THAN DATES SHOWN. IF ITEMS ARE SHIPPED SUBSTANTIALLY IN ADVANCE OF SCHEDULE DELIVERY DATES, BUYER MAY RETURN THEM AT SELLER'S EXPENSE. IF SELLER EXERCISES DUE CARE, SELLER SHALL NOT BE LIABLE FOR DELAYS IN DELIVERY DUE TO CAUSES BEYOND HIS REASONABLE CONTROL. IF SELLER DOES NOT ADHERE TO THE DELIVERY SCHEDULE, BUYER MAY EITHER AGREE TO A REVISE DELIVERY SCHEDULE OR TERMINATE THIS ORDER WITHOUT LIABILITY TO BUYER. SELLER SHALL NOTIFY BUYER PROMPTLY OF ANY DELAYS OR OF ANY ACTUAL OR POTENTIAL LABOR DISPUTE WHICH IS DELAYING OR THREATENS TO DELAY THE TIMELY PERFORMANCE OF THIS PURCHASE ORDER. SUCH NOTICE SHALL INCLUDE ALL RELEVANT INFORMATION WITH RESPECT TO SUCH DISPUTE.
4. INSPECTION -SELLER AGREES TO PERMIT THE BUYER'S INSPECTORS TO HAVE ACCESS TO THE SELLER'S PLANT AT ALL REASONABLE TIMES FOR THE PURPOSE OF INSPECTING ANY ITEMS SET FORTH ON THIS ORDER OR WORK IN PROCESS FOR PRODUCTION OF SUCH ITEMS. ALL ITEMS ARE SUBJECT TO FINAL INSPECTION AND APPROVAL AT BUYER'S PLANT OR OTHER PLACE DESIGNATED BY BUYER. SUCH INSPECTION SHALL BE MADE WITHIN A REASONABLE TIME. AFTER DELIVERY, IRRESPECTIVE OF THE DATE OF PAYMENT, BUYER MAY RETURN REJECTED ITEMS AT SELLER'S EXPENSE. SELLER SHALL NOT REPLACE ITEMS RETURNED AS DEFECTIVE UNLESS SO DIRECTED BY BUYER IN WRITING.
5. CHANGES-BUYER MAY MAKE CHANGES IN THE DRAWINGS, SPECIFICATIONS, QUANTITIES, DELIVERY SCHEDULES, OR METHODS OF SHIPMENT OR PACKAGING ON ANY ITEM AT ANY TIME. IF SUCH CHANGES RESULT IN DELAY OR AN INCREASE OR DECREASE IN EXPENSE TO SELLER AN EQUITABLE ADJUSTMENT OF PRICE AND DELIVERY SCHEDULE WILL BE MADE. ANY CLAIMS FOR ADJUSTMENT UNDER THIS PARAGRAPH SHALL BE CONCLUSIVELY DEEMED WAIVED UNLESS ASSERTED IN WRITING WITHIN 30 DAYS OF RECEIPT OF CHANGE NOTICE BY SELLER. CHANGES BY SELLER IN PRICES, DELIVERY DATES OR OTHER TERMS AND CONDITIONS OF THIS PURCHASE MUST BE APPROVED BY THE BUYER IN WRITING.
6. WITH RESPECT TO INVENTIONS WHICH SELLER MAY MAKE IN THE PERFORMANCE OF THIS PURCHASE ORDER. SELLER HEREBY GRANTS TO BUYER AND ITS SUBSIDIARIES A PERMANENT, PAID UP AND IRREVOCABLE LICENSE BOTH TO THE UNITED STATES AND FOREIGN COUNTRIES, TO MAKE, USE AND SELL, AND TO HAVE OTHERS MAKE USE AND SELL DEVICES OR MATERIAL INCORPORATING OR MADE THROUGH USE OF SUCH INVENTIONS. IF, HOWEVER, SUCH INVENTIONS RESULT FROM RESEARCH AND DEVELOPMENT WORK PERFORMED BY SELLER FOR WHICH BUYER PAYS SELLER. EITHER DIRECTLY OR INDIRECTLY. SELLER AGREES TO ASSIGN TO BUYER RIGHTS, TITLE AND INTEREST IN AND TO SUCH INVENTIONS AND TO ASSIST BUYER, AT BUYER'S EXPENSE, IN SECURING UNITED STATES AND FOREIGN PATENTS WITH RESPECT THERETO.
7. BUYER'S PROPERTY - ALL TOOLS, DIES, JIGS, PATTERNS, EQUIPMENT OR MATERIAL AND OTHER ITEMS PURCHASED. FURNISHED CHARGED TO OR PAID BY BUYER, AND ANY REPLACEMENT THEREOF, SHALL REMAIN THE PROPERTY OF BUYER. SUCH PROPERTY SHALL BE PLAINLY MARKED "PROPERTY OF CONAX FLORIDA CORPORATION" AND SHALL BE SAFELY STORED APART FROM OTHER PROPERTY. SELLER SHALL NOT SUBSTITUTE OTHER PROPERTY FOR BUYER'S PROPERTY AND SHALL NOT USE SUCH PROPERTY EXCEPT IN FILLING BUYER'S ORDERS. SELLER SHALL HOLD SUCH PROPERTY AT ITS OWN RISK AND UPON BUYER'S WRITTEN REQUEST, SHALL RE-DELIVER THE PROPERTY TO BUYER IN THE SAME CONDITION AS ORIGINALLY RECEIVED BY SELLER. REASONABLE WEAR AND TEAR EXCEPTED.
8. SELLER WARRANTS THAT ALL GOODS AND WORK COVERED BY THIS ORDER WILL CONFORM TO THE DRAWINGS AND SPECIFICATION, SAMPLES OR OTHER DESCRIPTION FURNISHED BY THE BUYER, AND WILL BE FIT FOR THE PURPOSE INTENDED. MERCHANTABLE, OF GOOD MATERIAL AND WORKMANSHIP AND FREE FROM DEFECT AND THIS WARRANTY SHALL RUN TO THE BUYER, ITS SUCCESSORS,

