



GENERAL PURCHASING TERMS AND CONDITIONS

ENTIRE CONTRACT. This purchase order (this "Purchase Order") shall constitute the entire agreement between RIIMIC, LLC (d/b/a Sunair Electronics) ("Sunair" or the "Buyer") and the Seller with respect to the subject matter hereof. This Purchase Order shall not be amended, modified, or rescinded except by written agreement duly executed by an authorized officer of each party, expressly referring to this Purchase Order. Shipment by the Seller or delivery to Sunair of all or any part of the goods ordered hereunder shall constitute acceptance by the Seller of this order according to its terms and conditions. Any additional, conflicting, contradictory, or modifying terms and conditions in the Seller's acceptance, acknowledgement form, or other response hereto shall be deemed rejected by Sunair and waived by the Seller. Such terms and conditions shall not be binding on Sunair, except terms of payment that provide for discounts for early payment.

1. DELIVERY.

Seller agrees to deliver 100% of the quantity of items ordered under this Purchase Order at the place, within the time, and for the prices specified under this Purchase Order, and in accordance with specifications of Sunair including, without limitation, any and all approved samples, if furnished. Time is of the essence. Any failure to fully satisfy these obligations shall entitle Sunair, in addition to any other rights or remedies it may have in law or equity, to cancel this order without any liability whatsoever. A waiver of Sunair's right to cancel shall not constitute a waiver of such right as to future deliveries. Items received more than 15 days before schedule may, at Sunair's option, be returned at Seller's expense or be accepted and payment therefore withheld until schedule date.

Delivery to Sunair of all portion of the goods sold hereunder at the point of shipment shall constitute delivery to Sunair of such goods, but the Seller shall assume all risk for prior loss or damage. The Seller shall not be responsible for any failure or delay in delivery due to acts of God, fires, floods, breakdowns, and delays of carriers. The Seller shall notify Sunair promptly as soon as it knows or has reason to believe that any delays in the delivery called for herein may occur, and in the event of a failure by the Seller to perform hereunder arising from any of the causes or events set forth in this section, Sunair shall be entitled to obtain elsewhere goods covered by this Purchase Order for the duration of such failure and to reduce the quantity of goods ordered from the Seller under this Purchase Order without any obligation on Sunair's part with regard to such goods. Except to the extent that the Seller is notified by Sunair pursuant to the preceding sentence of Sunair's reduction in the amount of goods ordered under this Purchase Order, delivery of less than all of the goods ordered shall not relieve the Seller of its obligation to deliver all of the goods hereunder.



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2. PACKING.

The Seller will not charge Sunair for packing, boxing, or cartage unless fully and separately itemized on this Purchase Order. The Seller will be liable for any and all damages to any material not packed sufficiently to insure proper protection.

3. DESIGN, TOOLS, ETC.

Any design, pattern, tool, die, jig, fixture, drawing, or test equipment heretofore or hereafter furnished by Sunair in connection with this Purchase Order shall remain Sunair's property to be delivered to Sunair upon request, and shall not be used by the Seller for any reason other than for the benefit of Sunair. Special tools, dies, jigs, fixtures and test equipment, acquired for performance of this Purchase Order and the cost of which has been included in computing the price specified in this Purchase Order shall become the property of Sunair and shall be marked as directed, held for delivery to Sunair, and shall not be used for any reason other than for the benefit of Sunair. Unless otherwise expressly stated on the face of this Purchase Order, Sunair shall have no obligation to furnish or pay for tools, dies, jigs, or equipment of any kind required for Seller's performance of this Purchase Order. The Seller shall execute, deliver, and perform any documents reasonably required by Sunair to evidence Sunair's ownership of such tools and equipment.

4. CHANGES.

Sunair reserves the right to make changes in the drawings, designs or specifications, and in the dates for delivery, as specified in the schedule set forth on the face hereof, except that no change shall accelerate the rate of delivery hereunder without the Seller's consent.

