

RSAE Labs Inc.
Terms and Conditions of Sale

1. GENERAL

Any order by a person ("Buyer") for goods or services (an "Order"), if accepted, is accepted subject to these Terms and Conditions of Sale ("T&Cs"). These T&Cs may not be modified except in writing and signed by an authorized representative of Seller. Any T&Cs submitted in Buyer's inquiry, delivery order, or other instruments or documents shall be null and void unless specifically agreed to in writing by Seller. Any T&Cs included in Seller's quotation and accepted by Buyer will have precedent over T&Cs herein.

2. DELIVERY, TITLE & RISK OF LOSS

2.1 PACKAGING AND DELIVERY. Buyer agrees to pay all expenses for packing, boxing, drayage, storage and shipping of Product to the destination indicated by the Buyer on the Delivery Order. Seller will deliver Product to Buyer Exworks at the Seller's designated site where Product is ready for shipment ("Exworks Point). The Buyer shall provide to Seller no later than three (3) weeks prior to the first agreed upon shipment date detailed specifications regarding Buyer's packaging and delivery instructions. The carrier and mode of transportation shall be selected, paid for and arranged by the Buyer. At Buyer's request, Seller may offer to arrange for shipment of product and invoice Buyer for reasonable shipping and handling expenses. Full risk of loss / damage (including transportation delays and losses) shall pass to Buyer upon delivery of Product from the Exworks Point, or if Seller consents to a delay in shipment at the request of Buyer, risk loss shall pass upon notification by Seller that the Product is ready. Buyer's acceptance of the Product shall constitute Buyer's acknowledgement that the Product was received in good and operable condition, except for defects not readily discoverable upon visual inspection.

2.2 TITLE. Title moves to Buyer when Product is moved from the Exworks point.

2.3 EXPORT COMPLIANCE AND CONTROL. To the extent the Product is subject to U.S. export control regulations, Buyer shall comply with each of the following statements: (a) Buyer is not: a citizen, national, or resident of any country to which the United States has prohibited export; is not listed on the United States Department of Treasury lists of Specially Designated Nationals, Specially Designated Terrorists, and Specially Designated Narcotic Traffickers, nor is Licensee listed on the United States Department of Commerce Table of Denial Orders; (b) Buyer will not: download or otherwise export or re-export the Product, directly or indirectly, to the above mentioned countries nor to citizens, nationals or residents of those countries; will not download or otherwise export or re-export the Product, directly or indirectly, to persons on the above mentioned lists; will not use the Product for, and will not allow the Product to be used for, any purposes prohibited by United States law, including, without limitation, for the development, design, manufacture or production of nuclear, chemical or biological weapons of mass destruction; and

(c) Buyer agrees that: U.S. export control laws and other applicable export and import laws govern its use of the Product, including technical data; neither the programs nor any direct product thereof will be exported, directly, or indirectly, in violation of these laws, or will be used for any purpose prohibited by these laws including, without limitation, nuclear, chemical, or biological weapons proliferation.

2.4 DELIVERY DELAY. Seller will inform the Buyer of all delays in meeting the delivery dates as specified on the agreed Delivery Order. If, through a delivery modification of the Delivery Order by the Buyer, a delay is caused, Buyer will be responsible for storage costs, if any.

3. WARRANTY

3.1 GENERAL WARRANTY. Seller warrants that its work, when performed, and its goods, when delivered, under or in connection with this Agreement, meet (1) the written specifications set forth in the Product Specification Sheet; or (2) in the case of off-the-shelf Product, the published specifications for such Product. Such warranty will extend for a period of ninety (90) days from completion of the work or delivery of the goods, as applicable, and all claims for defective work must be made in writing immediately upon discovery and a Return Merchandise Authorization (RMA) number assigned. And, in any event, all warranty claims must be made within ninety (90) days from date of delivery by Seller.