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ASSIGNS, CUSTOMERS, AND THE USER OF THIS PRODUCT. NONE OF THE PROVISIONS OR REMEDIES HEREIN ARE IN LIEU OF ANY CLAIMS FOR DAMAGES BUYER MAY HAVE AT LAW OR EQUITY UNDER THE FLORIDA UNIFORM COMMERCIAL CODE OR OTHERWISE. FOR THE BREACH OF ANY CONTRACTS OR WARRANTIES WITH BUYER, WHICH ARE SPECIFICALLY RESERVED BY BUYER.

9. PATENT INDEMNITY – TO THE EXTENT THE SUBJECT ITEMS ARE NOT MANUFACTURED PURSUANT TO DESIGN SPECIFIED BY BUYER, SELLER SHALL INDEMNIFY AND HOLD BUYER AND IT'S AGENTS AND CUSTOMERS HARMLESS FROM ANY LOSS, DAMAGE, OR LIABILITY FOR INFRINGEMENT OF UNITED STATES PATENT RIGHT WITH RESPECT TO SUCH ITEMS AND SHALL AT IT'S OWN EXPENSE DEFEND ANY ACTION IN WHICH SUCH INFRINGEMENT IS ALLEGED WITH RESPECT TO THE MANUFACTURE. SALE OR USE OF SUCH ITEMS DELIVERED HEREUNDER; PROVIDED SELLER IS DULY NOTIFIED AS TO SUITS AGAINST BUYER, AND PROVIDED FURTHER SELLER'S INDEMNITY AS TO USE SHALL NOT APPLY TO ANY INFRINGEMENT ARISING OUT OF USE IN COMBINATION WITH OTHER ITEMS WHERE SUCH INFRINGEMENT WOULD NOT OCCURRED FROM THE NORMAL USE FOR WHICH THE ARTICLE WAS DESIGNED.
10. DRAWINGS, SPECIFICATIONS AND TECHNICAL INFORMATION DRAWINGS, SPECIFICATIONS, PHOTOGRAPHS AND OTHER ENGINEERING AND MANUFACTURING INFORMATION SUPPLIED BY THE BUYER SHALL REMAIN BUYER'S PROPERTY SHALL NOT BE PHOTOSTATTEED OR OTHERWISE DUPLICATED WITHOUT BUYER'S WRITTEN CONSENT AND SHALL BE RETURNED TO BUYER UPON COMPLETION OR ORDER OR UPON DEMAND. ANY INFORMATION WHICH SELLER MAY DISCLOSE TO BUYER WITH RESPECT TO THE DESIGN MANUFACTURE OR SALE OR USE OF THE ITEMS COVERED BY THIS ORDER SHALL BE DEEMED TO HAVE DISCLOSED AS PART OF THE CONSIDERATION FOR THIS ORDER AND SELLER SHALL NOT ASSERT ANY CLAIM (OTHER THAN A CLAIM FOR PATENT INFRINGEMENT) AGAINST BUYER BY REASON OF BUYER'S USE THEREOF.
11. IN THE EVENT THAT SELLER IS REQUIRED TO ENTER PREMISES OWNED, LEASED, OCCUPIED BY OR UNDER THE CONTROL OF BUYER DURING THE PERFORMANCE OF SERVICES HEREUNDER OR DURING DELIVERY OF ARTICLES HEREIN CONTEMPLATED. SELLER AGREES TO INDEMNIFY AND SAVE HARMLESS BUYER, ITS OFFICERS, EMPLOYEES AND AGENTS FROM ALL COSTS, LOSS, EXPENSE, DAMAGES, CLAIMS, SUITS, OR LIABILITY RESULTING FROM INJURY, INCLUDING DEATH, TO PERSON OR PROPERTY ARISING FROM OR

