



GENERAL TERMS AND CONDITIONS FOR SALE

1. ACCEPTANCE AND TERMS AND CONDITIONS

- (a) This purchase order (including all attachments) is the complete agreement between Talla-Tech and Buyer with respect to the subject matter in the purchase order. No modification, alteration, or amendment shall be effective unless in writing and duly signed by both parties. The term “product” or “products” as used herein shall mean the deliverable(s) under this purchase order.
- (b) Any purchase order issued by Buyer to Talla-Tech related to the subject matter of Talla-Tech’s proposal shall be deemed to be an acceptance of Talla-Tech’s proposal. Any mutually agreed to deviation from the terms and conditions of Talla-Tech’s proposal shall be set forth in the purchase order. Talla-Tech hereby notifies Buyer that any other terms or conditions appearing on Buyer’s purchase order are regarded as objectionable by Talla-Tech.
- (c) Failure by either party to enforce, at any time, any of the provisions hereof or to protest, at any time, any breach or default thereof shall not be construed as evidence to interpret the requirements of this purchase order, nor as a waiver of the requirements of such provisions.
- (d) Any inconsistencies shall be resolved in accordance with the following descending order of precedence: (1) these General Terms and Conditions, (2) Front Page of the Purchase Order, (3) Statement of Work/Specifications, and (4) Drawings.
- (e) Talla-Tech shall make no change in any design specification, configuration, material, part, or manufacturing process which materially either alters the form or fit or impairs the function, reliability, or maintainability of the products.
- (f) Unless otherwise specified in this purchase order, Talla-Tech shall deliver all products in accordance with the applicable specification/drawing revisions identified in Talla-Tech’s proposal.
- (g) The interpretation and obligations hereunder shall be governed in accordance with the laws of the State of Florida, excluding its choice-of-law rules.
- (h) All notices or communications to be given under this purchase order shall be in writing and shall be deemed delivered upon hand delivery, upon acknowledged facsimile communication or three (3) days after deposit in the United States mail, postage prepaid, by certified, registered, or first class mail, addressed to the parties at the address listed on the front page of this purchase order.
- (2) In the event that any provision of this purchase order is prohibited by any law governing its construction, performance, or enforcement, such provision shall be ineffective to the extent of such prohibition without invalidating hereby any of the remaining provisions of this purchase order, provided the effectiveness of the remaining portions of this purchase order will not defeat the overall business intent of the parties, or give one party any substantial financial benefit to the detriment of the other party.

2. TRANSPORTATION

Unless otherwise provided in this purchase order, transportation shall be “FOB Shipping Point - Collect”.



3. INSPECTION

- (a) All products are subject to final inspection and acceptance at Talla-Tech's plant (or at any other location specified in writing by Talla-Tech) notwithstanding any payments or prior inspections.
- (2) Records of all inspection work by Talla-Tech shall be kept complete and available to Buyer during the performance of this purchase order.

4. DELIVERY

Delivery shall be at the location described elsewhere in this purchase order.

- (a) If, without written authorization from Buyer, Talla-Tech ships products so as to arrive more than thirty (30) days in advance of schedule, Buyer may return the products at Talla-Tech's expense.
- (b) If delivery is delayed or threatened to be delayed by any event, Talla-Tech shall promptly notify Buyer's procurement representative of the estimated delay involved, the reasons therefore and corrective actions.

5. PACKING/SHIPPING ACCEPTANCE

- (a) All products shall be prepared for shipment according to Buyer's instructions. Absent Buyer instructions, products shall be prepared for shipment in a manner which follows good commercial practice and is acceptable to common carriers for shipment at the lowest rate. Talla-Tech shall mark all containers with necessary lifting, handling, and shipping information, purchase order number, date of shipment, and the names of Buyer and Talla-Tech.
- (b) On and after delivery of the products by Talla-Tech to the carrier, risk for loss or damage to any such products shall pass to Buyer and shall be borne by Buyer, unless otherwise agreed in writing between Buyer and Talla-Tech.

6. PROPERTY

- (a) Parts and/or accessories that are removed and replaced from products sent to Talla-Tech to be repaired, overhauled, repaired under warranty as provided under Clause 14, or upgraded shall belong to Talla-Tech. Talla-Tech shall have the sole right to retain said parts and/or accessories and disposition as appropriate per company policy.
- (b) Should Buyer wish to retain the parts and/or accessories that are removed or replaced, written notice is required prior to shipping products to Talla-Tech in order for an equitable adjustment to the purchase order. Based on the written request, Talla-Tech will provide a quote for the return of the parts and/or accessories to the Buyer.

7. BUYER PROPERTY

- (a) The Buyer shall deliver to Talla-Tech the Buyer-furnished property, if any, described in this purchase order. The Buyer-furnished property shall be delivered by Buyer in accordance



with established due dates, together with any related data and information, that Talla-Tech may request and is reasonably required for the intended use of the property.