3.2 WARRANTY CLAIM. To make a warranty claim, Buyer must provide written notice to Seller within ten (10) days after any such non-conformity is observed. Seller's sole liability under any valid written warranty claim shall be to attempt resolution of the alleged non-conformity, or at Seller's option, partial refund to Buyer of the pro rata value of the line-item price paid for the non-conforming Product based on a thirty-six (36) month life expectancy excluding batteries. There shall be no proration for batteries returned to RSAE Labs Inc. In making a warranty claim, Buyer shall await written instructions from Seller and RMA number, and shall otherwise take no action with respect to using or shipping of the alleged non-conforming item(s). Should Buyer be instructed to ship and package the alleged non-conforming items, the same shall be at Buyer's expense, except that if a valid non-conformity is found by Seller, then Seller shall reimburse Buyer for the cost of standard (non-expedited, non-priority) shipping unless agreed to in advance by Seller. Seller may at his discretion instruct Buyer to return non-confirming product using Seller's shipping account. In no case, shall Seller be responsible for any fees, labor or packaging expenses for a Product associated with a RMA return. Products that are evaluated and found to be operating satisfactorily are subject to a USD \$200 minimum service charge and the associated shipping costs and will be returned to Buyer within ten (10) days after such evaluation. Failure to strictly adhere to this provision shall result in this limited warranty to be void.

3.3 LIMITED WARRANTY EXCLUSION. This limited warranty shall become ineffective to the extent that any of the Product is subject to:

- a. vandalism, accident, negligence, misuse, or abuse;

- b. out-of-specification modifications or repairs, unless performed by Seller;
- c. inadequate or improper maintenance, unless caused by Seller;
- d. malfunctioning equipment not supplied by Seller;
- e. out-of-specification environment;
- f. unusual wear and tear;
- g. modification induced by testing or operation outside of specification;
- h. modification or repair with parts not approved in writing by Seller;
- i. failure of subcomponents (eg batteries, crystal, tubes, contractor or end user furnished properly, and the like) beyond their expected service life;
- j. acts of God, war, riots, insurrections, terrorism and the like;
- k. customization by Seller or others, are one-of-a-kind items, or are specially built pursuant to plans or specifications supplied by Buyer or end user; and
- l. use of Product with other products or services not approved by Seller.

3.4 OTHER WARRANTIES. The forgoing warranties are exclusive and in lieu of all other warranties, whether written, oral, implied or statutory. ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, SUCH AS FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED AND DISCLAIMED.

4. USE OF PRODUCT, REPAIR AND MAINTENANCE

4.1 OPERATION/CARE OF PRODUCT. Buyer agrees to read and abide by all the operating manuals and warning labels associated with the Product, operate it with qualified personnel, and use reasonable care in its operation, handling, storage and test. Buyer shall be responsible for the maintenance of Product while in the Buyer's possession and shall use Product in conformity and compliance with all applicable laws, rules, ordinances, statutes, and the like at all times.

4.2 PRODUCT ALTERATIONS. Buyer shall not remove, alter, disfigure, or cover up any numbering, lettering, or insignia displayed upon the Product. Buyer shall not make any modifications or alterations whatsoever to the Product without the Buyer's prior, written consent.

4.3 REPAIR. Buyer shall not perform, attempt to perform, or allow anyone else to perform any repairs of Product without Seller's prior, written consent. Buyer shall be responsible for repair or replacement at cost by Seller of Product in Buyer's possession unless covered by Warranty.

4.4 OUT-OF-WARRANTY REPAIRS. Out-of-warranty repairs are warranted for thirty (30) days from the date of return shipment. Replacement parts are warranted for thirty (30) days. If a Buyer receives an estimate and subsequently elects not to have repair work completed, there shall be a \$200 service charge applied for the evaluation required to prepare the estimate. Product left in Seller's possession thirty (30) days after Seller's quotation of charges, without notice of disposition from Buyer, are subject to stocking and handling charges.

5. PAYMENTS AND SERVICES

5.1 INVOICING. Invoices shall be generated and submitted upon shipment of Seller's Product. Services provided by Seller shall be invoiced on a monthly basis, with invoices to be submitted following the month in which the Services were performed. All invoices are to be paid in United States of America Dollars, and payable at the invoice remittance address listed in the Seller invoice. All invoices shall be due and Payable within thirty (30) days from the date of invoice. Terms are subject to Seller's approval of Buyer's credit.

5.2 INTEREST. In addition to any other remedies available to Seller under this Agreement, 1) all amounts remaining unpaid after thirty (30) calendar days of the due date shall accrue interest at the rate of one and one half percent (1.5%) per month and compounded monthly to all overdue balances not meeting Net 30 Days terms of this Agreement. and 2) Seller may declare all unpaid balances of any financed amount immediately due and payable and subject to interest of one and one half percent per month.

5.3 Communications and Device Management Center services.

Should Buyer's account be overdue past 45 days, Seller may, in its sole discretion, suspend or terminate Communications services for which Seller contracts on behalf of Buyer and in addition may suspend Device Management Center services associated with the devices with overdue balances. Should either the Communications or Device Management Center services be suspended due to late payment, Buyer must pay the overdue balance including interest charges before reactivation of services. Reactivation of suspended services shall be subject to a \$250 fee. Recovery of any stored data will be billed at a labor rate of \$100 per hour.

5.3 BUYER FEE RESPONSIBILITY. Federal, state, provincial, county, municipal and local excise, sales, value added, use or other similar type taxes, duties, fees and other charges that may be imposed by any public authority with respect to transactions under or contemplated by this document (hereunder called "Fees") are not included in the price quoted by Seller to Buyer. Such Fees shall be the sole responsibility of Buyer and may be invoiced separately by Seller or third parties to Buyer.

5.4 TAX EXEMPTION CERTIFICATE. Seller will accept a valid tax exemption certificate from Buyer if applicable; however, if such exemption certificate is not recognized by the governmental taxing authority involved and Seller is required to pay the tax covered by such exemption certificate, Buyer shall reimburse Seller upon invoice for tax paid by Seller.

6. INDEMNIFICATION

6.1 GENERAL. Seller and Buyer (the "Indemnifying Party") agree to indemnify, defend, and hold harmless each other (the "Indemnified Party") from and against any and all claims, demands, or actions alleging that the material furnished by the Indemnifying Party to the Indemnified party hereunder constitutes a misappropriation of or infringement upon any patent, copyright, trademark, trade secret or other intellectual or proprietary right of any third party in the United States. The Indemnifying Party

agrees to defend against, and hold the Indemnified Party harmless from any such claims and to pay all litigation costs (including the costs of any appellate Party to be held harmless from any such claims and to pay all litigation costs, including the costs of any appellate bonds), all reasonable attorneys' and expert fees, settlement payments and any and all damages awarded or resulting from any such claim. If such claims have occurred, the Indemnified Party agrees to allow the Indemnifying Party, at the Indemnifying Party's option, to: (a) procure the right for the Indemnified Party to continue to use the infringing material ("Infringing Material") in accordance with the terms hereof; or (b) to replace or modify the Infringing Material so as to render it non-infringing. If neither of the foregoing alternatives is available on terms that are reasonable in the Indemnifying Party's judgment, the Indemnified Party, upon written request by the Indemnifying Party, shall return the Infringing Material; provided, however, that if returning the Infringing Material materially affects the Indemnified Party's ability to perform its obligations under the Agreement, the indemnified Party may, at its sole option, terminate the Agreement without any further obligation or liability on behalf of the Indemnified Party.

6.2 OBLIGATION OF INDEMNIFYING PARTY. The Indemnifying Party shall have no obligation hereunder to the Indemnified Party with respect to any claim of infringement of proprietary rights based upon the Indemnified Party's modification of the material furnished and/or the combination of such material with data or materials not supplied by the Indemnifying Party, if such infringement would have been avoided without such modification or if use of the materials furnished by the Indemnifying Party independent of the data or materials supplied by the Indemnified Party would not have caused the infringement.

6.3 INDEMNIFICATION CONTINGENCIES. The foregoing indemnities shall be contingent upon the following: The Indemnified Party shall: (a) give prompt written notice to the Indemnifying Party of any such claim, demand, or action for which indemnification is sought; (b) fully cooperate in the defense or settlement of any such claim, demand, or action; and (c) grant the Indemnifying Party sole control over the defense and settlement of such claim, demand or action provided the Indemnifying Party obtains the prior written consent of the Indemnified Party to any settlement or proposal of settlement (which consent shall not unreasonably be withheld).

7. INTELLECTUAL PROPERTY / PROPRIETARY INFORMATION

Seller hereby retains all rights, title, and interest to all patents, patents pending, copyrights, trade secrets, trade dress, trade names, trademarks, service marks, service names, source codes, software, executable code, hardware, devices, electrical, electronic and mechanical designs, ideas, know-how, intellectual property, and the like pertaining to or associated with the deliverable Product. All exchanges of proprietary and/or business-confidential information by the Parties during performance of this Agreement shall be governed by and in accordance with any Non-Disclosure Agreement entered into between the parties.

8. PRODUCT ASSIGNMENT

Buyer shall not sell, transfer, assign, encumber, sublet, or otherwise part with possession of the Product or any of its rights under this Agreement without Seller's prior and written consent.

9. Lien and Security Interest

Seller retains a vendor's lien on all goods sold to Buyer until such goods are paid for in full. Buyer hereby grants Seller and Seller hereby reserves a purchase money security interest in and to the goods sold to Buyer together with all proceeds thereof to secure Buyer's performance and payment. Buyer agrees upon Seller's request to do all acts and execute all documents reasonably necessary to assist Seller's perfection and maintenance of any such security interest and right of possession, including, but not limited to, executing and filing documents with the appropriate governmental agency.

10. INTELLECTUAL PROPERTY

10.1 PRODUCT. Buyer shall not copy, modify, prepare derivatives, enhance, reverse engineer, disclose, and / or sublicense any software embedded in the Product or any aspect of the product's electrical, electronic or mechanical design without the express written authorization of Seller. Any effort or attempt to reverse engineer the design or functionality of Product, including the electrical, electronic or mechanical design and the software architecture, is unauthorized and will result in the cancellation of any and all related license agreements.

10.2 SOFTWARE. Any software required for the operation and use of the Product which is not embedded in the Product, shall be licensed by Buyer from Seller pursuant to a separate license agreement.

10.3 USE OF INTELLECTUAL PROPERTY. Nothing in the Agreement or these T&C's shall be construed as Buyer granting Seller a license in or any right to use any of Buyer's Intellectual Property other than in the performance of work under the Agreement.

11. TERMINATION

11.1 SELLER TERMINATION. Seller may terminate this Agreement upon thirty days written notice to Buyer.

11.2 PERFORMANCE BREACH. If a Party believes that the other Party has failed to fulfill or perform any material obligation hereunder, the aggrieved Party shall notify the defaulting Party in writing of the perceived failure, default, breach, or the like (hereinafter "Breach"). Subject to any applicable statute, ordinance, or law to the contrary, if the defaulting Party fails to remedy the Breach to the aggrieved Party's reasonable satisfaction within thirty (30) working days after receiving such written notification from the aggrieved Party, or is not otherwise excused or waived, the aggrieved Party, at its sole option and discretion, may terminate this Agreement for cause. In the event that the Buyer fails to timely pay Seller, Seller may immediately terminate the Agreement for default.

11.3 AUTOMATIC TERMINATION. This Agreement automatically shall terminate if (i) a Party becomes insolvent; (ii) a Party ceases to do business as a going concern;

(ii) a petition is filed by or against a Party under the U.S. Bankruptcy Act or similar bankruptcy statute and the Buyer may immediately declare Seller in default of this Agreement.

11.4 3rd PARTY. In any agreement, pursuant to which Buyer will furnish Seller's devices to a third party, Seller shall include a revision in that agreement that allows Seller to assume the agreement on behalf of Buyer (with or without third party's consent) if Buyer declares bankruptcy or is otherwise unable to perform.

12. GOVERNING LAW, LIMITATION OF LIABILITY, RELATED MATTERS

12.1 GOVERNING LAW. This agreement shall be governed and construed in all respects in accordance with the laws and regulations of the State of Florida without reference to choice of law principles.

12.2 WAIVER OF JURY TRIAL. The parties expressly waive any right they may have to a jury trial to the fullest extent allowed by law.

12.3 LIMITATION OF LIABILITY. Seller shall in no event be liable to Buyer or any successor for any consequential, incidental, or indirect damages arising out of this document or any breach thereof, or any of the transactions contemplated by this document, including, but not limited to, damages resulting from loss of use, present or prospective profits, income, revenue, investments, business, data or commitments, interest or goodwill; work stoppage; impairment of other goods; shutdown or non-operation; increased expenses of operation; or claims of customers of Buyer whether or not any such loss or damage is based on contract, warranty, indemnity, tort, strict liability, negligence, or otherwise. The total liability of Seller with respect to the performance or breach of this Agreement or any of the transactions contemplated by this document, whether based on contract, warranty, indemnity, tort, strict liability, negligence, or otherwise, shall not exceed the contract price of the goods or services provided by Seller hereunder or the part of such contract price upon which such liability is based.

12.4 INITIAL DISPUTE RESOLUTION PROCEDURE. Except as provided below, prior to a Party initiating a formal legal proceeding relating to a dispute under an Order, that Party must provide the other with a written request for dispute resolution. Each Party shall, within five (5) calendar days after such written request is received, designate a representative who will be responsible for negotiating, in good faith, a resolution of the dispute. Should the representatives fail to reach agreement within thirty (30) calendar days of receipt of the request, vice presidents of each Party shall attempt to resolve the issue within sixty (60) calendar days of receipt of such written request.

12.5 ARBITRATION. If the initial dispute resolution description in 12.4 does not successfully resolve the dispute, a claim or controversy arising among or between the Parties hereto pertaining to this Agreement and any claim or controversy arising out of or respecting any matter contained in this Agreement or any difference as to the interpretation of any of the provisions of this Agreement shall be settled through binding arbitration. Disputes will be settled in Tallahassee, Florida, utilizing the

American Arbitration Association (“AAA”) and its commercial rules then in effect and conducted exclusively in the English language.

12.6 ARBITRATION PRINCIPLES. The Parties shall attempt to agree upon the selection of a single arbitrator who is unrelated to either Party and has demonstrable experience in the area of federal procurement law. In the event the Parties are unable to select a mutually acceptable arbitrator; the arbitrator shall be appointed by the arbitration organization. The arbitrator’s costs shall be borne equally by the Parties, and each Party shall be responsible for its own preparation, discovery, and internal and external costs incurred in prosecuting or defending its case. The prevailing Party in any arbitration proceeding will be entitled to, in addition to any other relief granted, recover its reasonable costs and attorney’s fees, as determined by the arbitrator. The arbitrator shall be bound by the express provisions of this Agreement in deciding any dispute. The monetary portion of any arbitral award shall be promptly paid by the Party against which it is assessed in United States Dollars. The arbitral award shall be binding and enforceable in any court having jurisdiction thereof and for international arbitration, under the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Performance of the Agreement shall continue unabated during the pendency of any Dispute, except with the regard to the matter at issue.

12.7 TWO YEAR LIMITATION. Neither party may bring an action, regardless of form, arising out of this Agreement, more than two years after the cause of action has arisen.

13. DISPOSITION OF PRODUCT

Buyer shall properly dispose of the Product in a manner that meets all environmental and regulatory rules which govern such disposal.

14. WAIVER

No waiver of any right hereunder shall be applicable unless executed in writing by Seller and no such waiver shall bar Seller from insisting on strict performance without notice of any other or future right hereunder or aspect of the transactions contemplated hereby. Failure of Seller to enforce any provision of this Agreement shall not constitute a waiver of future enforcement of that or any other provision.

15. SURVIVAL

All rights, obligations, and duties hereunder, which by their nature or by their express terms extend beyond the expiration or termination of the Order, including but not limited to warranties, indemnifications, and intellectual property (including rights to and protection of intellectual property and proprietary information), shall survive the expiration or termination of the Order.

16. SEVERABILITY

If any material condition or provision contained herein is held to be invalid, void, or unenforceable by a final judgment of any court of competent jurisdiction, then the remaining provisions of this Agreement shall remain in full force and effect and the

unenforceable provision shall be deemed modified to the limited extent required to permit its enforcement in a manner most closely representing the intention of the Parties as expressed herein.

17. ENGLISH LANGUAGE

All documentation and communication associated with this Agreement shall be provided in the English language. In the event this Agreement is interpreted into a non-English language; the Parties agree that the English version shall prevail if the two versions are inconsistent.

18. NOTICES

Any notice which may be or is required to be given under this Agreement shall be in writing, and shall be deemed to have been received:

- a) when delivered personally, with written confirmation of receipt,
- b) when sent by confirmed email,
- c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or
- d) one (1) day after deposit with a commercial over-night carrier with written verification of receipt.

All notices shall be sent to the addresses set forth below:

By mail: RSAE Labs Inc.
 PO Box 15922
 Panama City, FL 32406

By email: Contracts@RSAELabs.com

19. CONTRACT ASSIGNMENT

Neither this Agreement, nor any rights or obligations hereunder, may be assigned, delegated or otherwise transferred by a Party without the express prior written consent of the other Party. Any attempted assignment or delegation in contravention of this clause shall be void and unenforceable.

20. ORDER OF PRECEDENCE

To the extent any terms and conditions of this Agreement conflict with the terms and conditions of any invoice, Delivery Order or Delivery Order acknowledgment, the terms and conditions of this Agreement shall control.

21. HEADINGS

The headings and titles of the provisions of this Agreement are inserted for convenience only and shall not affect the construction or interpretation of any provision.