



CSI Supplier Terms and Conditions

1. ACCEPTANCE OF PURCHASE ORDER

Seller is the supplier named on the face of this purchase order. Buyer is Crescent Systems, Inc. (CSI). These terms and conditions, the order they accompany, and all documents named in that order (collectively, the Purchase Order), comprise the parties' complete contract for the sale of the items identified in the order (the Goods). The contract is effective on the earlier of: Buyer's receipt of Seller's notice of acceptance or acknowledgment, or Seller's commencement of performance. If any terms on the face of Buyer's order differ from or add to these printed terms, the order face terms shall take precedence over these printed terms and conditions. Seller may only accept this order by accepting the terms and conditions in the Purchase Order. Additional or different terms proposed by Seller, including preprinted terms in Seller's quotation, acknowledgement, or invoice, shall not apply to the parties' contract, and Buyer OBJECTS to such terms. If this Purchase Order has been issued by Buyer in response to an offer, and if any of the terms herein are additional to or different from any terms of such offer, then Buyer's acceptance of such offer, is expressly conditioned on (a) Seller's assent to such additional and different terms herein and (b) Seller's acknowledgment that this Purchase Order states the parties' entire agreement.

2. CONFLICTING OBLIGATIONS

If Seller believes any requirements of this Purchase Order conflict with one another, Seller shall notify Buyer in writing. If Seller proceeds without conferring with Buyer, Seller shall be bound by Buyer's decision regarding the controlling requirement, and Seller shall pay all resultant costs.

3. INSPECTION, EXPEDITING, AND DOCUMENTATION

Seller is fully responsible for the design, fabrication, and construction of the Goods and for compliance with all terms, conditions, specifications, drawings, and codes. Buyer shall have the right to inspect the Goods and Seller's manufacturing processes and facilities used in production of the Goods at all reasonable times. Subject to Seller's reasonable restrictions regarding safety and security, Buyer's customer may attend any inspections performed by Buyer. Seller shall comply with Buyer's reasonable requests to expedite the Goods. Seller shall provide Buyer with data, drawings, specifications, test results, quality documentation, schedules, and other information according to the requirements of this Purchase Order. Buyer shall have a reasonable time, not less than thirty days, after receipt to inspect Goods. Buyer, at its election, may either reject nonconforming Goods, or keep nonconforming Goods, and, in addition to other available remedies, deduct a reasonable amount from the price. Buyer's inspection, waiver of inspection, and acceptance of Goods shall not relieve Seller of its obligations.

4. TIME OF PERFORMANCE

Delivery according to the schedule stated in the Purchase Order is of critical importance to Buyer's avoiding substantial loss on sales to its customers. IN THE EVENT OF DELAY, OR ANTICIPATED DELAY, from any cause, including force majeure, Seller shall immediately notify Buyer in writing of the delay or anticipated delay, and will shorten or make up the delay by all commercially



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reasonable means. If Seller fails to meet Buyer's delivery requirements without Buyer's written approval, and fails to adequately assure future performance, Buyer, within ten days of Buyer's notice of intent to cancel, Buyer may cancel all or any part of this Purchase Order.

5. CONFORMING GOODS

The Goods shall conform strictly to the description, plans, specifications, and sample. If there are no specific descriptions, plans, specifications, or samples, and to the extent that they are not explicit, the Goods shall be new, of the latest design or model conforming to the Buyer's requirements, and of the best quality. Seller may not substitute Goods or parts of Goods, or shipment more or less than the quantity specified in this Purchase Order. If Buyer receives Goods that do not conform to these requirements, Buyer may reject such shipment in whole or in part by notifying Seller. Seller shall remove such rejected goods at Seller's expense within ten (10) calendar days after the date of Buyer's notice.

6. WARRANTY

Seller warrants that the Goods will be free from defects in material, workmanship, and design. Buyer shall report any claimed defect in writing to Seller upon discovery and in any event, within the warranty period. Seller shall repair or replace the Goods within ten (10) working days, at the original delivery point of shipment. If Buyer repairs or replaces Goods without Seller's prior written approval, Seller is relieved of obligation to Buyer under this section with respect to such Goods, unless the repair, replacement, or adjustment occurred after Seller failed to satisfy its obligations under this section. Goods shall not be deemed defective either by reason of normal wear and tear or Buyer's failure to properly store, install, and maintain the Goods.

7. WARRANTY REMEDIES

If Buyer discovers any breach of warranty, then Seller, at its option, shall promptly repair or replace, the Goods in question at Seller's cost. Buyer's rights and remedies in this paragraph are in addition to any other rights or remedies legally available.

8. COMPLIANCE WITH APPLICABLE LAWS; INDEMNITY OBLIGATIONS

Seller shall comply with any and all applicable governmental laws, executive orders, regulations and directives, including without limitation those relating to U.S. export controls. Seller agrees to indemnify Buyer against any claim, loss, cost, liability, or damage by reason of Seller's violation of any applicable governmental law, order, claim, regulation, or directive.

