

Q-PAC TERMS AND CONDITIONS OF SALE

Terms and Conditions. These Terms and Conditions govern all sales made by Q-PAC. Company (Q-PAC) rejects any terms and conditions contrary to these Terms and Conditions of Sale, including but not limited to terms and conditions proposed in a Customer purchase order: Company's failure to object to provisions contained in any communication from Customer shall not be deemed a waiver of these terms and conditions. Any changes in the terms and conditions contained herein must be specifically agreed to in writing signed by an authorized officer of Company.

Pricing. The pricing in a proposal or quotation from Company ("Proposal") applies only to the product type and quantity referred to in such Proposal (the "Product"). Company may, at its option, change the product pricing and other terms for any subsequent sales of the Product or any other goods or services offered by Company. The applicable prices are only those specified in Company's Proposal and, unless expressly specified in a writing signed by an authorized representative of Company, do not include applicable destination charges or taxes. Prices and lead times are subject to revision due to interruptions, delays, Customer equipment failure or engineering changes. Any pricing set forth in a Proposal is subject to acceptance by Customer within thirty (30) days.

Taxes. Customer agrees to pay and is responsible for any and all applicable federal, state and local taxes, duties and other levies, which amounts shall be an additional charge to Customer as set forth in the Pricing section above.

Title and Delivery; Acceptance. Deliveries shall be made in accordance with the Proposal. For deliveries that are shipped using a common carrier, deliveries shall be FOB Factory and risk of loss shall pass to Customer upon delivery of the units of Product ordered to a common carrier selected by Company (unless Customer specifies a preferred common carrier in writing). For deliveries that are delivered directly by Company, risk of loss shall pass to Customer upon delivery by Company. Title shall pass to Customer upon Company's receipt of full payment on all outstanding invoices for the Product and shipping costs.

Product Changes. Company reserves the right to change the specifications or design of its products at any time.

Inspection and Acceptance. Upon delivery and installation of the Product, Customer shall immediately inspect each unit and provide Company with a written acceptance or rejection of the Product. If Customer does not provide written notice of rejection at the time of installation, Customer will be deemed to have irrevocably accepted the Product. Customer must provide a detailed explanation of any rejection, specifying in detail the reason or reasons why the Product does not conform to the Product specifications set forth in the Proposal. Company may charge to Customer any costs resulting from the testing, handling, and disposition of any products returned by Customer that Company determines not to be nonconforming.

Payment. Unless otherwise set forth in the Proposal or on Schedule A, terms of payment shall be net thirty (30) days from date of invoice. Interest on late payments will accrue at a rate of [1.5%] per month. Customer shall not make reductions on the invoice unit price or quantities without prior written approval of Company.

Cancellation/Reschedule. No cancellation for Company's default shall be effective unless Company shall have failed to correct such alleged default within fifteen (15) days after receipt by Company

from Customer of written notice of default. Once order confirmation has been received by Customer, any order for Product pursuant to the Proposal is subject to cancellation fees applied to the customer's account. Orders cancelled 1-21 days before the estimated ship date provided at time of order release are subject to a cancellation fee of up to 100% of the order value. Orders cancelled 22-60 days before the estimated ship date provided at the time of order release are subject to a cancellation fee of up to 20% of the order value. Orders cancelled 61+ days before the estimated ship date provided at the time of order release are subject to a cancellation fee of up to 5% of the order value.

Limited Warranty/Disclaimer. Company warrants only that the Product sold or delivered shall conform to the standard physical characteristics for that Product as defined within the applicable Product specifications supplied by Company in connection with the Proposal and/or as described in the operating manual for the Product. Company warrants that it will, at its option, repair or replace a Product that fails to conform to such specifications within sixty (60) months from the date of entry into service or within sixty (60) months of shipment (parts and labor included), whichever period expires first (the "Warranty Period"). **Customer must, within ten (10) days of entry into service complete and provide to Company a Product Registration Form setting forth the date of entry into service or the warranty extended hereunder shall expire twelve (12) months from the date of shipment.** Repair or replacement of a defective Product is limited to one hour per part at a rate of \$60 per hour. This warranty applies only to the Customer and is non-transferable. This warranty does not extend to damage or wear caused by misuse, negligence, accident, corrosion, modification by the customer, faulty installation (in the case the Product was not installed by Company), loss of product, or tampering in a manner to impair normal operation of Product. **COMPANY MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, ARISING BY LAW, CONTRACT OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, INTEROPERABILITY OR NON-INFRINGEMENT, ALL OF WHICH ARE SPECIFICALLY EXCLUDED TO THE FULLEST EXTENT PERMITTED BY LAW.**

Technical Advice. **COMPANY'S WARRANTIES AS HEREIN SET FORTH SHALL NOT BE ENLARGED, DIMINISHED, OR OTHERWISE AFFECTED BY, NOR SHALL ANY OBLIGATION OR LIABILITY OF COMPANY ARISE OUT OF COMPANY'S RENDERING OF TECHNICAL ADVICE OR SERVICES IN CONNECTION WITH THE PRODUCTS FURNISHED HEREUNDER.**

Intellectual Property. The sale of products or any parts thereof hereunder confers upon Customer no license, express or implied, under any patent rights of Company, except to the extent any such license is necessary to enable Customer to use the Products (and the software and technology embedded therein) as integrated units for their intended purpose. In no event will any such license entitle Customer to disassemble, decompile, deconstruct, make or manufacture the Products or any components thereof.

