BVR Technologies Co.

TERMS AND CONDITIONS OF SALE

1. Acceptance

The following are the Terms and Conditions upon which ("Seller") agrees to sell and deliver its products to Buyer. No contract for sale shall be formed until Seller issues a Sales Order Acknowledgement. Provisions and conditions of Buyer's order which are in any way inconsistent with or in addition to the provisions of these Terms and Conditions shall be inapplicable and not be binding upon Seller unless specifically agreed to by Seller in a supplemental writing signed on behalf of Seller by the appropriate authorized representative.

2. Payment of Taxes

Buyer shall be responsible for paying any and all local, state, territorial, provincial or federal duties, taxes, excise taxes, goods and services taxes, value added taxes, withholding taxes, ancillary charges and the like owing to any government body or authority in respect of the transactions anticipated by these Terms and Conditions except that Seller shall be responsible for its own income taxes. The prices quoted are exclusive of any government taxes, goods and services taxes, value added taxes, surcharges, duties or levies and the like, and any of the forgoing may be added to the sales price by Seller if Seller is required by law to collect the same unless Buyer provides to Seller an exemption certificate acceptable to the relevant government body or authority. If Seller is required to pay any duty, tax, penalty or interest on Buyer's behalf, Buyer agrees to promptly reimburse Seller for such expenses.

3. Delivery, Transfer of Title and Risk of Loss

Seller will deliver all products to Buyer FOB carrier at Seller's plant. Title and risk of loss to the products will pass to Buyer upon delivery to carrier. Unless otherwise agreed in writing, Buyer will arrange for the services of a carrier and will be responsible for all shipping charges, premiums for freight insurance and other transportation costs. Prices include packaging in accordance with standard commercial practice. Claims against a carrier for damage caused during shipment must be made by Buyer. The scheduled delivery date will be as set forth in Seller's Sales Order Acknowledgement.

4. Changes

(a) After Seller has issued a Sales Order Acknowledgement, Buyer may by written notice to Seller make changes within the general scope of the order in any one or more of the following: (a) drawings, designs, or specifications where the products to be supplied are specifically manufactured for Buyer; (b) method of shipping or packing; (c) delivery schedule and ship to address; and (d) quantity. The change request will be evaluated by Seller to determine its impact. During this evaluation period, unless specifically placed on hold by Buyer, the order will continue to be processed in accordance with its original terms and these Terms and Conditions. If any such change causes an increase or decrease in the cost or time required for the performance or otherwise affects any other provision of the order, Seller will notify Buyer within fifteen (15) business days in writing. If Buyer does not notify Seller in writing that it accepts Seller's proposed change to costs or timing within fifteen (15) business days of Seller's notice, Buyer's initial change request will be considered canceled. After an equitable adjustment is made in the price or delivery schedule, or both, and the order is modified in writing accordingly, Seller will proceed to fill the order as changed.

(b) Seller reserves the right to make changes, without notice, to the products, or components thereof, to be delivered under any contract formed pursuant to these Terms and Conditions. Seller further reserves the right to make changes to Seller’s documents (drawings, test procedures, etc.) which describe these parts without notice. Buyer shall not have rights of concurrence or approval unless Seller specifically agrees in writing.

5. Payment

(a) Seller shall submit invoices on the date of shipment. Partial invoices may be submitted for partial shipments. Terms are Net 30 days from date of invoice. Late payments are subject to a 1.5% per month late charge. All payments shall be made in U.S. dollars.

(b) Buyer warrants that it is solvent and able to pay for the goods being purchased from Seller in accordance with the payment terms. If at any time Seller, in its sole and commercially reasonable judgment, has reason to question Buyer's ability to pay for products ordered, Seller may, in addition to any other remedies provided in these Terms and Conditions or available under law, require full or partial payment prior to completion of the order or on delivery of the products, or may terminate the order, in which case Buyer shall be liable to Seller for the full contract price, together with any charges or expenses incidental to such termination, less (i) the fair value which Seller could readily obtain for the work and material appropriated to the order and (ii) any costs from which Seller shall be relieved by reason of such termination. If Buyer becomes subject to a voluntary or involuntary petition in bankruptcy under the United States Bankruptcy Code or any comparable law or if a receiver, trustee or comparable official is

appointed for Buyer, such event shall be deemed a material breach of these Terms and Conditions.

6. Inspection, Material Review Board

(a) All products supplied by Seller shall be subject to inspection and test by Buyer for a period of thirty (30) days after shipment and in the event any such products do not conform to the warranty in Section 7(a), Buyer may, within the thirty (30) day inspection period, return the products to Seller for repair or replacement (at Seller's option) at no cost to Buyer. There will be no credit issued, nor will previous payment terms be affected.

