

## ICRC PURCHASE ORDER TERMS AND CONDITIONS

1. **PRICES/TAXES/QUANTITIES** - Prices shown on the face of this Purchase Order ("Order") shall be firm unless otherwise agreed to in writing by Integrated Concepts and Research Corporation hereby referred to as ICRC. Unless otherwise provided herein, such prices include all applicable federal, state and local taxes. Shipments shall not vary from quantities specified herein unless agreed to by ICRC.
2. **ACCEPTANCE/INSPECTION/REJECTION** - By acceptance of this Order and/or performance hereunder, Seller agrees to comply fully with the terms and conditions of sales set forth in this document, and any supplements hereto which are incorporated by a reference herein. Acceptance of this Order is expressly limited to the terms and conditions contained herein and none of Seller's terms and conditions in acknowledging or accepting this Order shall apply. Acceptance of the goods or services under this Order shall not constitute acceptance of Seller's terms and conditions. No employee, representative or agent of ICRC has any authority to bind ICRC to any affirmation, representation, or modification concerning the services or goods to be provided hereunder unless specifically included within this Order or as a written amendment hereto and signed by an authorized representative of ICRC's Purchasing Department.

The Seller shall only tender for acceptance those items that conform to the requirements of this Order. ICRC reserves the right to inspect or test any supplies or services that have been tendered for acceptance. Final inspection and acceptance of goods and services shall be on ICRC's premises unless otherwise agreed to in writing. Nonconforming goods may be returned freight collect, and Seller shall be debited for the inbound transportation cost plus handling expenses. Such rejected goods shall be deemed to be the property of Seller. ICRC may require repair or replacement of nonconforming supplies or re-performance of nonconforming services at no increase in contract price. ICRC must exercise its post-acceptance rights- (1) Within a reasonable time after the defect was discovered or should have been discovered; and (2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.
3. **DELIVERIES/REMEDIES/WAIVER** - (a.) Time is of the essence of this Order. If Seller fails to make deliveries or perform the services at the time agreed upon, or performs the work hereunder in such a fashion as endangers its ability to make timely deliveries or to render timely performance of services, ICRC reserves the right to cancel, purchase elsewhere and hold Seller accountable for any additional costs or damages incurred by ICRC. (b.) If it is determined that it is necessary to correct actual or anticipated failures or hazards in its deliverables attributable to defect or nonconformity in deliverables provided by Seller under this Order, Seller shall reimburse ICRC the costs ICRC incurs in making such correction. (c.) Rights and remedies of ICRC herein are cumulative and in addition to those which ICRC has under law and equity. (d.) Any waiver by ICRC of any particular breach of default hereunder by Seller shall not constitute a continuing waiver or a waiver of any other breach or default. (e.) Approval by ICRC of Seller's proposed design, test plans and/or procedures, manufacturing process, methods, tooling or facilities shall not relieve Seller from meeting all requirements of this Order. (f.) ICRC reserves the right to offset any amount owing from Seller to Purchaser (or to any of Purchaser's affiliated companies) against any amount due or owing to Seller.
4. **INVOICING AND PAYMENT**- Submit invoice(s) after delivery of products / services to Accounts Payable at the ICRC address on the Order. An invoice(s) and any correspondence are to reference the Order number. Payment terms shall be as cited on the Order, or if the Order is issued under a subcontract, in accordance with the subcontract payment terms.
5. **WARRANTY**- Unless a different warranty is agreed upon and set forth herein, Seller warrants all good and/or services delivered or provided hereunder to be free from defect in materials or workmanship, merchantable and fit for the purpose intended for a reasonable time period after acceptance and to conform strictly to the specifications, drawings or sample specified or furnished and any supplementary documentation referenced herein. Any manufacturer or Seller warranty, including any extended warranty, provided at no additional cost to the general public in customary commercial practice for the delivered products and / or services shall be provided hereunder to ICRC and ICRC's customer. Seller further warrants that Seller shall comply with the requirements of all applicable federal, state and local laws, rules, ordinance and regulations such as, but not limited to, OSHA, Hazardous Materials Transportation Act, Toxic Substances Control Act and Consumer Product Safety Act. This warranty shall survive any inspection, delivery or acceptance of the goods or services, or payment therefore, by ICRC.