If the cost of, or time requested for, furnishing the items ordered hereby is increased or decreased as a result of any change so ordered, the price, or time for delivery, or both shall be increased or decreased solely for variation. However, no increase shall be allowed either in delivery schedule or price unless the Seller notifies Sunair in writing of its claim therefore within 30 days from the Seller's receipt of the order for such change. Upon receipt of any change order, Seller agrees to proceed diligently in the performance of this order as changed.



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5. WARRANTY AND INSPECTION.

Seller warrants that at the time of delivery thereof all items delivered hereunder will be in conformity with Sunair's specifications and any and all approved samples, if furnished, and free from defects, including latent defects, which warranty shall survive inspection, delivery, and payment. If a sample item has been or is to be submitted by the Seller to Sunair, the Seller shall obtain Sunair's written approval thereof before proceeding hereunder and no modification thereof shall be binding upon Sunair unless in writing and signed by an authorized officer of Sunair. Items not in conformity herewith may, at Sunair's option, be returned to Seller for repair, replacement, credit or refund as Sunair may direct, or Sunair may retain such items at a proper adjustment of price. Upon receipt of items not in conformity herewith, Sunair may cancel any undelivered portion of the order. The Seller shall reimburse Sunair for all expenses of handling, inspection, and return of defective items. The Seller expressly assumes all risk of loss or damage to items returned by Sunair while in transit, including loss or damage due to improper packing by Sunair. The Seller shall be liable for damages, related to the delivery of non-conforming items.

Inspection and tests may be made by Sunair (or the Government when articles are being produced for Government contract) at any time before, during or after manufacture.

Consignment Material:

Any raw material provided by Sunair to the sub-contractors, example: Metal extrusion, the sub-contractor must deliver the complete finished product quantity, as per Purchase Order. The sub-contractor shall be liable for any excessive damages, including scrap, consequential and special damages, for loss or expenses directly or indirectly related to the delivery of non-conforming items.

Kits:

Any kits sent to the Board-Assembly houses, must be inspected by them for accuracy. Any discrepancies must be reported to Sunair within 72 hours of delivery. All excess material must be returned to Sunair, once the job is completed.

6. INTELLECTUAL PROPERTY.

Unless the items ordered are of designs furnished by Sunair, the Seller agrees to fully indemnify and hold harmless Sunair, its divisions, subsidiaries, managers, customers, agents, employees, officers, directors, consultants and assigns from and against any and all claims, suits, loss, damage, and expenses (including, but not limited to, legal fees and expenses) arising out of the infringement of any U.S. patent, copyright, trademark, trade name or intellectual property, or arising out of, or in connection with, the defense of any such claim of infringement.



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7. TAXES.

The prices herein stated exclude all federal taxes imposed on items furnished hereunder, and the Seller shall set forth all applicable taxes as separate items on invoices to be paid by Sunair unless Sunair shall furnish Seller with tax exemption certificates.

8. PERFORMANCE OF WORK NOT ASSIGNABLE.

Seller will not assign or sublet the work to be done hereunder without the written consent of Sunair, but this provision shall not restrict Seller in the procurement of component parts or materials. If the Seller is not a manufacturer, the Seller agrees to require compliance with all the provisions of this order by its manufacturer the same as though such manufacturer was the Seller hereunder.

9. SCHEDULE NOT TO BE ANTICIPATED.

The Seller shall not unreasonably anticipate delivery schedule by the purchase of items or manufacture of quantities exceeding those reasonably required to meet delivery dates.

10. TERMINATION.

(a) Sunair may terminate this Purchase Order, in whole or in part, at any time by delivery of written notice (whether by mail, fax or email). Upon any such termination the Seller shall, to the extent and at the times specified by Sunair, stop all work pursuant to this Purchase Order, place no further orders hereunder, terminate work under orders outstanding hereunder, assign to Sunair all of the Seller's interests under terminated subcontracts and orders, settle all claims thereunder after obtaining Sunair's approval, protect all property in which Sunair has, or may acquire, an interest, and transfer title and make delivery to Sunair of all articles, materials, work in process, or other things held or acquired by the Seller in connection with the terminated portion of this order. Seller shall proceed promptly to comply with Sunair's directions respecting each of the foregoing without awaiting settlement or payment of its termination claim. The Seller shall have a duty to mitigate any damages incurred as a result of Sunair's termination hereunder.