(b) Seller reserves and retains all material review board authority. Buyer shall not have rights of concurrence or approval unless Seller specifically agrees in writing.

7. Warranty

(a) Seller warrants that all products delivered under the order at the time of shipment and for the period (if any) set forth in the Warranty Period Table for each particular type of product will be free from defects in materials and workmanship, and will conform to the applicable specifications and drawings, and, to the extent such products are not manufactured pursuant to detailed drawings furnished by Buyer, will be free from defects in design. In order to make a claim under this warranty, Buyer must provide written notice of breach to Seller within thirty (30) days of Buyer's discovery of the breach.

(b) Seller's sole liability and Buyer's sole remedy for any breach of warranty is expressly limited to repair or replacement of nonconforming products (at Seller's option) at no cost to Buyer. There will be no credit issued, nor will previous payment terms be affected.

(c) The warranty set forth in Section 7(a) shall not apply unless Buyer returns the product in accordance with the procedure set forth in Section 7(d) and, after examination, such products are determined to Seller's satisfaction to be defective or otherwise nonconforming. The warranty does not cover failures or damage caused by normal wear and tear, misuse, alteration, or negligence by Buyer or by any third party; nor does the warranty cover failures, damage or liability or both resulting from installation, use or servicing of the products other than in conformity with Seller's applicable service manuals, bulletins, and instructions.

(d) Prior to returning any product for repair or replacement, Buyer must obtain written approval from Seller. Seller will not be liable for nor accept any non-conforming products unless it has approved their return in writing. A description of the malfunction or defect should be enclosed with the product being returned. When products have been returned after the expiration of the warranty period for the particular product, repair or

replacement cost will be estimated prior to work commencing, resulting in a new purchase order.

(e) THE WARRANTY SET FORTH IN SECTION 7(a) IS EXCLUSIVE AND IN SUBSTITUTION FOR ALL OTHER WARRANTIES NOT EXPRESSLY SET FORTH HEREIN, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

8. Patents

Seller agrees to indemnify Buyer for any monetary damages and costs finally awarded against Buyer in any non-appealable judgment finding that any products manufactured and furnished to Buyer by Seller, in the form delivered to Buyer by Seller, when properly used in the United States in accordance with Seller's service manuals, bulletins and instructions, infringe upon any United States patent; provided that Seller is given prompt written notice of any and all claims or threatened claims of infringement and full control of the defense and settlement of such claims (with the assistance and cooperation of Buyer as requested). Seller shall not be liable to indemnify Buyer for any damages and costs arising out of patent infringement if the infringement arises out of compliance with Buyer's specifications, or from a combination with, and addition to, or a modification of the products after delivery by Seller or from use of goods, or any part thereof, in the practice of a process. The foregoing states Seller's sole liability, and Buyer's sole remedy, for infringements of the rights of others by said products.

9. Limitation of Liability

(a) IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY REASON WHATSOEVER. THIS EXCLUSION APPLIES TO ALL LEGAL THEORIES UNDER WHICH DAMAGES MAY BE SOUGHT.

(b) THE CUMULATIVE LIABILITY, IF ANY, OF SELLER FOR DIRECT DAMAGES ARISING UNDER ANY PROVISION OF THESE TERMS AND CONDITIONS OR ANY CONTRACT FORMED PURSUANT HERETO AND UNDER ANY THEORY OF LIABILITY WITH RESPECT TO THE PRODUCTS IS LIMITED TO AN AMOUNT NOT TO EXCEED THE PRICE PAID BY BUYER FOR THE PARTICULAR PRODUCTS GIVING RISE TO THE LIABILITY. THE RIGHT TO RECOVER DAMAGES WITHIN THE LIMITATIONS SPECIFIED IN THIS SECTION 9 IS BUYER'S EXCLUSIVE ALTERNATIVE REMEDY IN THE EVENT ANY OTHER CONTRACTUAL REMEDY FAILS IN ITS ESSENTIAL PURPOSE.

10. Attorneys' Fees

Subject to Section 9, if either Buyer or Seller retains legal counsel to enforce any of these Terms and Conditions, or to recover damages from the other, arising from the other's alleged breach of any of these Terms and Conditions, or the other commences a suit against Buyer or Seller for any alleged breach of contract that is not successful, then the other party shall pay the reasonable attorneys' fees together with costs of suit at both trial and appellate levels of either Buyer or Seller, as the case may be.

