



Terms & Conditions of Sale for Products

1. SELLER'S TERMS AND CONDITIONS. The following terms and conditions govern all sales of products (the "Products") and rendering of services by SEMACONNECT, INC., a Maryland corporation ("Seller" or "SemaConnect") to each customer of Seller ("Customer"). These terms and conditions ("Terms") supersede any prior communication or agreement, written or verbal. No waiver, amendment or modification of these Terms will be effective unless in writing and signed by an officer of Seller. All purchase orders or other ordering documents, or other documents of Seller applicable in connection with any sale of Products or rendering of services, together with these Terms, shall be referred to as the "Agreements". No purchase order or other ordering document shall modify, amend or vary these Terms, unless specifically agreed in writing and signed by an officer of Seller.

2. ORDERS. All purchase orders shall be in writing and in form acceptable to Seller and Customer. All purchase orders are subject to written acceptance by Seller in Bowie, Maryland, United States. Seller reserves the right to reject and/or not to accept any order, in whole or in part, without incurring any liability for any such rejection. Any terms and conditions set forth in any purchase order that are in addition to or different from any terms or conditions set forth in or expressly contemplated by these Terms shall be null and void and of no effect unless Seller shall specifically agree in writing that such provision supersedes these Terms. A purchase order must specify the Product description, quantity, pricing terms and delivery date. A purchase order received without complete information may be returned for completion or rejected at Seller's discretion.

3. SHIPMENT. All shipments will be made by common carrier to Customer F.O.B. point of shipment. Risk of loss or damage will pass to the Customer upon delivery by Seller to the carrier. Prices quoted are based on current freight rates, and prices are subject to adjustment in the event that a change in such rates affects Seller's cost of performance on a purchase order. Transportation costs are the responsibility of the Customer; freight charges will be prepaid and charged by Seller. Customer shall examine the Products promptly upon

receipt of delivery from the carrier. Customer shall advise the carrier of any damages or shortages prior to acceptance of the Products and, except for any latent defects, shall advise Seller of any claims with respect to shortages, damages or discrepancies within ten (10) days after receipt thereof. Failure to so advise the carrier and the Seller shall relieve Seller from any claim by Customer for shortages or damages to the Products (except for latent defects).

4. DELAYS. Seller's delivery dates are approximate and are based upon prompt receipt of all necessary information from Customer. The timing of delivery of Products and services is contingent upon acts of God, floods, fires, storms, strikes, delays in transportation, governmental restrictions, prohibitions, and regulations, inability on account of a cause beyond the reasonable control of Seller to obtain necessary materials, components, services or facilities, or other interferences beyond Seller's reasonable control, to the extent that the same prevent or delay the performance of Seller's undertakings. In the event of such a delay, the delivery date shall be extended for a period equal to the time lost by reason of such delay.

5. RETURN POLICY. Seller has a general "no return policy," except for defective goods that may be returned in accordance with SemaConnect's Limited Product Warranty. No return or cancellation of orders already accepted is permitted without prior written authorization of Seller (obtained prior to shipment or after receipt). Approved returns will be subject to a 25% cancellation fee, and Customer will be responsible for all transportation charges. Any refunds will be net any outstanding account charges, fees collected in support of sale (including but not limited to tax and shipping). Customer is responsible for delivery of any returned goods to Seller in saleable condition to the Seller's location at 4961 Tesla Drive, Suite A, Bowie MD 20715.

6. PAYMENT AND CREDIT TERMS. Unless otherwise specifically agreed in a purchase order, terms of payment are cash, due within thirty (30) days after the date of the Invoice. Any invoice not paid when due shall be subject to a late payment fee of one and one-half percent (1.5%) per month, or, if such rate exceeds that permitted by applicable

law, then the highest lawful rate. Customer will also reimburse Seller for all collection costs on any delinquent amounts, including, without limitation, reasonable attorneys' fees and court costs. Any overdue payment must be paid before additional shipments are made, and Seller reserves the right to cancel any order or refuse to accept or fill any order then outstanding until payment of overdue amounts. Seller shall have the right in its discretion to (a) limit the amount of credit that Seller extends to Customer, and delay the delivery of Products and/or rendering of services based upon such limitations; (b) require full or partial payment in advance, (c) deliver Products to Customer C.O.D. or require payment to be secured by letters of credit, (d) require written guarantees or payment satisfactory to Seller, or (e) cancel or refuse to accept or fill any order from Customer then outstanding or thereafter placed.