(b) Within six (6) months from such termination the Seller may submit to Sunair its written claim for termination charges in the form and with the certifications prescribed by Sunair. Failure to submit such claim within such time shall constitute a waiver of all claims and a release of all Sunair's liability arising out of such termination.

(c) The parties may agree upon the amount to be paid to the Seller for such termination. If they fail to agree, Sunair shall pay the Seller the amount due for items delivered prior to termination, and in addition thereto, but without duplication, shall pay the following amounts:



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(1) The contract price for all items completed and delivered to Sunair in accordance with this Purchase Order and not previously paid for.

(2) (i) The actual out of pocket costs incurred by the Seller which are properly allocable or apportionable under recognized commercial accounting practices to the terminated portion of this order, and (ii) a sum equal to 2% of the part of such costs representing the costs of articles or materials not processed by the Seller, plus a sum equal to 8% of the remainder of such cost, but the aggregate of such sums shall not exceed 6% of the whole of such costs. For the purpose of subdivision (ii) such costs shall exclude any charge for interest on borrowings and shall exclude the cost of discharging liabilities for parts, materials, and services not received by the Seller before the effective date of termination if it appears Seller would have sustained a loss on the order, no profit shall be allowed under subdivision (ii) and an adjustment shall be made reducing the amount of the settlement to reflect the indicated rate of loss. Under no circumstances shall Sunair be liable for any special or consequential damages.

(3) The actual out of pocket costs of the Seller in making settlement hereunder and in protecting property in which Sunair has or may acquire an interest, if requested by Sunair.

(d) Payments made under paragraph 10(c), exclusive of payments under subparagraph (3), shall not exceed the aggregate price specified in this order, less payments otherwise made or to be made by Sunair to the Seller. There shall be excluded from any amounts payable to Seller under this Section 10 all amounts payable in respect of property lost, damaged, stolen or destroyed prior to delivery to Sunair.

(e) The foregoing paragraphs (a) to (d) inclusive, shall be applicable only to a termination for Sunair's convenience and shall not affect or impair any right of Sunair's to terminate this order for Seller's default in the performance hereof.

11. LABOR PROVISIONS.

(a) The Seller shall comply with provisions of the Fair Labor Standards Acts in the manufacture of articles hereunder and shall accompany all invoices with appropriate certificate of compliance.

(b) Goods supplied under this order shall be manufactured in accordance with provisions of the Walsh Healy Public Contracts Act.

(c) Whenever an actual potential labor dispute is delaying or threatens to delay the timely performance of this contract, Seller will immediately deliver written notice thereof to Sunair. Such notice shall include all relevant information with respect to such dispute.



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(d) In performing work under this order, Seller will not discriminate against any employee or applicant for employment because of race, religion, color or national origin. The foregoing includes but is not limited to, employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Seller will post in conspicuous places available for employees and applicants for employment, notices setting forth nondiscrimination provisions.

12. GOVERNMENT CONTRACT CLAUSES.

IF THE WORDS "GOVERNMENT CONTRACT" APPEAR IN THE TYPEWRITTEN PORTION OF THIS ORDER FOLLOWED BY A CONTRACT IDENTIFICATION NUMBER, THE SAME INDICATES THAT THE ARTICLES ORDERED HEREBY ARE INTENDED FOR USE UNDER THE REFERENCED GOVERNMENT CONTRACT AND THERE IS INCORPORATED AS A PART OF THE TERMS AND CONDITIONS OF THIS ORDER, IN ADDITION TO THE FOREGOING, ALL APPLICABLE PROVISIONS REQUIRED BY SAID CONTRACT OR BY FEDERAL LAWS, EXECUTIVE ORDERS OR REGULATIONS TO BE INCLUDED IN CONTRACTS FOR MATERIALS OR SERVICES OF THE TYPE CALLED FOR HEREUNDER, INCLUDING BUT NOT LIMITED TO THE FOLLOWING:

(a) MILITARY SECURITY REQUIREMENTS.