6. **CHANGES** - (a) ICRC may at any time, by written order, and without notice to the sureties, make changes within the general scope of this Order in any one or more of the following: (i) drawings, designs or specifications; (ii) method of shipment of packing; and (iii) place of delivery. If any such causes an increase or decrease in the cost of, or the time required for by any such order, an equitable adjustment shall be made in the price or delivery schedule, or both, and the Order shall be modified in writing accordingly. Any claim by Seller for adjustment under this clause must be asserted in writing within thirty (30) days from the date of receipt by seller of the notification of change, provided, however, that ICRC, if it decides that the facts justify such action, may receive and act upon any such claim asserted at anytime prior to final payment under this Order. However, nothing in this clause shall excuse Seller from proceeding with this Order as changed. (b) ICRC engineering, technical and other personnel may from time to time render assistance or give technical advice to, or exchange information with Seller's personnel concerning this Order or the articles or services to be furnished hereunder. However, this shall not constitute a waiver with respect to any of Seller's obligation's or ICRC's rights hereunder or be authority for any change in the goods or services called for hereunder. Any waiver or change to be valid and binding upon ICRC must be in writing and signed by an authorized representative of ICRC's Purchasing Department. In case of any doubt, Seller should promptly consult with ICRC's Purchasing Department for further instructions in connection with any claim for adjustment under this clause.
7. **BANKRUPTCY** - In the event of any proceeding, voluntary or involuntary, in bankruptcy or insolvency by or against Seller, including any reorganization or arrangement proceeding, or in the event of the appointment, with or without Seller's consent, of an assignee for the benefit of creditors or of a receiver, then ICRC may cancel this Order in addition to any other rights ICRC may have for any additional costs or damages incurred by ICRC due to said bankruptcy or insolvency.
8. **THIRD PARTY CONTRACT/ASSIGNMENT** - Neither this Order nor any rights and obligations under it shall be assigned or contracted to third parties by Seller without the prior written consent of ICRC, except that claims for monies due or to become due under this Order may be assigned by Seller without such consent, and subject to the provisions of this paragraph. Whenever a third party makes a payment hereunder (e.g. credit card purchase) the Seller may not assign its right to receive payment hereunder. ICRC shall promptly be furnished with written notice and signed copy of any assignment. Payment to an assignee of any claim shall be subject to setoff or recoupment for any present or future claim which ICRC may have against Seller except to the extent that any such claims may be expressly waived in writing by ICRC. Seller shall ensure that subject to the foregoing, any third party contract and/or assignment made hereunder shall incorporate the provisions of this Order by specific reference hereto.
9. **ICRC PROPERTY** - All materials, tools, plate, artwork, film, drawings, specifications and similar items furnished or paid for by ICRC shall be: clearly identified as ICRC property (or as applicable ICRC customer property) and disposed of by Seller as ICRC shall direct. Seller shall be responsible for loss of or damage to any such property, excepting normal wear and tear and shall furnish ICRC a written inventory upon request.
10. **SUPPLEMENTARY DOCUMENTATION** - Any specifications, drawings, notes, instructions, engineering notices, or technical data referred to herein shall be deemed to be incorporated herein by reference, as if fully set forth. In case of any discrepancies or questions refer to ICRC's Purchasing Department for decision, instructions or interpretations.
11. **INFORMATION DISCLOSED** - Unless expressly agreed to in writing by ICRC no information or knowledge disclosed to ICRC in the performance of or in connection with this Order shall be deemed to be confidential or proprietary, and any such information or knowledge shall be free from any restrictions as part of the consideration for this Order.
12. **GENERAL SHIPPING INSTRUCTIONS** - For shipments made F.O.B. shipping point: (a) all shipments moving in one day to the same location via the same carrier shall be considered on one bill of lading. Multiple packages in the same UPS shipment shall be tied into bundles. (b) Unless otherwise specifically instructed, shipments via limited liability carriers (Air Freight, UPS, etc.) and those subject to released value ratings shall be declared at the value which will secure the lowest transportation charge. (c) Seller shall comply with ICRC's shipping and routing instructions. Seller shall not use premium cost transportation unless authorized by ICRC. (d) Losses and/or excess charges resulting from deviation from ICRC's instructions will be charged to Seller's account. All shipments shall be F.O.B. destination unless specifically authorized otherwise by ICRC.
13. **PROOF OF SHIPMENT**- Seller shall forward the receipt or bill of lading signed by the Carrier with Seller's invoice as evidence of shipment. Seller shall receive and retain mailing receipts for uninsured parcel post.

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14. **PATENTS/OTHER PROPERTY RIGHTS** - The Seller agrees to defend, at its own expense, and to hold harmless ICRC and ICRC's customer with respect to any and all claims that the deliverables furnished by Seller under this Order infringe any United States and/or foreign Patent, Trademark, Copyright and/or Property Right of third parties, and with respect to any and all suits, controversies, demands and liabilities arising out of any claim, provided that the foregoing shall not apply to any infringement resulting from the Seller's use of a patented invention required to comply with the written instructions of ICRC if such patented invention is not normally utilized by the Seller.
15. **INDEMNIFICATION** - To the extent that Seller's agents, employees or subcontractors enter upon premises occupied by or under control of ICRC, or any of its customers or suppliers, in the course of the performance of this Order, Seller shall take all necessary precautions to prevent the occurrence of any injury (including death) to any person, or any damage to any person, or any damage to any property, arising out of any acts or omissions of such agency, employees, or subcontractors, and except to the extent that any such injury or damage is due solely and directly to ICRC or its customers' negligence, shall indemnify ICRC and its customers against any loss, claim damages, liability, expense (including reasonable attorneys' fees) and cause of action, whatsoever, arising out of any act or omission of the Seller, its agents, employees or subcontractors.
16. **LIMITATION OF LIABILITY** - Notwithstanding anything herein to the contrary, in no event will ICRC be liable for consequential damages (including lost profits or savings) or incidental damages, even if informed of their possibility. Except for claims for bodily injury (including death) or damage to real or tangible personal property or intellectual property infringement for which ICRC is legally liable, in no event will ICRC's cumulative liability to Seller for claim(s) exceed the value of this Order or if this Order extends over multiple years, the value of the goods and services delivered and accepted by ICRC for a period of twelve months preceding the date of the event from which the claim arose. This provision represents ICRC's entire liability and Seller's exclusive remedy.
17. **FEDERAL PROCUREMENT POLICY ACT** - The Seller agrees to defend, hold harmless and indemnify ICRC and its employees, representatives, subcontractors and/or agents against any and all losses, claims, damages and/or allegations, including all expenses relating thereto, arising out of or relating to violations by the Seller of any Federal Law or regulation, including but not limited to Section 6 of the Office of Federal Procurement Policy Act Amendments of 1988, Public Law 100-679, and all regulations issued thereunder.
18. **PUBLICITY, PROMOTION OR ADVERTISING** - Seller shall not issue any news release, advertisement, publicity or promotional material regarding this Order (including denial or confirmation thereof) without ICRC's prior written consent.
19. **CONTRACT**- This Order and the acceptance thereof shall be a contract governed by the laws of the state from which this Order is issued.
20. **NOTICE OF DELAY**- Whenever any actual or potential event including labor disputes occurs that delays or threatens to delay the timely performance of this Order. Seller shall give immediate notice thereof to ICRC.
21. **NEW MATERIAL** - The deliverables to be delivered hereunder shall consist of new materials, as defined in FAR 52.211-5, not used, or reconditioned, remanufactured, or of such age as to impair its usefulness or safety.
22. **FORCE MAJEURE** - Neither party to this Order is liable for failing to fulfill its obligations due to causes beyond its reasonable control and without its fault or negligence. Examples of such causes include but are not limited to (1) acts of God or of the public enemy, (2) acts of the Government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. A party must use best efforts to promptly notify the other of conditions that will result in a delay in or failure of performance ("Force Majeure conditions"). If under this provision Seller is delayed or unable to perform its obligations, ICRC may elect to: (1) terminate this Order as to any deliverable(s) not yet shipped or to any services which have not been commenced, or (2) suspend this Order for the duration of the Force Majeure condition, and as the case may be: (i) obtain deliverables(s) and/or services elsewhere to perform the functions under this Order and, if applicable, reduce the Order amount for said deliverables(s) and/or services procured elsewhere; or (ii) resume performance once the Force Majeure condition ceases with the option to extend such term up to the length of time the Force Majeure condition endured; and/or (3) when the delay or nonperformance continues for a period of at least fifteen (15) calendar days, terminate, at no charge, this Order or the part of it relating to the services not already performed and/or deliverable(s) not yet delivered.
23. **DISPUTES** - The parties will attempt in good faith to resolve, by negotiation or mediation, any controversy or claim, regarding the rights and obligations under this Order or its breach. If they are unable to do so, and regardless of the causes of action alleged, the claim will be resolved by arbitration in the Anchorage, Alaska metropolitan area, before a single arbitrator who is knowledgeable in the discipline(s) of expertise required under this Order. Such arbitration will be conducted pursuant to the then current Commercial Rules of the American Arbitration Association and the federal substantive and procedural law of arbitration. The arbitrator's award will be final and binding, and may be entered in any court having jurisdiction thereof. The arbitrator shall not have the power to award punitive or exemplary damages. Each party will bear its own attorneys' fees and costs related to the arbitration. Any claim or action must be brought within two years after the cause of action occurs. Subcontractor shall proceed diligently with performance of this Order pending final resolution of any dispute.
24. **TERMINATION OF CONVENIENCE** - ICRC may terminate this Order in whole or in part at any time for its convenience upon ICRC's written notification to Seller. ICRC shall pay Seller for deliverables and services that have been completed, as well as reasonable costs accrued for work in process through the date of receipt of the termination notice. ICRC shall not be liable for lost or anticipated profits or unabsorbed indirect costs.
25. **INSURANCE**- Seller shall maintain insurance coverage adequate to cover the risks associated with performance hereunder. Workers Compensation, Unemployment, General Liability, Automobile and Errors and Omissions Insurance shall be maintained in a current status during the period of performance. ICRC reserves the right to require specific levels and types of insurance coverage for performance of services on ICRC or ICRC customer sites.
26. **PRIME CONTRACT FLOW-DOWN CLAUSES** - If this Order is placed under a Government prime contract, the following clauses set forth in the Federal Acquisition Regulation (FAR), in effect on the date of this Order, are incorporated herein by reference with the same force and effect as if given in full text. Where necessary to make the context of these clauses applicable to this Order, the term "contractor" shall mean "seller". Seller hereby agrees to flowdown the applicable FAR clauses to its lower-tier subcontractors.
- (i) 52.219-8, Utilization of Small Business Concerns (May 2004) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.
  - (ii) 52.222-26, Equal Opportunity (Apr 2002) (E.O. 11246).
  - (iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) (38 U.S.C. 4212).
  - (iv) 52.222-36, Affirmative Action for Workers with Disabilities (June 1998) (29 U.S.C. 793).
  - (v) 52.222-41, Service Contract Act of 1965, as Amended (May 1989), flow down required for all subcontracts subject to the Service Contract Act of 1965 (41 U.S.C. 351, *et seq.*).
  - (vi) 52.244-6 Subcontracts for Commercial Items (Apr 2003)
  - (vii) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Apr 2003) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.