

Strategic Systems Inc.'s Purchase Order Terms and Conditions

ENTIRE AGREEMENT: This Purchase Order, including the terms and conditions, any conditions, and any specification, drawings or other documents furnished to Seller by Strategic Systems, Inc. ("SSI") in connection herewith, when accepted by Seller, shall be the entire agreement of the parties relating to the good(s) or service(s) ordered hereunder and shall supersede any other agreement, whether written or oral. No modification of any part hereof shall be binding unless in writing and signed below. **DIFFERENT OR ADDITIONAL TERMS OR SELLER'S RESPONSES ARE HEREBY REJECTED AND NO PRIOR OR SUBSEQUENT CONDUCT OF SSI SHALL BE DEEMED TO BE AN ACCEPTANCE OF DIFFERENT OR ADDITIONAL TERMS.**

ACCEPTANCE OF OFFER: This Purchase Order constitutes an offer by SSI. Seller may accept this offer in writing or by delivery of all or part of the good(s) or service(s) specified herein, but such acceptance is expressly limited to the specific terms and conditions of this Purchase Order.

WARRANTIES: Seller warrants that it has absolute title and full right to transfer good and merchantable title to all good(s) and service(s) delivered or provided hereunder; that the good(s) are now and at the time of delivery shall be free of any security interest, lien or encumbrance; and that all good(s) and service(s) provided hereunder shall strictly conform to the descriptions and specifications set forth or referred to herein, shall be new and shall be of merchantable quality for the industry, shall be free from defects in workmanship, material and design, and shall be fit for the purpose intended and shall perform the required functions in a manner satisfactory to SSI. Such warranties shall extend for a period not less than one (1) year or for any longer period as the Seller or manufacturer of the good(s) normally provides. Seller agrees to protect and hold SSI harmless from any loss or claim arising out of Seller's failure to comply with the foregoing warranties.

INSPECTION: SSI reserves the right of inspection prior to final acceptance and such inspection and acceptance shall be at SSI's premises by SSI. SSI may inspect goods at Seller's plant but inspection by SSI prior to delivery does not relieve Seller from responsibility of furnishing goods in strict compliance with specifications, nor preclude SSI's subsequent rejection if the good(s) fail to comply with Seller's warranties. At SSI's election, it may correct any non-conforming good(s) and service(s) at Seller's expense, replace any non-conforming or rejected goods if adequate assurances are not timely provided, hold any non-conforming or rejected good(s) at Seller's risk to cover, and/or return any rejected and non-conforming good(s) to Seller at Seller's expense. Payment by SSI shall not be construed as constituting acceptance of good(s) or service(s) if these fail to comply with Seller's warranties. Inspection may involve sampling or testing, and SSI's acknowledgment of delivery does not constitute final acceptance hereunder.

DELIVERY: Unless otherwise agreed by the parties, in writing, each package shall be numbered and labeled by Seller with SSI's Purchase Order number, part number, contents and weight, shall contain an itemized packing slip and shall be properly packed for shipment. Invoices must accurately reflect price and quantity and show terms of payment and delivery. Bills of lading, express receipts, invoices, etc. must be sent forward on the day shipment is made and all shipments must be made in the name of the Seller. Delivery shall be made F.O.B. SSI's premises unless otherwise specified by SSI. Notwithstanding any agreement to pay freight, express or other transportation charges, the risk of loss or damage in transit shall be upon Seller. Title shall pass to SSI on delivery of the conforming good(s) to SSI's premises unless otherwise specified by SSI. Delivery shall not be complete until the good(s) have been actually received, inspected, tested and accepted by SSI as provided in this Agreement. **TIME IS OF THE ESSENCE IN CONNECTION WITH DELIVERY HEREUNDER.** If any good(s) or service(s) are not delivered within the time specified in this Purchase Order or within a reasonable time, if no time is so specified, or if Seller is not in compliance with any schedule or timetable developed hereunder, SSI, in addition to other remedies, shall have the right to refuse acceptance of such good(s) or service(s) and/or terminate this Purchase Order.

TERMINATION: SSI may terminate this Purchase Order for any reason at any time in whole or part as to undelivered good(s) or as to unperformed service(s). In such event, provided Seller is not in default as to any requirement hereunder and excluding termination for late delivery or noncompliance with scheduling, SSI and Seller will negotiate an equitable settlement of the terminated portion of the Purchase Order, which settlement shall consist only of Seller's actual costs to the date of termination, including an allowance for obsolescence, rework or scrapage, if any, but only for work in process within Seller's normal manufacturing cycle required to meet the delivery schedule, plus a reasonable profit thereon, less any value thereof to Seller. In no event shall such settlement exceed the amount which would have been payable hereunder for such terminated portion had the Purchase Order been completed by the Seller.

SSI'S INFORMATION/CONFIDENTIALITY: Any specifications, drawings, sketches, models, samples, patterns, dies or other tools, technical information or data, written, oral or otherwise (all hereinafter called "Information"), furnished to or left with Seller by SSI in contemplation hereof or in connection herewith shall be and remain SSI's property and shall be kept confidential by Seller. All copies of such Information in written, graphic, or other form upon completion of performance under this Purchase Order by Seller shall be returned to SSI unless directed otherwise by SSI, in which case Seller shall follow SSI's directions with respect to the destruction of such Information and upon such destruction Seller shall confirm that fact to SSI in writing.

INFRINGEMENT OF PATENTS, PROPRIETARY INFORMATION, TRADE-MARKS OR COPYRIGHTS: Seller shall indemnify and hold harmless SSI, its customers and agents, for any costs, loss, damage, expense, or liability including, but not limited to, attorney's fees and costs of litigation that may result by reason of any claim, suit, action or proceeding by reason of alleged infringement of any patent, proprietary information, design, appearance, trademark or copyright or alleged unfair competition based on the manufacture, use, sale, delivery or disposal of the good(s) furnished under this Purchase Order, as well as for the cost of replacing such good(s).