Ownership. The technology embedded in the Product or otherwise utilized to facilitate the Product's operation is proprietary to Company and title thereto remains with Company. Customer acknowledges that (a) all copyrights, trademarks, patents, trade secrets and other proprietary rights in or related to the Product are owned by Company and (b) that any changes or modifications that Company makes to the Product as a result of any testing conducted by Customer shall be owned solely and exclusively by Company and shall not confer upon or convey to Customer any ownership or other rights in the Product.

LIMITATION OF LIABILITY. EXCEPT FOR LIABILITY ARISING OUT OF THE GROSS NEGLIGENCE AND/OR WILLFUL MISCONDUCT OF COMPANY, COMPANY'S LIABILITY TO CUSTOMER FOR DAMAGES FOR ANY CAUSE WHATSOEVER, AND REGARDLESS OF THE FORM OF ANY ACTION, WHETHER IN CONTRACT OR IN TORT, INCLUDING, BUT NOT LIMITED TO NEGLIGENCE SHALL BE LIMITED TO THE PRICE SPECIFIED IN THE PROPOSAL FOR THE SPECIFIC PRODUCT THAT CAUSED THE DAMAGES OR THAT IS THE SUBJECT MATTER OF, OR IS DIRECTLY OR INDIRECTLY RELATED TO THE CAUSE OF ACTION. EXCEPT FOR BREACHES OF THE CONFIDENTIALITY AND/OR INTELLECTUAL PROPERTY PROVISIONS HEREOF, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR LOSS OF GOODWILL, LOSS OF PROFITS, LOSS OF USE OR OTHER SPECIAL COLLATERAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, REGARDLESS OF THE FORM OF ACTION THEREOF, WHETHER IN CONTRACT OR IN TORT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CUSTOMER ASSUMES ALL LIABILITY FOR ANY AND ALL DAMAGES ARISING FROM OR IN CONNECTION WITH, THE USE OR MISUSE OF THE PRODUCTS BY CUSTOMER, ITS EMPLOYEES, OR OTHERS.

Force Majeure. Neither party will be responsible or liable for any delay or failure in performance arising as a result of fire, accident, acts of God, acts of public enemy, war, labor disputes, failure or delays, transportation, inability to secure product, raw materials or machinery for the manufacturing process, requirements or acts of any government or agency thereof, judicial action or other causes beyond such party's control. In such event, the delayed party may defer performance for a period equal to the time lost by reason of the delay. If such time exceeds forty-five (45) days, either party may by written notice to the other party cancel the Proposal as to any Products then undelivered without liability to the other party.

Confidentiality. Customer acknowledges that the Product (and each unit thereof) contains valuable trade secrets and confidential information owned by Company (collectively, "Confidential Information"). Confidential Information includes but is not limited to the development status of the Product, the functionality of the Product, the technical architecture of the Product, including the electronics and other components incorporated therein, the algorithms designed to control the Product and the interaction and integration of the components incorporated within the Product. All drawings, diagrams, Product specifications, instructions, operating manuals, renderings, technical information and other material furnished by Company in connection with the Product (and all copies thereof) likewise constitute Confidential Information, as do the terms and conditions of the Proposal (including, without limitation, pricing information). Customer agrees to take all reasonable precautions to secure and protect such Confidential Information in a manner consistent with the maintenance of Company's rights therein (but in no event, using anything less than the care taken to protect Customer's proprietary data) and to ensure that all its employees or consultants who are permitted access to such Confidential Information understand that it is Confidential Information and agree in writing to abide by the terms and conditions of this Confidentiality provision. All copies made by Customer of any software incorporated into the Product or of any documentation, instructions, diagrams, renderings or technical descriptions relating to the Product are the property of Company. Any tests conducted by Customer and the results thereof shall be deemed confidential information and the property of Customer. No other party shall be given the results of such tests by the Customer without written approval of Company. Violation of any provision

of this paragraph shall cause immediate and irreparable harm to Company and Customer agrees and acknowledges that Company shall be entitled to immediate injunctive relief, as well as other applicable legal or equitable relief, without the necessity of posting a security or bond.

Assignment. Customer will not assign or subcontract its order, any interest therein or any right therein without the prior written consent of Company.

Governing Laws; Disputes. Any dispute regarding the order or the Proposal (including these Terms) will be governed by and construed in accordance with the laws of the State of Florida (without regard to its conflict of laws provisions). Customer agrees that it will submit to the personal jurisdiction of the competent courts of Florida and the courts of the United States sitting in the North Eastern District of Florida, in any controversy or claim arising out of the sale contract. In the event a dispute arises under these Terms or any order, the prevailing party in such dispute shall be entitled to recover its attorneys' fees. The provisions of the UN Convention for the International Sale of Goods are hereby excluded.

Export Control. Customer will comply fully with all export control laws and regulations of the United States Government and with any applicable laws and regulations of any other country and will indemnify, if requested, Company for any failure. Without limiting the generality of the foregoing, Customer acknowledges that these products and related software and technical data are controlled for export purposes under the Export Administration Regulations (EAR) or the International Traffic in Arms Regulations (ITAR), that Customer is required to comply fully with the EAR and ITAR, and that Customer is required to obtain all necessary export license approvals prior to the export of these products and related software and technical data, including the release of software or technical data to a non-U.S. person in the United States.

Severability of Provisions. In the event of any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this contract will be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Independent Contractors. The relationship of the parties is that of individual independent contractors or of vendor and vendee and nothing contained herein shall be deemed to (i) create a joint venture or partnership among Company and Customer, or (ii) cause either party or any of their respective officers, agents or employees to be or become the agent or employee of the other party for any reason.

Amendment. No change to this Agreement or waiver of any provision hereof will be binding on Company unless made in writing and signed by a duly authorized representative of Company.