7. TAXES. Unless specifically so designated, prices do not include sales, use, excise, value added or similar taxes applicable to sales or services. Customer is responsible for paying all such taxes, or, if applicable law requires Seller to collect and pay over such taxes, invoices will be increased accordingly.

8. GRANT OF SECURITY INTEREST. All Products shall remain the property of Seller until invoice therefor has been paid in full. As security for payment of all prices, fees and other amounts payable by Customer and performance of all of Customer's other obligations under the Agreements, Customer hereby grants to Seller and Seller hereby retains, a security interest under the applicable provisions of the Maryland Uniform Commercial Code in all property, both tangible and intangible, sold or supplied to Customer, including all proceeds (cash and non-cash, including insurance proceeds), products, substitutions, renewals and replacements thereof. Seller has the right to file a financing statement or continuation statement regarding the collateral security in the applicable public records, and Customer agrees to execute any documents required by Seller to evidence or perfect the foregoing security interest, including individual financing statements, continuation statements, chattel mortgages, or similar instruments, with respect to the security interest created hereby. Seller is hereby appointed Customer's attorney-in-fact to do all acts and things that Seller may deem necessary or desirable to perfect and

continue perfecting the security interest created hereby. Seller shall have all the rights of a secured creditor under the Uniform Commercial Code or any similar law that may be applicable.

9. GENERAL REMEDIES. If Customer shall fail to make payment when due to Seller or if Customer shall materially breach any of the Agreements, then Seller may declare all amounts owing by Customer to Seller to be immediately due and payable, may terminate any existing Agreements and may exercise any other right or remedy available to Seller at law or in equity.

10. SEMACONNECT LIMITED PRODUCT WARRANTY. The Products are subject to the SemaConnect Limited Product Warranty that is a separate legal agreement of SemaConnect and that is incorporated by reference into these Terms. The SemaConnect Limited Product Warranty sets forth warranty coverage and sets forth exclusions, disclaimers and limitations on warranty coverage. Any claim of Customer regarding a defective Product shall be subject to the terms and conditions of SemaConnect Limited Product Warranty.

11. LIMITATION OF DAMAGES. CUSTOMER'S SOLE REMEDY FOR A DEFECTIVE OR DAMAGED PRODUCT IS LIMITED TO REPLACEMENT OR REPAIR OF THE PRODUCT AS PROVIDED IN SEMACONNECT'S LIMITED PRODUCT WARRANTY. Customer's payments to Seller do not include consideration to Seller for the risk of consequential, indirect or incidental damages which may arise in connection with Customer's use of, or inability to use, the Products or services. **THUS, SELLER SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS, LOST BUSINESS, LOST DATA, LOSS OF USE, OR COST OF COVER INCURRED BY CUSTOMER ARISING OUT OF OR RELATED TO USE OF, OR INABILITY TO USE, THE PRODUCTS OR SERVICES, UNDER ANY THEORY OF LIABILITY, WHETHER IN AN ACTION IN CONTRACT, STRICT LIABILITY, TORT (INCLUDING NEGLIGENCE) OR OTHER LEGAL OR**

EQUITABLE THEORY, EVEN IF SELLER KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES. IN ANY EVENT, THE CUMULATIVE LIABILITY OF SELLER FOR ALL CLAIMS WHATSOEVER RELATED TO THE PRODUCTS OR THE SERVICES WILL NOT EXCEED THE AMOUNT THAT CUSTOMER PAID FOR THE PRODUCTS AND SERVICES. THE LIMITATIONS SET FORTH HEREIN ARE INTENDED TO LIMIT THE LIABILITY OF SELLER AND SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. Some states or jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, so this limitation or exclusion may not apply to each Customer.