IN ANY MANNER GROWING OUT OF THE PERFORMANCE OF SUCH SERVICES AND/OR DELIVERY. WHETHER ARISING OUT OF THE ACTIONS OF SELLER OR ITS SUBCONTRACTORS, OR THEIR RESPECTIVE EMPLOYEES, AND SELLER AGREES TO MAINTAIN AND REQUIRE ITS SUBCONTRACTORS, TO MAINTAIN (I) PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE IN REASONABLE AMOUNTS TO COVER THE OBLIGATIONS SET FORTH ABOVE AND (II) PROPER WORKMEN'S COMPENSATION INSURANCE COVERING ALL EMPLOYEES ENGAGED IN THE PERFORMANCE OF SUCH SERVICES AND/OR DELIVERY.

12. SUBCONTRACTS-SELLER SHALL NOT WITHOUT THE WRITTEN APPROVAL OF THE BUYER, MAKE ANY CONTRACT WITH ANY OTHER PERSON FOR FURNISHING ANY OF THE COMPLETED OR SUBSTANTIALLY COMPLETED ITEMS COVERED BY THIS ORDER.
13. SELLER SHALL FULLY COMPLY WITH ALL APPLICABLE FEDERAL, STATE, OR LOCAL LAWS, RULES, REGULATIONS OR ORDINANCES AND SHALL HOLD BUYER HARMLESS OR ALL LIABILITY RESULTING FROM FAILURE OF SUCH COMPLIANCE.
14. NO ARTICLES FURNISHED HEREUNDER, OR TOOLS FOR PRODUCING THE SAME, WHICH HAVE BEEN SPECIALLY DESIGNED FOR OR BY BUYER SHALL BE DUPLICATED FOR OTHERS WITHOUT THE WRITTEN CONSENT OF BUYER.
15. ASSIGNMENT AND SETOFF-SELLER SHALL NOT ASSIGN THIS ORDER OR ANY RIGHT HEREUNDER WITHOUT BUYER'S WRITTEN CONSENT. BUYER MAY SET OFF AGAINST PAYABLE TO ANY PERSON UNDER THIS ORDER ANY CLAIM OR CHARGE IT MAY HAVE AGAINST SELLER.
16. IF SELLER BECOMES INSOLVENT, OR MAKES AN ASSIGNMENT FOR THE BENEFIT OF ITS CREDITORS, OR IF A PETITION IN BANKRUPTCY IS FILED BY OR WITH RESPECT TO SELLER, BUYER MAY, BY NOTICE IN WRITING, TERMINATE THIS ORDER WITHOUT LIABILITY TO BUYER, EXCEPT FOR ITEMS ALREADY DELIVERED. BUYER MAY TERMINATE THIS ORDER AT ANY TIME BY NOTICE IN WRITING TO SELLER IN SUCH LATER EVENT, BUYER SHALL PAY SUCH CANCELLATION CHARGES AS MAY BE AGREED UPON. IN THE EVENT OF FAILURE TO REACH SUCH AGREEMENT, BUYER WILL BE LIABLE FOR SUCH SUM AS MAY BE LAWFULLY BE OWING TO SELLER ON ACCOUNT OF SUCH TERMINATION. BUYER MAY TERMINATE UPON WRITTEN NOTICE, IF SELLER FAILS TO MAKE DELIVERY SO AS TO ENDANGER PERFORMANCE OF THIS ORDER AND SELLER WOULD PAY ADDITIONAL COSTS ENGENDERED THERETO. THE PROVISIONS OF