If the Government contract under which this order is placed involves access to information classified "Confidential" including "Confidential - Modified Handling Authorized" or higher, Seller agrees to be bound by requirements of the Security Agreement (DD Form 441), including the current Department of Defense Industrial Security Manual for Safeguarding Classified information.

(b) INSPECTION, AUDIT, ETC.

Seller shall provide an inspection system, and for inspection of premises, satisfactory to the Government if any inspection or test is made by the Government on the premises of the Seller. Seller shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. Seller agrees that for a period of three (3) years following final payment to Seller hereunder any duly authorized representative of the United States Government shall have access to and the right to examine any directly pertinent books, documents, papers and records of Seller involving transactions related to this order.



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(c) **TOOL CLAUSE.**

Title to all tools, jigs, dies, fixtures, test equipment, and other similar items specified on the Purchase Order or the cost of which is charged against this contract, shall vest in Sunair for the benefit of the Government upon delivery thereof to the Seller or upon completion of manufacture of such tools, jigs, dies, fixtures, or test equipment by the Seller. The Seller shall have the right to use said items in the performance of this order only and upon completion or termination thereof, Seller shall comply, at Sunair's expense, with all instructions received from Sunair with respect to the delivery or disposition thereof. Until so delivered or disposed of, Seller shall at its own expense preserve, protect, maintain, and repair said items in accordance with good industrial practice and indemnify and hold harmless Sunair and/or the Government against all loss or damage of such items, except for ordinary use wear and tear.

(d) **RENEGOTIATION - EXCESS PROFIT.**

(1) This Purchase Order is subject to the Renegotiation Act of 1951 or any other valid applicable law, whether heretofore or hereafter enacted and to the extent indicated therein, providing for the renegotiation of Government contracts and order placed thereunder, and shall be deemed to contain all the provisions required by Section 104 of the 1951 Act or such other applicable law without subsequent amendment of this order specifically incorporating such provisions. The Seller (which term as used in this clause means the party contracting to furnish the material or perform the work required by this order) agrees to insert the provisions of this clause on all subcontracts and/or purchase orders as required by Section 104 of said Act of 1951 or new act, as applicable, provided that the Seller shall not be required to insert the provisions in this clause in any such order or subcontract of a class or type described in section 103 (g) of the 1951 Act, or equivalent.

(2) Unless suspended by law or regulation, this Purchase Order, if for an amount exceeding \$10,000, is subject to all the provisions of the Vinson Trammel Act as amended and extended (10 U.S. Code § 2382 and § 7300) and shall be deemed to contain all the agreements required by those sections, and Seller agrees to insert in subcontracts hereunder the provisions of this clause where applicable.

(3) Nothing contained in this Section (d) shall subject this Purchase Order to said laws if Sunair is not required by law or contract to make the same subject thereto.



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(e) **LICENSE.**

To the extent required by the contract between Sunair and government under which this order is placed, Seller will secure for and grant to the Government a non-exclusive, irrevocable, non-transferable, royalty-free license to make, have made and use for Government purposes and to sell or otherwise dispose of in accordance with law, material embodying any and all inventions made, conceived or actually reduced to practice for the purpose of fulfilling this order which are now or hereafter may be covered by United States patents, which are now or hereafter may be owned or controlled by Seller or under which Seller now has or hereafter may have the right to grant licenses.

(f) **TERMINATION - COST PRINCIPLES AND RECORDS.**

In the event of termination under the provisions of Paragraph 10 above, costs shall be determined in accordance with cost principles applicable to the referenced Government Contract, and Seller shall make available to Sunair and the Government its books, records and documents pertaining to cost and termination hereunder for six (6) years after final settlement.

13. **SUPPLIER FLOWDOWN REQUIREMENTS.**

As an AS 9100 Certified and Registered company Sunair Electronics is required to communicate to our external providers (suppliers / vendors / contractors) the following requirements.

