

Please insert the following on Purchase Order: "This order is subject to the Carroll Communications terms and conditions."

Note: any quote is contingent on a single order award for the value of the quoted items.

Quoted delivery times for products are not firm. CC will make every effort possible to ensure that quoted delivery times are maintained; however, delivery times are subject to change based on factory loading at time of order receipt. All contents of our quotations are confidential and proprietary and may not be duplicated or distributed to any third party. The price quoted is valid only for PO's matching the stated quantity. Any CCI quote and any order issued hereunder are subject to the Carroll Communications standard terms and conditions of sale attached. In addition to the terms and conditions set forth therein, Carroll Communications will accept all mandatory contract clauses required by U.S. Federal law or regulation. Carroll Communications hereby objects to all different and/or additional terms and conditions, including liquidated damages, that are different or inconsistent with the aforementioned terms and may be included in a purchase order form or attachment. Carroll Communications will therefore acknowledge receipt of and/or accept any purchase order proposing additional or different contract terms, but such acknowledgement and/or acceptance will be solely in accordance with the terms of this quotation.

### **Standard Terms and Conditions of Sale Commercial and FAR Commercial Items**

**1. Definitions.** As used throughout these terms and conditions, including provisions incorporated by reference, the following terms shall have the meaning set forth below:

(a) "Buyer" means the person, firm, or corporation that is purchasing Seller's Products.

(b) "Order" means the contractual instrument (e.g. Agreement, Purchase Order, or Subcontract) into which these General Provisions are incorporated.

(c) "Products" means the hardware, software, equipment or supplies being provided by Seller.

(d) "Seller" means Carroll Woods, Inc. dba Carroll Communications, the legal entity providing Products and/or services.

**2. Acceptance of Orders.** Seller's acceptance of any offer to purchase issued by Buyer shall be expressly limited to (1) the terms and conditions set forth below, (2) any terms and conditions expressly set forth or referenced and agreed to by the Parties and (3) Buyer's written acknowledgment of acceptance of Seller's Standard Terms of Sale. The Parties agree that any additional or different terms and conditions referenced in Buyer's offer to purchase are null and void and shall not be deemed a part of any resulting Order. These terms and conditions represent the entire agreement between the Buyer and Seller pertaining to the subject matter of this Order and shall supersede all prior oral and written agreements, proposals, communications and documents. Buyer's offer to purchase shall be deemed accepted only after Seller's written acknowledgement is provided to Buyer. Buyer's offer to purchase shall not be construed to be accepted by any other action of Seller including, but not limited to, commencement of performance or delivery. TO THE EXTENT THAT THESE TERMS AND CONDITIONS AND ACCOMPANYING DOCUMENTS CONSTITUTE AN OFFER TO SELL, SELLER'S OFFER IS EXPRESSLY LIMITED TO THE TERMS STATED HEREIN. TO THE EXTENT THAT THESE TERMS AND CONDITIONS AND ACCOMPANYING DOCUMENTS CONSTITUTE AN ACCEPTANCE OF BUYER'S OFFER, SELLER'S ACCEPTANCE IS EXPRESSLY MADE CONDITIONAL ON BUYER'S ASSENT TO THE ADDITIONAL OR DIFFERENT TERMS HEREOF. IN NO EVENT ARISING FROM OR CONNECTED WITH THIS ORDER, OR THE PRODUCTS OR SERVICES PROVIDED HEREUNDER, SHALL SELLER BE LIABLE FOR SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

**3. Payment.** Buyer shall pay for all Products within thirty (30) days from (a) the date Products are shipped or (b) date of the invoice, whichever is later. Payment will be deemed to have been made when check is received by Seller or executed as an electronic transfer. Late payments will accrue interest from the date due until receipt by Seller of full payment at the lesser of (a) one and one-half percent per month compounded monthly or (b) the maximum rate permitted by law. Seller may require advance payment or other reasonable assurance of timely payment prior to beginning performance of this Order.