12. INTELLECTUAL PROPERTY. All right title and interest in and to intellectual property of any kind associated with the Products, including, without limitation, embedded software is reserved to, and belongs to, Seller. Customer agrees not to directly or indirectly disassemble, decode, peel components, decompile, modify, append, translate, copy, distribute, publicly display, disclose, sell, lease, loan, rent, transfer, assign, sub-license or otherwise reverse engineer or attempt to reverse engineer or derive source code from, or provide to third parties, the Products or software embedded in the Products (the "Software") or any portion thereof, or permit or encourage any third party to do so, or use or acquire any materials from any third party who does so. Subject to these Terms and the Agreements, Seller grants Customer a non-exclusive, non-transferable license, without right of sub-license, to use the Software and any upgrades thereto that Seller may provide, at no additional cost, or at additional cost, as the case may be solely (i) with the Products, (ii) for Customer's own use, (iii) as instructed in Seller's printed installation and operation instructions. The Software is the property of Seller, contains confidential and proprietary information of Seller, and is protected by applicable patent and copyright laws and international treaties. Customer receives no other express or implied license or right to the Software under any patent, copyright, trademark, trade secret or other proprietary or intellectual property right. Customer shall receive and maintain the Software and other Seller confidential information in confidence and agrees to use at least the degree of care that it uses to protect its own proprietary information, but no less than reasonable care, to

prevent the unauthorized use of the Software outside of these Terms. Customer's obligations under this Section shall continue indefinitely for as long as the Software continues to be confidential or proprietary to Seller.

13. CONFIDENTIAL AND PROPRIETARY INFORMATION OF SELLER.

Customer shall keep confidential any proprietary, non-public business information of Seller, including plans and specifications, inventions, devices, formulas, processes, programs, software, documentation, manuals, programming aids, source codes, object codes, compilations, technology, know-how, price lists, costs, trade practices, and trade secrets relating to Seller's business. Such information shall remain the exclusive property of Seller and shall be returned to Seller upon request at any time. The obligation of confidentiality shall survive the cancellation and/or termination of the Agreements for so long as the information continues to be confidential or proprietary to Seller.

14. CUSTOMER COMPLIANCE. Customer shall comply with these Terms and with the Agreements. Customer shall comply with all applicable laws and shall be responsible for obtaining all governmental permits, licenses and approvals, and satisfying all formalities with respect to the purchase, use, transportation, or resale of the Products. Customer represents and warrants that all Products purchased from Seller are for use or resale in the United States and none shall be exported and/or resold to parties outside the United States without prior written approval from Seller.

15. INDEMNIFICATION. Customer shall indemnify and hold Seller, its officers, directors, employees, agents, affiliates, successors and assigns harmless from and against all claims, liabilities, losses, damages, costs and expenses sustained by them (including court costs and attorneys' fees) arising out of or in any way connected with the breach of the Agreements by Customer or any of its affiliates, employees, officers or agents.

16. MISCELLANEOUS. The Agreements shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legatees, personal representatives and other legal representatives, successors and assigns, except that Customer may not

assign its rights or obligations under any of the Agreements without the prior written consent of Seller. No failure or delay of Seller to exercise any right or remedy pursuant to the Agreements shall affect such right or remedy or constitute a waiver by such party of any right or remedy thereto. If any provision hereof shall for any reason be held invalid or unenforceable by any court or other tribunal of competent jurisdiction, such invalidity or unenforceability shall not affect any other provision hereof, but the Agreements shall be construed as if such invalid or unenforceable provision had never been contained herein, provided that the court or other tribunal making such finding of invalidity or unenforceability shall modify the scope or extent of the offending provision to the maximum extent allowable under the law to make the same enforceable. Seller and Customer waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto, against the other on, or in respect of, or any matter whatsoever arising out of or in any way connected with the Agreements, the relationship between Seller and Customer, and the Customer's use, purchase, and resale of any Products purchased from Seller, and/or any claim of injury or damage. The Agreements shall be governed by and construed and enforced in accordance with the laws of the State of Maryland. The parties hereby consent to the jurisdiction and venue of the federal and state courts of the State of Maryland with respect to any matter arising from the Agreements.