INDEMNITY: To the fullest extent permitted by law, and without limiting any other rights or remedies, Seller agrees to indemnify and hold SSI harmless from any and all costs, loss, damage, claims and liability, including but not limited to all costs, expenses, attorney's fees and costs of litigation, regardless of the nature thereof or person asserting such claim and despite the sole or concurrent or gross negligence of SSI, caused by, incident to or resulting from the good(s) or service(s) supplied pursuant to this Purchase Order, or arising from or related to any acts or failure to act, in whole or in part, of Seller, its agents or employees, in the performance of any aspect of this Purchase Order.

NON-WAIVER: The failure of SSI to insist upon strict performance of any term or condition herein shall not be deemed to be a waiver of any rights or remedies that SSI shall have and shall not be deemed to be a waiver of any subsequent default of such term or condition by Seller.

COMPLIANCE WITH LAWS: Seller warrants its compliance with all applicable federal, state and local laws and regulations in the performance of this Purchase Order. Without limiting the foregoing, Seller warrants and agrees to certify on the face of all invoices, if requested, (1) its compliance in the performance of this Purchase Order with the Fair Labor Standards Act of 1938, as amended, and all negotiations and orders thereunder; (2) the regulations of standards relating to pricing of products of any federal or state agency or price commission; (3) all requirements of the Federal Occupational Safety and Health Act of 1970, as amended, and all regulations and rules thereunder; (4) the provisions of 29 CFR Part 470; and (5) any and all other federal and state laws, orders or regulations applicable to goods or services hereunder.

INSOLVENCY: SSI may forthwith cancel this Purchase Order or any contract resulting from the acceptance of this Purchase Order in the event of the happening of any of the following or of any other comparable event: insolvency of Seller, the admission in writing by Seller of the inability to pay its debts; the filing by Seller of a voluntary petition in bankruptcy; the entry of any order for relief in an involuntary bankruptcy case against the Seller; the appointment of a receiver or trustee for Seller; or the execution by Seller of an assignment of substantially all its assets for the benefit of creditors.

ENVIRONMENTAL/SAFETY INDEMNITY: Seller agrees to comply with all environmental laws, ordinances, rules, regulations, orders and decisions issued by any federal, state or local body or agency relating to Seller's providing any good(s) and/or service(s) pursuant to this Purchase Order. Seller shall indemnify and hold SSI harmless from any claims or liabilities arising from any noncompliance by Seller with any such laws, ordinances, rules, regulations, orders or decisions. If applicable or unless otherwise waived by SSI, Seller shall supply to all of its employees, sub-contracted personnel, and independent contractors performing work or services on SSI's premises (excepting SSI's Administration facility) such personal protective equipment as SSI requires. In addition, Seller shall supervise and be responsible for ensuring that all employee, sub-contracted personnel, and independent contractors wear the required items of personal protective equipment at all times while on SSI's premises or SSI's client's premises.

APPLICABLE LAW/REMEDIES: This Purchase Order shall be governed by the laws of the State of Alabama, without regard to such state's principles of conflicts of laws. Jurisdiction for any cause of action between the parties shall lie exclusively in the Circuit or District Court of Morgan County, Alabama, depending on their respective jurisdictional limits in all matters arising under this Agreement without regard to its or any other jurisdiction's choice of forum principles, and the parties hereto expressly consent and submit to such jurisdiction and venue, despite any claims under the doctrine of *forum non conveniens*. **THE PARTIES HEREBY KNOWINGLY, INTENTIONALLY, AND IRREVOCABLY WAIVE THEIR RIGHTS TO TRIAL BY JURY IN ANY MATTER ARISING OUT OF, IN CONNECTION WITH OR RELATING TO THIS AGREEMENT OR BETWEEN THE PARTIES.** Reference to specific remedies of SSI herein does not exclude other available remedies of SSI.

GOVERNMENT CONTRACTS: If this Purchase Order is issued for any purpose that is either directly or indirectly connected with the performance of a prime contract with the government or a subcontract thereunder, the terms that the Armed Services Procurement Regulation or other appropriate regulations require to be inserted in contracts or subcontracts will be deemed to apply to this Purchase Order. Additionally the terms of the said prime contract or subcontract thereunder are hereby incorporated by reference into this Purchase Order and shall control, where applicable.

EQUAL EMPLOYMENT OPPORTUNITY: The non-discrimination clauses contained in Section 202 of Executive Order 11246 as amended, pertaining to equal employment opportunity for all persons, are incorporated herein. The affirmative action clauses pertaining to employment of the handicapped contained in 41 C.F.R. 60-741.4 issued under Section 503 of the Rehabilitation Act of 1973, as amended, are incorporated herein. The affirmative action clauses pertaining to employment of disabled veterans and veterans of Vietnam Era contained in 41 C.F.R. 60-250.4, issued under the Vietnam Era Veterans Readjustment Assistance Act of 1974, are incorporated herein. The Americans with Disabilities Act of 1990, as amended, is incorporated herein.

PRICES: Prices of good(s) or service(s) covered by this Purchase Order shall not be increased except with the prior written consent of SSI. SSI shall be entitled to and protected against declining prices on any undelivered portion of this Purchase Order. Seller may elect to meet price reductions of other vendors or its own lower prices to other purchasers, but if Seller should refuse to do so, SSI shall have the right to cancel any undelivered portion of this Purchase Order without cost to SSI.

ASSIGNMENT: Seller shall not assign its right or delegate its performance, in whole or in part, under this Purchase Order without the prior written consent of SSI and any attempted assignment thereof without such written consent shall be totally void.