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- THIS PARAGRAPH SHALL NOT LIMIT OR AFFECT THE RIGHT OF THE BUYER TO TERMINATE THIS ORDER BY DEFAULT OF THE SELLER.
17. THE LAWS OF THE STATE OF FLORIDA SHALL GOVERN THE RIGHTS AND DUTIES OF THE PARTIES TO THIS CONTRACT.
18. ATTORNEYS FEES-SELLER SHALL PAY TO CONAX ANY EXPENSE, INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEY'S FEES INCURRED IN THE ENFORCEMENT OF ANY PROVISION OF THIS PURCHASE ORDER
19. WITH PRIOR REASONABLE ADVANCE NOTICE, THE BUYER, THEIR CUSTOMER(S) AND PERTINENT REGULATORY AUTHORITIES, SHALL HAVE ACCESS TO ALL THE
- CONTRACTOR'S FACILITIES AND SUBCONTRACTOR'S FACILITIES AT ANY TIER UTILIZED IN THE PERFORMANCE OF THIS CONTRACT AND THE RIGHT TO EXAMINE ANY DIRECTLY PERTINENT BOOKS, DOCUMENTS, PAPERS AND RECORDS OF THE CONTRACT AND THEIR SUBCONTRACTORS RELATING TO THIS CONTRACT.
20. ALL APPLICABLE QUALITY CLAUSES AND ALL TERMS AND CONDITIONS SHALL BE INCLUDED IN ALL SUBCONTRACTOR CONTRACTS AT ALL TIERS UTILIZED IN THE PERFORMANCE OF THIS CONTRACT.

**GOVERNMENT CONTRACT PROVISIONS**

WHEN THE MATERIALS OR PRODUCTS FURNISHED ARE FOR USE IN CONNECTION WITH A GOVERNMENT CONTRACT, OR SUBCONTRACT, IN ADDITION TO THE DELINEATED PROVISIONS AND IN THE EVENT THAT ANY ADDITIONAL MANDATORY GOVERNMENT FLOWDOWNS ARE REQUIRED TO BE PASSED DOWN BY THE BUYER. SELLER AGREES TO ACCEPT THESE FLOWDOWNS PURSUANT TO THE CHANGES CLAUSE AND AN EQUITABLE ADJUSTMENT SHALL BE NEGOTIATED, AS NECESSARY, AND THIS PURCHASE ORDER MODIFIED IN WRITING ACCORDINGLY, AND THE ADDITIONAL PROVISIONS SET FORTH HEREINAFTER SHALL APPLY.