- (b) The delivery or performance dates for this purchase order are based upon the expectation that Buyer-furnished property suitable for use will be delivered to Talla-Tech at the times stated in this purchase order.
- (c) If Buyer-furnished property is received by Talla-Tech in a condition not suitable for the intended use, Talla-Tech shall notify Buyer and at Buyer expense, either repair, modify, return, or otherwise dispose of the Buyer-furnished property. After completing the directed action, and upon written request of Talla-Tech, the parties shall agree upon an equitable adjustment to the purchase order.
- (d) If Buyer-furnished property is not received in accordance with the times stated in the schedule, the parties shall agree upon an equitable adjustment to the purchase order.
- (e) With respect to any tools and equipment owned and provided by Buyer, Talla-Tech will charge Buyer for the cost of maintenance and rework thereof.

8. TERMINATION FOR SELLER'S CONVENIENCE

Talla-Tech may, by written notice to Buyer, terminate this purchase order in whole or in part, for its convenience and without cause with thirty (30) days notice, which shall not constitute default. In the event of partial termination, Buyer shall reimburse Talla-Tech for all actual, reasonable, substantiated and allowable costs, plus a reasonable profit for work performed to the date of termination. Buyer may take immediate possession of all work so performed upon written notice to Talla-Tech.

9. TERMINATION FOR DEFAULT

- (a) Buyer may, by written notice of default to Talla-Tech, terminate this purchase order in whole or in part, if Talla-Tech fails to: (1) deliver the products within the time specified in this purchase order or any extension; or (2) make progress, so as to endanger performance of this purchase order; or (3) perform any of the other material provisions of this purchase order; and in either of these latter two circumstances, does not within thirty (30) days (or such longer period as Buyer may authorize in writing) after receipt of the notice from Buyer specifying the failure, submit a viable plan to cure such failure.
- (b) If Buyer terminates this purchase order in whole or in part, it may as its sole remedy, acquire products similar to those so terminated. Talla-Tech shall be liable to Buyer for excess costs for such similar products up to ten (10%) percent above the purchase order price for the products terminated. Buyer shall pay the purchase order price for products delivered and accepted by Buyer.
- (c) Talla-Tech shall not be liable to Buyer for delays in performance occasioned by causes beyond Talla-Tech's reasonable control and without its fault or negligence, including but not limited to acts of God or of the public enemy, acts of the government in its sovereign capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of Talla-Tech's suppliers at any tier.



10. CANCELLATION CHARGES

Should the Buyer cancel all or part of the purchase order, Buyer shall pay Talla-Tech the percentage of order price based on the following time frames. Payment resulting from cancellation does not eliminate Talla-Tech’s rights under the Termination for Convenience clause.

<u>Percentage</u>	<u>Days after Acceptance of Order</u>
10%	15 to 30 days
50%	30 to 60 days
100%	more than 60 days

11. CHANGES

(a) Buyer may at any time, by a written Order, make changes within the general scope of this purchase order, in any one or more of the following:

- (1) The drawings, designs, or specifications where the products to be furnished are to be specially manufactured for Buyer in accordance therewith;
- (2) Description of products to be produced;
- (3) The method of shipment or packing;
- (4) The place of delivery;
- (5) The amount of Buyer-furnished property to be supplied to Talla-Tech.

If any such Order causes a change in the cost of, or the time required for performance of this purchase order, an equitable adjustment shall be made in the price and/or delivery schedule, and in such other provisions of this purchase order that are affected. As a prerequisite to Talla-Tech performing such change, such adjustment shall be accomplished by a written amendment to this purchase order signed by both parties.

(b) Only Buyer’s procurement representative is authorized on behalf of Buyer to issue changes whether formal or informal.

12. INFORMATION DISCLOSED TO SELLER

Except for such information which may be provided pursuant to a Proprietary Information Agreement between the parties, no information provided by Buyer to Talla-Tech shall be deemed to be proprietary.

13. INVOICES AND PAYMENTS

Payment by Buyer shall be in U.S. currency. Prices do not include any sales, use, excise, or similar taxes, or other charges such as duties, customs, tariffs, or government imposed surcharges. Any such taxes and charges applicable to products and services covered by this purchase order shall be billed by Talla-Tech and paid by Buyer as separate and additional items.

The preferred method of payment is via Electronic Funds Transfer via ACH to the following address:



Bank of America
Tallahassee, FL
ABA # 063100277
Credit to:
Tallahassee Technologies, Inc.
Account # 003446400601

For Wire Transfers: ABA # 026009593

To remit by check, address payment to the following:

Tallahassee Technologies, Inc.
2031 East Paul Dirac Drive
Box 9, Suite 236
Tallahassee, FL 32310
Attention: Brett Lasser

14. NON-ASSIGNMENT

Neither this purchase order nor any rights or obligations under it shall be assigned to third parties by either party without the prior written consent of the other. However, claims for any payment due or to become due under this purchase order may be assigned by Talla-Tech without such consent, if Buyer is promptly furnished with written notice and a signed copy of any such assignment. Payment to an assignee of any such claim shall be subject to set-off or recoupment for any present or future claim or claims which Buyer may have against Talla-Tech under this purchase order.

15. RIGHTS IN USE OF TECHNICAL DATA

- (a) Either party shall not reproduce, use or disclose any data, designs or other information belonging to or supplied by or on behalf of the other party, except as necessary in the performance of this purchase order. Unless otherwise specified by the providing party, such data, designs or other information and any copies thereof shall be returned to providing party upon completion or earlier termination of this purchase order.
- (b) No license is granted under any patents owned by Buyer or Seller except for the purpose of Talla-Tech making and selling Work to Buyer and the intended use of product or services provided to Buyer pursuant to this purchase order. Talla-Tech shall not make, use, or sell items represented by such data, designs, information or patents without the specific written permission of Buyer. Where Buyer's data, designs or other information is furnished to Talla-Tech's suppliers for procurement of Work by Talla-Tech for use in the performance of Buyer's Contract, Talla-Tech shall insert the substance of this provision in its orders.

16. INTELLECTUAL PROPERTY

- (a) Buyer shall not use or disclose without Talla-Tech's prior written consent and agrees that Talla-Tech owns all intellectual property rights in, any tools or other items or drawings, specifications, technical information, computer software, or other data which have been specifically designed by Talla-Tech whether in performance of this purchase order or not.
- (b) Talla-Tech agrees that all data, including but not limited to tapes, photo prints, and other graphic information, furnished by Buyer for performance of this purchase order, together with any information furnished orally, shall be free from proprietary restriction except if elsewhere authorized in this purchase order. Talla-Tech's data for which a restrictive use



marking is authorized elsewhere in the purchase order, may be duplicated, modified, distributed or used by Buyer solely for the purpose and performance of its Customer contracts associated with this purchase order.

- (c) Talla-Tech and Buyer agree not to knowingly include any data copyrighted by others in technical data delivered hereunder without first obtaining, at no additional cost and for the benefit of the other, a royalty-free, nonexclusive, irrevocable, world-wide license to publish, distribute, translate, duplicate, exhibit, or perform any such data copyrighted others.
- (d) Nothing in this clause shall restrict Talla-Tech's right to use or disclose drawings, specifications, technical information, and other data which are rightfully obtained from other sources without restriction.

17. DISPUTES

- (a) The Buyer and Talla-Tech each agree to indemnify, defend and hold harmless the other from any and all losses, damages, claims, actions, demands, proceedings, and expenses including reasonable legal fees, which are based upon, arise out of or are in any connection with this purchase order and whether caused or contributed to by the negligence of the Indemnitor or otherwise, arising out of (i) the death or bodily injury of any agent, employee, customer, business invitee, or visitor of the other party, and (ii) the damages, loss, destruction, of any tangible personal property of the other party cause by any act or omission of the Indemnitor.
- (b) Any dispute arising from this purchase order shall be resolved by binding arbitration using the rules and procedures of the American Arbitrators Association. Florida state law, without reference to its conflict of law shall be used to adjudicate the dispute. This shall be the exclusive remedy for resolving all matters and disputes not resolved by mutual agreement of the parties. This provision shall not apply to disputes involving confidentiality or infringement of intellectual property rights (in which case each party shall be free to seek available remedies in any forum using Florida law without reference to the conflict of laws provisions). Both parties agree to share equally all costs associated with this clause.

18. TAXES, FEES, AND ADJUSTMENTS

The purchase order value includes and incorporates all taxes, fees, and adjustments associated with the work, processes, and provisions described herein. Any additional costs associated with this provision shall be the responsibility of Talla-Tech.

19. COMPLIANCE WITH LAWS

Both parties shall comply with the applicable provision of all Federal, state, and local laws and ordinances and all lawful orders, rules, and regulations thereunder; and any and all export provisions and such compliance shall be a material requirement of this purchase order.

20. WARRANTIES

The equipment sold and delivered hereunder are subject to the following warranties:

- (a) Talla-Tech agrees to repair or replace at its discretion, without charge, any such equipment, which is defective as to design, workmanship or material, and which is returned to Talla-Tech at its factory, transportation prepaid, provided:



- (1) Notice of the claimed defect is given Talla-Tech within one (1) year, other stated warranty period, from the date of delivery and equipment is returned in accordance with Talla-Tech's instructions.
 - (2) Such equipment shall not be deemed to be defective if, due to exposure to any condition in excess of those published in the Product specification, it shall fail to operate in a normal manner.
 - (3) Talla-Tech's obligations with respect to such equipment are conditioned upon the proper installation and operation of such equipment by Buyer in accordance with Talla-Tech's written directions.
 - (4) The warranty stated in this Section (a) shall be void if such equipment is altered or repair is attempted or made by other than Talla-Tech or Talla-Tech's authorized service center.
- (b) NO OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, APPLICABLE TO THE PRODUCTS OR SERVICES PROCURED UNDER THIS PURCHASE ORDER.

21. LIMITATION OF LIABILITY

IN NO EVENT SHALL TALLA-TECH BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHETHER IN CONTRACT, IN TORT, OR STRICT LIABILITY, ARISING FROM THIS PURCHASE ORDER AND/OR THE PRODUCTS SOLD HEREUNDER.

22. PERFORMANCE

Talla-Tech shall perform on a Fixed Price basis and shall in no event incur liabilities above the price stated on the cover of the Purchase Order.

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