**4. Packing and Shipping.** Unless otherwise agreed to by Seller in writing, Seller shall pack and ship all Products in accordance with good commercial practices.

**5. Title and Risk of Loss.** Unless otherwise agreed to by Seller in writing, the FOB point shall be origin. Title and liability for loss or damage to the Products shall pass to Buyer upon delivery of the Products by a carrier at the FOB point. Loss or damage after delivery at the FOB point shall not relieve Buyer from any obligation hereunder.

**6. Inspection and Acceptance.** All Products shall be subject an inspection and acceptance at manufactures facility. If Buyer does not inspect the Products at Seller's facility, acceptance shall be deemed completed upon delivery of the Products to the carrier. Buyer agrees that any inspection or test on the premises of Seller shall not delay or disrupt Seller's performance. Buyer further agrees that it shall comply with Seller's security and safety policies during any inspection or test on the premises of Seller. Final inspection and acceptance by Buyer at Seller's facility shall be conclusive.

**7. Force Majeure.** Neither party shall be liable for any excess costs or other damages if the failure to perform arises out of causes beyond the control and without the fault or negligence of the party. Such causes may include, but are not limited to (a) acts of God or of the public enemy, (b) acts of the U. S. Government in either its sovereign or contractual capacity, (c) fires, (d) floods, (e) epidemics, (f) quarantine restrictions, (g) strikes, (h) freight embargoes, (i) worldwide parts shortage(s), and (j) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of the party. If the delay is caused by a delay of Seller or Seller's subcontractor and if such delay arises out of causes beyond the reasonable control of either, and without the fault or negligence of either, Seller shall not be liable for excess costs unless the goods to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedules. Seller shall notify Buyer in writing within ten (10) calendar days after it becomes aware of any such cause.

**8. Taxes.** Unless otherwise agreed to in writing by Seller, prices are exclusive of all state and local use tax sales, property (ad valorem) and all taxes, assessments or duties which may be imposed upon the production, shipment installation or sale of the Products covered hereby. Buyer agrees to pay such taxes unless the Buyer has provided Seller with an exemption resale certificate in the appropriate form for the jurisdiction of Buyer's place of business and any jurisdiction to which Products are to be directly shipped or unless such sale is otherwise exempt from such taxes. When applicable, such taxes shall appear as a separate item on Seller's invoice.

**9. Warranty.** This clause applies unless a separate warranty sheet for the specific product is attached.

**9.1 Hardware.** Seller warrants that any article sold to Buyer hereunder, which is provided by Seller, will at the time of shipment be free and clear of all liens and encumbrances, will be free from defects in material and workmanship, and will conform to Seller's applicable specifications. If any article sold hereunder, which is provided by Seller, is not as warranted, Buyer's sole and exclusive remedy will be at its option, the repair in the factory or replacement of the article and return of the article under the same delivery terms and conditions as originally used or refund the purchase price, provided proof of purchase and written notice of nonconformance are received by Seller within one (1) year from the date of shipment, unless otherwise specified in article's published documentation and provided the non-conforming article is, with Seller's prior written authorization, returned to Seller's facility at Buyer's expense no later than thirty (30) days after the expiration of the warranty period. Seller shall warrant repaired Products as to the particular defect subject to repair, for ninety (90) days after shipment or the remaining warranty term, whichever is longer. Seller's total liability is limited to the purchase price of the defective article.

This warranty does not apply to any article not in its original condition or which Seller determines has been, by Buyer or otherwise, subjected to testing for other than specified electrical characteristics, to operating and/or environmental conditions in excess of the maximum values established, i.e. lightning strike, or to mishandling, misuse, neglect, improper installation, testing, repair, alteration, damage, assembly or processing that alters physical or electrical properties.

Seller's warranty will not be enlarged by and no obligation or liability will arise out of Seller's rendering of technical advice or provision of facilities in connection with an article sold hereunder.

THIS WARRANTY EXTENDS TO BUYER ONLY AND MAY BE INVOKED ONLY BY BUYER ON BEHALF OF ITS CUSTOMERS. SELLER WILL NOT ACCEPT WARRANTY RETURNS DIRECTLY FROM BUYER'S CUSTOMERS OR USERS OF BUYER'S PRODUCTS. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, CONDITIONS OR REPRESENTATIONS WHATSOEVER, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS, ALL OF WHICH ARE HEREBY EXPRESSLY EXCLUDED.

**9.2 Software.** Seller warrants that under normal use, the Software shall perform the functions specified in its documentation. If the Software does not conform to its documentation such that its functional performance is significantly affected and Seller is notified in writing within ninety (90) days from the date of purchase along with a copy of the receipt of purchase, Seller shall have the option of refunding the purchase price or replacing the Software as Buyer's exclusive remedy.

**9.3 Services.** Seller warrants that each of its employees assigned to perform the Services hereunder shall have the proper skill, training and background so as to be able to perform in a competent and professional manner and that all work will be performed in accordance with the applicable statement of work. SELLER EXPRESSLY DISCLAIMS ANY WARRANTY RELATED TO TESTING OR SERVICES PROVIDED UNDER THIS ORDER INCLUDING ANY EXPRESS, IMPLIED OR STATUTORY WARRANTY, OR WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**9.4 Commercial Test Equipment.** If Buyer has purchased commercial test equipment then the warranty for the equipment, the license for any software included and the software warranty was provided to Buyer with the equipment and is incorporated herein and made a part of these Terms of Sale. These warranties are given in lieu of all other warranties, express or implied, which are specifically excluded, including, without limitation, implied warranties or merchantability and fitness for a particular purpose. Buyer hereby acknowledges receipt of such warranties and licenses.

**10. Changes.** No changes, extras or other work (whether deemed to be within or outside of the general scope of this Order or modification of any kind or description) shall be authorized unless agreed to by both parties as evidenced by a written amendment to this Order signed by duly authorized representatives of Buyer and Seller.

**11. Termination.** No Order accepted by Seller may be terminated by Buyer for other than Seller's default except by mutual agreement of Buyer and Seller as evidenced by a written Order amendment signed by both parties.

**12. Audit.** Notwithstanding any language or provision to the contrary, Buyer shall have no right to audit or examine Seller's books and records.

**13. Proprietary Information.** All information disclosed in written, graphic, model, or oral form, including, but not limited to, drawings, prints, publications, specifications, processes, manufacturing techniques, oral explanations, schedules and financial reports, obtained by Buyer from Seller prior to and during the performance of this Order which is marked as "Proprietary" by Seller shall be kept confidential by Buyer and shall remain the property of Seller, and shall be returned at Seller's request. Such information shall only be used in performance of this Order and shall not be used for other purposes unless agreed to in writing by Seller. Such information shall not be reproduced, published, disseminated, or disclosed to any third party, including the U.S. Government, by Buyer without the prior written consent of Seller. Nothing contained herein shall be construed as granting an implied license or a license by estoppel or otherwise to any of Seller's intellectual property.

**14. Patent Indemnity.** Seller shall defend any suit or proceeding brought against Buyer insofar as such suit or proceeding is based upon a claim that any Products manufactured and sold by Seller to Buyer constitute direct infringement of any duly issued United States Patent, and Seller shall pay all damages and costs finally awarded therein against Buyer provided that Seller is informed and furnished a copy of each communication, notice or other action relating to the alleged infringement and is given authority, information and assistance at Seller's expense necessary to defend or settle said suit or proceeding. If the use or sale of an article furnished hereunder is enjoined as a result of such suit, Seller, at its option and at no expense to Buyer, shall obtain for Buyer the right to use and sell the article, or shall substitute an equivalent article acceptable to Buyer and extend this indemnity thereto, or shall accept the article returned and reimburse Buyer the purchase price therefore, less a reasonable charge for wear and tear. Seller shall have no obligation or liability hereunder for infringement, which results from compliance with Buyer's specifications or from a combination with or addition to or modification of the article after delivery by Seller or from use of the article or any part thereof in the practice of a process. Seller's obligations above enumerated shall not apply to any infringement occurring after Buyer has received notice alleging the infringement unless Seller has given Buyer written permission therefore. The sale of the Products furnished hereunder does not convey any license by implication, estoppel, or otherwise under any proprietary or patent rights of Seller covering a combination of these Products with other elements.

SELLER SHALL NOT BE LIABLE FOR ANY COLLATERAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING FROM INFRINGEMENT OR ALLEGED INFRINGEMENT OF PATENTS.

The foregoing states the sole and exclusive liability of Seller for patent infringement and is in lieu of all warranties, expressed or implied, in regard thereto.

**15. Governing Law and Venue.** Buyer and Seller agree that this Agreement shall be deemed to have been executed and delivered within the State of New York and the rights and obligations of the Parties shall be construed and enforced in accordance with, and governed by, the laws of such State without regard to its conflict of law principles. All claims or disputes arising under or in any way related to this Agreement, including those relating to the validity of this Agreement, which cannot be resolved by the Parties through face-to-face negotiations between senior executives each Party within thirty (30) calendar days or such longer period of time as may be mutual agreed in a written document that is signed by a duly authorized representative of each Party shall be resolved by the state or federal courts. Venue for any action brought under or relating to this Agreement shall exclusively be in a state or federal court of competent jurisdiction in the State of New York. The Parties hereby irrevocably waive any right to challenge such venue on the basis of forum non conveniens or otherwise. The Parties further agree and consent to accept service of process by certified or registered United States mail, return receipt requested, addressed as provided herein. In the event that an action is commenced by either Party with respect to this Agreement, the substantially prevailing Party shall be entitled to recover its costs and attorneys' fees from the other Party.

**16. Assignment.** This Order shall be binding upon and inure to the benefit of the successors and assigns of the entire business of either Buyer or Seller or of that part of the business of either used in the performance of such Order, but shall not be otherwise assignable without the prior written consent of the other party. Any unauthorized transfer is void.

**17. Validity and Waiver.** The invalidity in whole or in part of any provision of this Order shall not affect the validity of other provisions. The failure of Seller to enforce any provision of these terms and conditions, or to require at any time performance by Buyer of any provision or obligation hereof, shall in no way be construed to be a waiver of such provision, nor in any way affect the validity of this Order or any part hereof, or the right of Seller thereafter to enforce each and every provision.

**18. Severability.** If any provision of this Order is determined to be illegal, invalid, or unenforceable by a court of competent jurisdiction, then the validity and enforceability of the remaining provisions hereunder will not be affected and, in lieu of such illegal, invalid, or unenforceable provision, there will be added as part of this Order one or more provisions as similar in terms as may be legal, valid and enforceable under applicable law.

**19. Compliance with Export Laws.** Buyer shall not export, directly or indirectly, any hardware, software, technology, information or technical data disclosed under this Order to any individual or country for which the U.S. Government requires an export license or other U. S. Government approval, without first obtaining such license or approval. Buyer shall indemnify and hold Seller harmless for all claims, demands, damages, costs, fines, penalties, attorneys' fees, and other expenses arising from Buyer's failure to comply with this clause.

**20. Compliance with Regulations only if Buyer's Customer is the U.S Government.** Seller shall comply with the following in situations where the Buyer's Customer is an agency of the U.S. Government.

If the Products or services covered by this Order are "Commercial Items" as defined by FAR 2.101 and this Order is a FAR Part 12 contract, then Seller shall accept the following flow down clauses from FAR 52.212-5(e)(1):

52.203-13 Contractor Code of Business Ethics and Conduct (if this contract exceeds \$5,000,000 and the performance period is 120 days or more. All disclosures of violation of the civil False Claims Act or of the Federal criminal law shall be directed to the agency Office of the Inspector General, with a copy to the Contracting Officer.)

52.219-8 Utilization of Small Business Concerns, if the subcontract offers further subcontracting opportunities (applies if Order exceeds \$150,000 and excludes services contracts)

52.222-17 Nondisplacement of Qualified Workers (applies to Services Order only)

52.222-26 Equal Opportunity

52.222-35 Equal Opportunity for Veterans (if Order is \$100,000 or more)

52.222-36 Affirmative Action for Workers with Disabilities (if Order exceeds \$15,000)

52.222-37 Employment Reports on Veterans (if FAR 52.222-35 applies)

52.222-40 Notification of Employee Rights under the National Labor Relations Act (applies if Order is \$150,000 or more)

52.222-41 Service Contract Labor Standards (if the prime contract and work performed by Seller are both subject to the Act and the contract exceeds \$2,500)

52.222-50 Combating Trafficking in Persons

52.222-51 Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements

52.222-53 Exemption from Application of the Service Contract Act to Contracts for Certain Services-Requirements

52.222-54 Employment Eligibility Verification (applies if Order exceeds \$150,000)

52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels

52.222-55 Minimum Wages under Executive Order 13658 (if the prime contract and work performed by Seller are both subject to FAR 52.222-41)

**21. Order of Precedence.** In the event that two or more provisions in this Order conflict and there is no reasonable interpretation that resolves the conflict in a manner that is consistent with the entire Order, then the parties shall resolve the conflict using the following descending order of precedence: 1) these Standard Terms and Conditions of Sale; 2) the statement of work (if any); the terms of any Subcontract; and 3) the negotiated terms of Buyer's purchase order form.

**22. Disclaimer.** UNDER NO CIRCUMSTANCES WILL SELLER BE LIABLE IN CONTRACT OR OTHERWISE FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, INDIRECT, OR SPECIAL DAMAGES ARISING FROM ANY LOSS, DAMAGE, EXPENSE OR INJURY SUSTAINED FROM OR IN CONNECTION WITH THE SALE, INSTALLATION, USE, SERVICE OR FAILURE OF ANY ARTICLE SOLD HEREUNDER, OR ANY DEFECT THEREIN, OR FROM ANY OTHER CAUSE. BUYER'S REMEDY, IF ANY, WILL BE STRICTLY LIMITED TO THE TERMS OF THIS SECTION.

**23. Limitation of Liability.** Notwithstanding any other provisions or language in this contract to the contrary, in no event shall Seller's total liability under this contract (including breach of contract actions, or any action arising in tort) exceed the total price hereof.

**24. Orders for Labor Services Only.** In the event that this Order pertains only to labor services being provided by Seller to Buyer, the word "article" shall mean "services. In addition, Sections 4, 5, 6, 9.1, 9.2, 9.4 and 14 are not applicable to such services provided by Seller.

**25. Software License.**

25.1 Software will be license in accordance with the License provide with the Product. If no software license is provided and the Product contains software or firmware then, Seller grants to Buyer a nonexclusive, limited license to use the firmware or software and software documentation only in the course of the normal operation of the article on which it is installed.

25.2 The Software is Proprietary Information of Seller. Seller retains title to all Software. Making copies of Software except for one copy for archive purposes is prohibited unless specifically authorized by Seller in writing. Buyer will reproduce and include all Seller proprietary and copyright notices and other legends both in and on every authorized copy of Software. Buyer may transfer the Software in conjunction with the resale of the Article or Buyer's product, in which the Software is installed or with which it is used, but only under terms consistent with and no less stringent than the terms set forth in this "Software License" section. Except for the foregoing, the Software may not be sublicensed, transferred, or loaned to any other party without Seller's prior express written consent. Buyer may not either itself or with the assistance of others, make modifications to the Software including, but not limited to, translating, decompiling, disassembling or reverse assembling, reverse engineering, creating derivative or merged works, or performing any other operation on Software to recover any other operation on Software to recover any portion of the program listing, object code or source code or any information contained therein.