- (a) EXAMINATION OF RECORDS - THE COMPTROLLER GENERAL OR DULY AUTHORIZED REPRESENTATIVE FROM THE GENERAL ACCOUNTING OFFICE SHALL UNTIL 3 YEARS AFTER FINAL PAYMENT UNDER THIS ORDER OR FOR ANY SHORTER PERIOD SPECIFIED IN FAR SUBPART 4.7. HAVE ACCESS TO AND THE RIGHT TO EXAMINE ANY OF THE SELLERS DIRECTLY PERTINENT BOOKS, DOCUMENTS, PAPERS, OR OTHER RECORDS, INVOLVING TRANSACTIONS RELATED TO THIS ORDER. FOR ORDERS OVER \$10,000.00 FAR 52 215-1 SHALL APPLY
- (b) RENEGOTIATION ACT OF 1951(a) TO THE EXTENT REQUIRED BY LAW, THIS ORDER IS SUBJECT TO THE RENEGOTIATION ACT OF 1951 (50 U.S.C. APP. 1211 ET. SEQ.) AS AMENDED AND TO ANY SUBSEQUENT ACT OF CONGRESS PROVIDING FOR THE RENEGOTIATION OF CONTRACTS. NOTHING CONTAINED IN THIS CLAUSE SHALL IMPOSE ANY RENEGOTIATION OBLIGATION WITH RESPECT TO THIS ORDER OR ANY SUBCONTRACT HEREUNDER ENACTED. SUBJECT TO THE FOREGOING, THIS ORDER SHALL BE DEEMED TO CONTAIN ALL THE PROVISIONS REQUIRED BY SECTION 104 OF THE RENEGOTIATION ACT OF 1951, AND BY SUCH OTHER ACT, WITHOUT SUBSEQUENT AMENDMENT HERETO SPECIFICALLY INCORPORATING SUCH PROVISION (b) THE SELLER AGREES TO INSERT THE PROVISIONS OF THIS CLAUSE, INCLUDING THIS PARAGRAPH (b) OF ALL SUBCONTRACTS AS THAT TERM IS DEFINED IN SECTION 103g OF THE RENEGOTIATION ACT OF 1951, AS AMENDED, OR IN ANY SUBSEQUENT ACT OF CONGRESS PROVIDING FOR THE RENEGOTIATION OF CONTRACTS.
- (c) THE FOLLOWING CLAUSES SET FORTH IN THE FEDERAL ACQUISITION REGULATION, AS IN EFFECT AT THE DATE OF THIS PURCHASE ORDER ARE INCORPORATED HEREIN BY REFERENCE:

<b>FAR SECTION</b>	<b>TITLE OF CLAUSE</b>
52.202-1	DEFINITIONS
52.203-3	GRATUITIES
52.203-5	COVENANT AGAINST CONTINGENT FEES
52.203-7	ANTI KICKBACK PROCEDURES
52.204-2	MILITARY SECURITY REQUIREMENTS
52.211-16	VARIATION IN QUANTITY
52.242-14	SUSPENSION OF WORK
52.214-26	AUDIT AND RECORDS – SEALED BIDDING
52.215-12	SUBCONTRACTOR COST OR PRICING DATA

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52.215-13	SUBCONTRACTOR COST OR PRICING DATA MODIFICATIONS
52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS
52.219-9	SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN
52.222-1	NOTICE TO GOVERNMENT OF LABOR DISPUTES
52.222-4	CONTRACT WORK HOURS STANDARDS ACT OVERTIME COMPENSATION
52.222-20	WALSH-HEALEY PUBLIC CONTRACT ACT
52.222-21	NON-SEGREGATED FACILITIES
52.222-26	EQUAL OPPORTUNITY
52.222-35	AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS
52.225-1	BUY AMERICAN ACT
52.225-10	DUTY FREE ENTRY
52.225-11	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES
52.227-1	AUTHORIZATION AND CONSENT
52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT INFRINGEMENT
52.227-6	ROYALTY INFORMATION
52.227-10	FILING OF PATENT APPLICATIONS
52.227-14	RIGHTS IN TECHNICAL DATA - GENERAL
52.229-4	FEDERAL, STATE AND LOCAL TAXES
52.232-1	PAYMENTS
52.232-11	EXTRAS
52.232-23	ASSIGNMENT OF CLAIMS
52.233-1	DISPUTE
52.243-1	CHANGES
52.246-2	INSPECTION
52.246-16	RESPONSIBILITY FOR SUPPLIERS
52.249-2	TERMINATION FOR CONVENIENCE OF GOVERNMENT
52.249-8	DEFAULT
53.228-	BONDS AND INSURANCE