9. PATENTS, COPYRIGHTS, TRADEMARKS AND TRADE SECRETS

Seller warrants, represents, and covenants that the Goods and the sale and use thereof do not infringe directly or indirectly any valid patent, copyright, property right or trademark. Seller agrees, at its cost and expense, to indemnify and hold Buyer free and harmless from and against all costs, expense, liabilities, or damages, including attorneys' fees, arising out of alleged or actual patent, copyright, property right, trademark or trade secret infringement.



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10. ASSIGNMENT

Seller may not assign this Purchase Order without Buyer's prior written consent.

11. CANCELLATION

Upon written notice to Seller, Buyer may cancel all or any separable part of this Purchase Order. Seller immediately shall stop all work on the Goods, place no additional orders, and cancel its existing orders on the best possible terms. Pending Buyer's instructions, Seller shall preserve and protect Goods on hand, work in progress, supplier data, and completed Goods, both in its own and in its supplier's facilities. Buyer shall have the immediate right to remove from Seller's premises the Goods and all drawings, records, and parts paid for by Buyer. Buyer's only cancellation payment, if any, shall be that amount that reflects the part of the Purchase Order satisfactorily performed before cancellation, less money already paid to Seller. Seller is not entitled to recover for lost profits or other consequential or incidental damages.

12. CONFIDENTIALITY; PROPRIETARY INFORMATION

All data, tooling, designs, drawings and other documents and proprietary information supplied to Seller by Buyer (Data) are confidential and shall not be used by Seller or disclosed to anyone other than Seller without confidentiality protection equal to this provision, except as needed for Seller to perform and fulfill its obligations under this Purchase Order. Nothing in these terms and Conditions shall be construed to prohibit Seller from using any Data which is owned by the U.S. Government (and is not owned by Buyer to perform future contracts with the U.S. Government. However, Seller's right to use Data owned by the U.S. Government and not owned by Buyer shall comply with all laws and regulations and shall not exceed the U.S. Government's rights in such Data. Seller shall notify Buyer in advance and in writing of any such use. The parties' nondisclosure agreement is incorporated by this reference. No implied license of Buyer's intellectual property is created by this Purchase Order. Any exceptions to this provision must be agreed to in writing before any disclosure occurs.

13. EXPORT OF EQUIPMENT AND TECHNICAL DATA

Seller shall not disclose or otherwise transfer any technical data or equipment furnished to it by Buyer or developed by Seller directly from such data to any third party, including foreign nationals employed by the Seller within the United States, except in compliance with the applicable licensing, approval, and all other requirements of the US export control laws, regulations and directives, including but not limited to the Arms Export Control Act (22USC 2778), International Traffic in Arms Regulations (22 CFR Part 120-130), Export Administration Act (50 USC 2401-2410 as amended), Export Administration Regulations (15 CFR Part 730-799) and DoD Directive 5230.25, Withholding of Unclassified Technical Data from Public Disclosure. Seller shall obtain Buyer's written consent before submitting any request for authority to export any of Buyer's proprietary or export controlled technical data. Seller shall indemnify and hold Buyer harmless from all claims, demands, damages, costs, fines, penalties, attorney's fees and all other expenses arising from failure of Seller to comply with this Article 28. US manufacturers of export-controlled defense articles are required to register with the US Department of State (USDOS).



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14. COMPLIANCE WITH REQUIREMENT TO SUBMIT COST OR PRICING DATA

Should Buyer require Seller to submit cost or pricing data under this Purchase Order, or in entering this Purchase Order, Seller agrees to submit current, accurate, and complete cost or pricing data and certify that the cost or pricing data is current, accurate, and complete as of the date specified by Buyer. Should Seller fail or refuse to comply with this requirement, Seller shall indemnify, defend, and hold harmless Buyer, its successors and assigns, from and against all liability, cost, and expense that it may incur in connection with such failure or refusal, including, without limitation, the amount (plus any related interest assessed by the Government) by which Buyer's contract price may be adjusted because either the prime contract, or this Purchase Order is determined by the Government to have been defectively priced because of such failure or refusal.

15. REPRESENTATIONS AND CERTIFICATIONS

All representations and certifications provided by Seller to Buyer, including, without limitation, any representations and certifications made by Seller to Buyer in connection with this Purchase Order are incorporated herein by reference. Seller acknowledges that Buyer has relied on such representations and certifications in awarding this Purchase Order. In addition to any other remedies available to Buyer, Seller shall hold Buyer harmless from any loss, damage, liability, penalty, or fine arising out of or relating to Seller's failure to provide representation and certifications that are truthful, current, accurate, and complete.