

VECORORDER TECHNOLOGIES, INC.
Terms and Conditions of Sales in All Divisions

Prices: Unless otherwise agreed in writing, all prices and charges specified herein are based on U.S. dollars, FOB origin and are effective for the time period set forth in Seller's written quotation for the goods; or thirty (30) days from the date of the quotation.

Transportation: Transportation shall be by common carrier or VTI Transportation Department, at Buyer's risk and expense, with the transportation, insurance, and related charges added to the quoted price. Should the delivery date be postponed by Buyer, Seller shall have the right to adjust the price of the undelivered goods to Seller's price at the time of shipment.

Payment: Unless otherwise agreed by Seller's Credit Department in writing, payment terms are payment in full with order. InterPod Division commodity buildings purchase/payment terms are 50% with order, 25% at plant inspection prior to shipping, and 25% net thirty (30) days from date of delivery. A service charge of 1.5% per month, not to exceed the maximum rate allowed by law, shall apply to the portion of Buyer's outstanding balance which is not paid when due. If legal action is taken by Seller, Buyer shall be liable for Seller's reasonable attorney fees, plus other costs of such action.

Delivery, Risk of Loss, Shipment, and Acceptance: Delivery and performance dates specified herein or otherwise communicated to Buyer are approximate only and are based on conditions at the time Seller accepts Buyer's purchase order. Delivery shall be complete upon transfer of possession to common carrier, FOB origin or in the case of VTI Transportation Department landed at the customer's determined location, as the case may be, whereupon title and all risk of loss, damage or destruction to the goods shall pass to Buyer. In the absence of specific instructions by Buyer, the carrier will be selected by Seller. In no event shall Seller be liable for any delay in delivery by the carrier, nor shall the common carrier be deemed an agent of Seller. For goods sold as InterPod Division commodity buildings not expressly rejected in writing to Seller within fifteen (15) days of delivery point installation completion shall be deemed to have been accepted.

Shipping Liabilities and Claims: Seller shall not be liable for damages to or loss of any products occurring after delivery by Seller to a carrier for shipment or landed by VTI Transportation Department at the point of delivery. All claims for damages or losses in transit shall be asserted directly against the common carrier by the customer. Notwithstanding any other provision to the contrary contained herein, it is understood and agreed that Seller shall have the right, but not the obligation, at the customer's sole expense, to insure any shipment of Seller products against loss or damage in transit.

Title Transfer: The legal and beneficial title and all property goods specified in the purchase order shall transfer at point of shipment unless FOB point is stated in both the buyer's order and seller's quotation. In the case on ITUs, the title will transfer in accordance with maritime law and in concert with the Uniform Commercial Code precedent for similar instances involving ITUs.

Changes and Cancellation: Orders accepted by Seller are not subject to change or cancellation by Buyer after materials have been ordered or manufacturing commences, except with Seller's written consent and upon payment of an appropriate charge to cover the cost or loss incurred by Seller. Unless otherwise agreed in writing, such charge shall not be less than fifteen percent (15%) of the price of the goods subject to the change or cancellation.

Warranty: Seller warrants that on the date of shipment all goods manufactured by Seller shall be free from defects in material and workmanship under normal use and service. No warranty extended by Seller shall apply to: (1) any goods which have been modified or altered by persons other than the Seller; (2) any goods subjected to any misuse, neglect, improper storage or handling, improper installation, accidental damage; installed or repaired; (3) any goods manufactured by a third party. Seller's exclusive obligation under this warranty is, at Seller's option, to repair the defective goods, to supply replacement goods free of charge (FOB origin or VTI factory, appropriately), to refund Buyer the purchase price paid for the defective goods, or to

grant credit for the value of any goods found to be defective under this warranty in installment sales. Seller shall not reimburse or make any allowance to Buyer for any labor charges incurred by Buyer for replacement or repair of any goods unless such charges are authorized in advance by Seller. This warranty is made on the condition that Buyer gives Seller immediate written notice of any defect (notice must be delivered to Seller within ninety (90) days from the date of shipment), that Buyer gives Seller access to the goods and Buyer's relevant records and data, and that Seller's inspection reveals that Buyer's claim is valid under the terms of this warranty. No returns will be accepted by Seller unless accompanied by Seller's Return Material Authorization. With respect to third party goods, Seller's only warranty to Buyer is that such goods are free of any rightful claims of their manufacturer. To the extent any warranties extended to Seller by their manufacturer are transferable the Seller shall transfer such warranties to Buyer.

Indemnity: Seller shall indemnify Buyer for sums which Buyer shall become obligated to pay any third party by reason of Buyer's liability imposed by law for (a) bodily injury, including death, or (b) physical injury to or destruction of tangible property, in either event to the extent directly caused by defects in goods sold by Seller or Seller's negligence. However, in the event any claim for which Seller is responsible is caused by the negligence of both Buyer and Seller, Seller shall be responsible for only that portion of the claim equal to the percentage of the total fault for any claims or demands against Buyer for which Seller is responsible hereunder.

Limitation of Liability: Neither Seller, nor its suppliers, shall be liable, whether in contract, warranty, failure of a remedy to achieve its intended or essential purposes, tort (including negligence), strict liability, indemnity or any other legal theory, for loss of use, revenue or profit, labor costs, or for the costs of capital or of substitute use or performance, or for indirect, special, liquidated, incidental, or consequential damages, or for any other loss or cost of a similar type, or for claims by Buyer for damages of Buyer's customers. The Seller's maximum liability for any order shall be the invoiced price of the goods on which a claim is based. Buyer and Seller agree that the exclusions and limitations set forth in this section are separate and independent from any other remedies which Buyer may have by law.

Force Majeure: If Seller suffers a delay in performance due to any cause beyond Seller's reason-able control, the time for Seller's performance shall be extended a period of time equal to the period of delay and its consequences. Seller will give Buyer written notice within a reasonable time after Seller becomes aware of such delay.

Changes to the Goods: Seller reserves the right to change the part number, design, dimensions, weight or specifications of the goods. However, Seller shall not make any change to goods ordered by Buyer without the Buyer's consent if the change impairs the performance or function of the goods.

General: Any drawings, data, designs, software programs or other technical information supplied by Seller to Buyer in connection with the sale of the goods shall remain Seller's property and are to be held in confidence by Buyer. Such information shall not be reproduced nor disclosed to others without Seller's prior written consent.

Contact Information for Returns Claims:

Vecorder Technologies, Inc.
Director of Operations
12085 Cadet Court
Manassas, VA 20109
703 659 1450

Contact Information for Purchasing Terms:

Vecorder Technologies, Inc.
Director of Finance
12085 Cadet Court
Manassas, VA 20109
703 659 1450