11. Confidential and Proprietary Information

(a) Each of Buyer and Seller shall use the other's Confidential Information solely for the purpose of fulfilling their respective obligations under these Terms and Conditions and any contract formed pursuant thereto and shall not disclose or transfer any such Confidential Information to a third party other than as may be specifically authorized by the disclosing party in writing. Buyer and Seller shall take reasonable steps to protect the other's Confidential Information, including, without limitation, by restricting disclosure of such Confidential Information only to those persons with a "need to know" and who are subject to confidentiality undertakings. Each of Buyer and Seller shall use at least as much care in the protection of the other's Confidential Information as it uses to protect its own trade secrets. "Confidential Information" means all non-public information, documents and materials provided by one party to the other before or after the date of the order, including, without limitation, specifications, prices, sales data, research and development, information regarding costs and know-how. The term Confidential Information shall not include information that (A) is or becomes publicly available without breach of this Section 11 or (B) was known to the receiving party at the time of disclosure, as demonstrated by files in existence at the time of disclosure.

(b) Seller retains all rights of ownership to all designs, developments and tooling provided or developed by Seller in performance of any contract formed pursuant to these Terms and Conditions, whether or not nonrecurring payments have been made by Buyer and whether or not the form of such payments was a lump sum or amortized.

(c) Buyer shall not, nor shall it permit others to, (i) reverse engineer, disassemble or otherwise derive any intellectual property embedded in the product; (ii) modify, tamper with or create derivative works of the product or any intellectual property embedded in the product or integrate or incorporate them with or into any other item; or (iii) strip out or alter any trademark, service mark, copyright, patent, trade secret, ownership or any other proprietary or intellectual property notices on or within the product.

12. Compliance with Laws; Export Controls

(a) Generally, Buyer shall comply with all United States and foreign laws, regulations and other governmental requirements applicable to the exportation,

importation, sale and use of the products, in particular, without limitation, the U.S. Foreign Corrupt Practices Act.

(b) If the ship to address is outside the United States, Buyer represents and warrants to Seller that it is thoroughly familiar with all applicable laws and regulations and other governmental requirements concerning the importation, sale and use of the products in the jurisdiction where the products are to be exported. Seller shall be responsible for obtaining and maintaining in its own name any required United States export license or other United States governmental approval and Buyer shall be responsible for obtaining and maintaining in its own name any required import license or other governmental approval. Seller and Buyer will comply with the reasonable requests of the other for assistance in obtaining any required licenses or governmental approvals. Seller shall not be liable if any license or governmental approval is delayed, denied, revoked, restricted or not renewed, and Buyer will not be released thereby from its obligation to pay Seller for products or other charges under these Terms and Conditions.

(c) Buyer covenants and agrees not sell, assign or otherwise transfer the products outside the United States or other jurisdiction for which Seller obtained export approval, without obtaining all necessary approvals. No component of the products or any related documentation may be distributed or otherwise exported, re-exported or made available into (or to a national or resident of) any country or jurisdiction to which the United States has embargoed goods; or anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Commerce Department's Table of Denial Orders; or to any person, country or jurisdiction otherwise prohibited by law.

(d) Buyer shall indemnify and hold Seller harmless against any loss, cost (including reasonable attorneys' fees) penalty, claim or demand of any kind arising out of or occasioned by any violation of this Section or charge thereof.

13. Modifications and Waivers

No modifications or amendment of these Terms and Conditions shall be binding on the parties unless made in a written instrument signed by both parties. A waiver of any breach, the acceptance of any order inconsistent with these Terms and Conditions, or the making of deliveries pursuant to such order, shall not be deemed a modification of these Terms and Conditions.

14. Force Majeure

Seller will not be in default with respect to these Terms and Conditions or any contract formed pursuant hereto because of any failure or delay if the failure or delay is the result of any act of God, act of any government in either its sovereign or contractual capacity, fire, flood, epidemic, quarantine restriction, strike, freight embargo, severe weather condition, civil commotion, war or war-like operation, act of terrorism, invasion,

rebellion, hostilities, military or usurped power, sabotage or any other cause beyond the reasonable control of Seller.

15. Severability

If any term of these Terms and Conditions or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of these Terms and Conditions, and the application of such term to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each term of these Terms and Conditions shall be valid and shall be enforced to the fullest extent permitted by law.

16. Applicable Law; Jurisdiction and Venue

The validity, performance, and construction of these Terms and Conditions and contracts formed pursuant thereto shall be governed by the laws of Illinois, without giving effect to its conflict of laws provisions. Buyer and Seller irrevocably agree and consent that the federal and state courts of Illinois shall have exclusive personal jurisdiction over the parties and proper venue with regard to any claims arising in connection with the purchase, sale or performance of any product, and any objection to the jurisdiction or venue of any such court is hereby waived. Buyer and Seller waive the application of the provisions of the 1980 UN Convention on Contracts for the International Sale of Goods, as amended.