- (a) The external provider needs to:
- (1) Implement a quality management system;
 - (2) Use customer-designated or approved external providers, including process sources (e.g., special processes);
 - (3) Notify Sunair Electronics of nonconforming processes, products, or services and obtain approval for their disposition;
 - (4) Prevent the use of suspected unapproved, unapproved, and counterfeit parts;
 - (5) Know that providing counterfeit and/or unapproved parts and/or assemblies to Sunair Electronics is strictly prohibited. External Providers who provide counterfeit and/or unapproved parts and/or assemblies will be reported to the applicable government authorities and GIDEP.
 - (6) Establish and maintain a Foreign Object Debris (FOD) prevention program;



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- (7) Notify Sunair Electronics of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain Sunair Electronics' approval;
- (8) Flow down to your external providers applicable requirements including Sunair Electronics requirements;
- (9) Provide a certificate of conformity, test reports, or authorized release certificate, as applicable;
- (10) Provide test specimens for design approval, inspection/verification, investigation, or auditing;
- (11) Retain documented information for a minimum of 10 years or as required by customer and/or applicable regulations.

(b) Provide right of access by Sunair Electronics, our customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain.

(c) The external provider must have awareness that they contribute product or service conformity, product safety and the importance of ethical behavior.

14. CONFIDENTIALITY.

Where goods hereunder are made from designs, documents, or data furnished by Sunair, or prepared at Sunair's direction (unless such designs, documents, or data are entirely of standard items made and/or furnished by the Seller in its ordinary course of business), said designs, documents or data shall be the exclusive property of Sunair and the Seller shall keep confidential the same. The Seller shall not use any such designs, documents or data for any purpose other than to produce goods for Sunair, unless otherwise previously agreed to by Sunair in writing.

15. WAIVERS AND SEVERABILITY.

No waiver by Sunair of any breach of any provision hereof by the Seller shall constitute a waiver of any provisions contained in any communication from the Seller and shall not be deemed an acceptance of such provisions or as a waiver of the provisions of this Purchase Order. Whenever this Purchase Order requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing to be effective. The provisions of this Purchase Order will be severable, and in the event any provision is held to be unlawful or unenforceable, the remaining provisions will remain in full force and effect.



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16. INDEMNIFICATION.

The Seller agrees to indemnify and hold harmless Sunair, its divisions, subsidiaries, customers, agents, officer, managers, employees and assigns from and against all claims, suits, damages, costs, losses, and expenses (including, but not limited to legal fees and expenses) in any manner resulting from, or arising out of, the goods purchased hereunder or any breach by the Seller of this Purchase Order. The Seller warrants that all goods ordered and produced hereunder conform to all applicable laws and regulations.

17. ENTIRE AGREEMENT.

This Purchase Order embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contemplated herein and supersedes all prior agreements, representations, warranties, promises, covenants, arrangements, communications and understandings, oral or written, express or implied, between the parties with respect to such subject matter.

18. SETOFF.

Sunair shall have the right to setoff against the purchase price of the goods ordered hereunder any amounts owed to Sunair by the Seller under this Purchase Order or any other agreement between Sunair and the Seller.

19. CANCELLATION ON ACCOUNT OF INSOLVENCY.

Sunair shall have the right to cancel this order in the event that the Seller becomes bankrupt or insolvent, makes an assignment for benefit of creditors, or invokes or has invoked any law relating to relief of debtors or creditors rights.

20. GOVERNING LAW.

The validity, interpretation, and enforceability of this order shall be governed in all respects by the laws of the State of Florida applicable to contracts to be performed entirely within the state of Florida.



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21. CONSENT TO JURISDICTION; SERVICE OF PROCESS. THE SELLER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE STATE OR FEDERAL COURTS LOCATED IN BROWARD COUNTY FLORIDA IN CONNECTION WITH ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR RELATING TO THIS PURCHASE ORDER AND THE TRANSACTIONS CONTEMPLATED HEREBY, AND HEREBY AGREES NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE, OR OTHERWISE IN ANY SUCH SUIT, ACTION OR PROCEEDING THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER OR THAT THIS PURCHASE ORDER OR THE SUBJECT MATTER HEREOF MAY NOT BE ENFORCED BY SUCH COURTS.

22. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING OR STATEMENTS (WHETHER VERBAL OR WRITTEN) RELATING TO THE FOREGOING. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT.