

EXHIBIT C

TERMS AND CONDITIONS

The basic terms and conditions applicable to purchases under this Agreement shall be as shown below. Any additional terms and conditions which may be applicable, shall be those contained in the purchase orders placed by REPRESENTATIVE for the products authorized by this Agreement.

SmarTek Systems STANDARD CONDITIONS OF SALE

1. TERMS. Any acceptance of the offer to sell contained herein is limited to acceptance of the express terms of such offer contained on the face and back hereof. Any proposal for additional or different terms or any attempt by buyer to vary, in any degree, any of the terms in buyer's acceptance by purchase order or otherwise shall not operate as a rejection of this offer to sell unless such variance is in the terms of the description, quantity, price, or delivery schedule of the goods, but shall be deemed a material alteration thereof, which is hereby objected to by the seller, and this offer shall be deemed accepted by buyer without said additional or different terms. If buyer shall deem this document an acceptance of a prior offer, such acceptance is expressly conditional on buyer's assent to any additional or different terms contained herein.

Unless otherwise specified, Seller will deliver all products to Buyer F.O.B. Seller's factory. Seller reserves the right to make partial deliveries and to ship products as they become available. Delivery dates are approximate and will be calculated from the date that Seller has received all information necessary to permit Seller to proceed with work immediately and without interruption. Seller reserves the right to supply the products and/or services ordered by Buyer from any of its worldwide manufacturing facilities.

If any or all products are not delivered when ready due to the request of Buyer, Seller reserves the right to invoice Buyer at any time thereafter and to place such products in storage. In such event, (1) Seller's delivery obligations will be deemed fulfilled and title and all risk of loss or damage will thereupon pass to Buyer, (2) any amount otherwise payable to Seller upon delivery will be due and payable upon presentation of Seller's invoices and its certification as to such cause, and (3) all expenses incurred by Seller such as for preparation for and placement into storage, handling, storage, inspection, preservation, and insurance will be due and payable by Buyer upon submission of Seller's invoices.

If Buyer wishes to pick up products from Seller's designated manufacturing facility, such pickup must be made within three (3) working days after Buyer has received notice from Seller that such products are ready to be picked up. If Buyer fails to pick up the products within the three- (3) day period after receiving the notice from Seller, Seller may deliver the products to Buyer at Buyer's expense.

2. PRICES. The sales price(s) for products will be the VAR price(s) of Seller in effect at the time of delivery, and will include the cost of Seller's usual factory tests and inspections. The cost of packing and crating in accordance with the standards of Seller is an additional charge and will be added to the sales price(s). Unless otherwise agreed to by Seller and Buyer in writing, prices applied to this order are firm for the duration of the order.

3. TAXES. All prices are exclusive of any applicable USA federal, state or local sales, use, excise or other similar taxes. All such taxes will be for Buyer's account and will be paid by Buyer to Seller upon submission of Seller's invoices. If Buyer is exempt from any applicable sales tax but fails to notify Seller of such exemption or fails to furnish its Sales Tax Exemption Number to Seller in a timely manner and Seller is required to pay such tax, the amount of any such payment made by Seller will be reimbursed by Buyer to Seller upon submission of Seller's invoices.

Any taxes (including income, stamp and turnover taxes), duties, fees, charges, or assessments of any nature levied by any governmental authority other than of the USA in connection with this transaction, whether levied against Buyer, against Seller or its employees, or against any of Seller's subcontractors or their employees, or otherwise, will be for Buyer's account and will be paid directly by Buyer to the governmental authority concerned. If Seller is required by law or

otherwise to pay any such levy and/or fines, penalties, or assessments in the first instance, or as a result of Buyer's failure to comply with any applicable laws or regulations governing the payment of such levies by Buyer, the amount of any payments so made by Seller will be reimbursed by Buyer to Seller upon submission of Seller's invoices.

4. PAYMENT. Unless Buyer and Seller otherwise agree to terms other than those specified herein, payment will be made in US Dollars at as follows: (i) On orders by shipment to countries other than the USA, payment on all sales over five thousand US Dollars (US \$5,000) will be made through a major credit card, bank transfer (wired funds), or the medium of a Letter of Credit to be established by the Buyer at its expense including any bank confirmation charges. All Letters of Credit will be in favor of and acceptable to Seller, will be maintained in sufficient amounts for the period necessary to meet all payment obligations, will be irrevocable and issued, or confirmed, by a bank satisfactory to Seller within fifteen (15) days after acceptance of any order, will permit partial deliveries and will provide for pro-rata payments upon presentation of Seller's invoices and Seller's certificate of delivery F.O.B. Seller's factory, or of delivery into storage with certification of cause therefore, and for the payment of any termination charges. (ii) On all other orders payment will be made within thirty (30) days after the actual date of Seller's invoice(s). (iii) A monthly interest charge at the rate of one and one-half percent (1 1/2%) or the maximum legal rate, whichever is less, will be assessed on all past due payments. If Buyer fails to fulfill any condition of this paragraph 4, Seller may suspend performance and any costs incurred by Seller as a result thereof will be paid by Buyer. Seller will be entitled to an extension of time for performance of its obligations equal to the period of Buyer's non-fulfillment whether or not Seller elects to suspend performance. If such non-fulfillment is not rectified by Buyer promptly upon notice thereof, Seller may terminate performance and Buyer will pay Seller its termination charges upon submission of Seller's invoices.

5. RISK OF LOSS AND TITLE. For non-export sales, risk of loss and title to products will pass to Buyer at the time of delivery specified in paragraph 1 hereof. Buyer will pay, or reimburse Seller for, all freight and in-transit insurance costs from time of delivery. For export sales, Seller reserves the right to request that the Buyer agree that title to, beneficial ownership of, right of possession to, risk of loss on, and all property rights in products will remain with Seller and pass to Buyer at the port of entry of the ultimate country of destination (but prior to unloading or customs inspection at such port) specified on Buyer's order and/or declared as a country of ultimate destination on Seller's invoices. Neither (i) the time, method, place or medium of payment provided for herein, or any combination of the foregoing, nor (ii) the manner of consignment provided for, whether to, or to the order of, the Buyer or its agent, will in any way limit or modify the rights of Seller, as the owner of the products, to have control over and the right to possession of the products until the title thereto passes to Buyer as provided for above. The term F.O.B. (Free on Board) or other commercial abbreviations, if used on any documents related to the transaction contemplated herein, will not be deemed to relate to the time when or the place where the ownership of and responsibility for the products is transferred from Seller to Buyer.

Buyer will pay all freight and insurance costs from the point of delivery specified in paragraph 1. In-transit insurance to the point that title passes to Buyer as provided above will be purchased for Seller's account and will be in an amount in US Dollars not less than the aggregate prices of products delivered hereunder. Any insurance proceeds collected by Buyer for Seller's account will be promptly remitted to Seller in US Dollars. The insurance policies purchased by Buyer will be for the benefit of Seller, whether or not Seller is named as an insured in such policies, until title and risk of loss to products passed to Buyer pursuant to this Paragraph 5. Where possible the policies will provide that they are for the benefit of Seller and/or Buyer "as their interests may appear." Seller agrees that any insurance proceeds which Seller may receive in excess of amounts payable by Buyer for the products will be promptly remitted to Buyer.

6. EXPORT. Seller reserves the right, with respect to any and all goods purchased for export pursuant to these Standard Conditions of Sale, from time to time, to request and obtain from Buyer a written statement or statements certifying that such goods were in fact exported within one (1) year of the date of Seller's invoice(s) therefore.

7. TESTING AND ACCEPTANCE. Prior to the delivery of any products, Seller will perform its standard factory acceptance test applicable to such products, and, upon request by Buyer, Seller will certify in writing that the products have satisfied the requirements of such test. Such

certification will be in the form of Seller's standard quality control stickers or stamps. Buyer will be deemed to have accepted the products upon satisfactory testing, and title thereto, will pass to Buyer in accordance with the terms of Paragraph 5 hereof.

8. LIMITED WARRANTY. Seller warrants that products manufactured by Seller, when properly installed, used, and maintained, will be free from defects in material and workmanship. Seller's obligations under this warranty will be limited to repairing or replacing, at Seller's option, the part or parts of the products which prove defective in material or workmanship within one (1) year from the date of delivery, provided that Buyer gives Seller prompt notice of any defect or failure and satisfactory proof thereof. Products may be returned by Buyer only after written authorization has been obtained from Seller, and Buyer will prepay all freight charges to return any products to Seller's factory, or any other repair facility designated by Seller. Seller will deliver replacements for defective products to Buyer freight prepaid to the destination provided for in the original order. Products returned to Seller under this warranty will become the property of Seller. With respect to any product or part thereof not manufactured by Seller, only the warranty, if any, given by the manufacturer thereof, and no other will apply. Seller's obligations under this warranty will not apply to any product which (1) is normally consumed in operation, or (2) has a normal life inherently shorter than the warranty period stated herein. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER ORAL, WRITTEN, EXPRESS, IMPLIED OR STATUTORY. IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WILL NOT APPLY. SELLER'S WARRANTY OBLIGATIONS AND BUYER'S REMEDIES HEREUNDER ARE SOLELY AND EXCLUSIVELY AS STATED HEREIN. Seller does not warrant against damages or defects arising out of improper or abnormal use or handling of the Products; against defects or damages arising from improper installation (where installation is by persons other than Seller), against defects in products or components not manufactured by Seller, or against damages resulting from such non-Seller made products or components. Seller passes on to Buyer the warranty it received (if any) from the maker thereof of such non-Seller made products or components. This warranty also does not apply to Products upon which repairs have been effected or attempted by persons other than pursuant to written authorization by Seller.

9. LIMITATION OF LIABILITY. THIS WARRANTY IS EXCLUSIVE. The sole and exclusive obligation of Seller shall be to repair or replace the defective Products in the manner and for the period provided above. Seller shall not have any other obligation with respect to the Products or their use or any part thereof, whether based on contract, tort, strict liability or otherwise. Under no circumstances, whether based on this Limited Warranty or otherwise, shall Seller be liable for incidental, special, or consequential damages, including, but not limited to, damages for loss of revenue, cost of capital, claims of customers for service interruptions or failure of supply, and costs and expenses incurred in connection with labor, overhead, transportation, installation or removal of products or substitute facilities or supply sources. Seller's employees or representatives' ORAL OR OTHER WRITTEN STATEMENTS DO NOT CONSTITUTE WARRANTIES, shall not be relied upon by Buyer, and are not a part of the contract for sale or this limited warranty. This Limited Warranty states the entire obligation of Seller with respect to any defect in the Product's material or workmanship. If any part of this Limited Warranty is determined to be void or illegal, the remainder shall remain in full force and effect.

10. INTELLECTUAL PROPERTY INDEMNITY. If Buyer receives a claim that any product or part thereof manufactured by Seller infringes a United States patent, trademark or copyright, Buyer will notify Seller promptly in writing and give Seller all necessary information and assistance and the exclusive authority to evaluate, defend and settle such claim. Seller, at its own expense and option, will then (i) settle or defend against such claim, or (ii) procure for Buyer the right to use such product, or (iii) replace or modify the product to avoid infringement, and/or discontinue further deliveries of the product, or (iv) require return of such product and refund the purchase price paid less a reasonable allowance for use, damage or obsolescence. Provided such timely notice has been given by Buyer, should any court of competent jurisdiction hold such product to constitute infringement, Seller will pay any costs and damages finally awarded on account of such infringement and, if the use of such product is enjoined, Seller will take, at its option, one or more of the actions described in (ii), (iii) or (iv) above. With respect to any product or part thereof not manufactured by Seller, only the patent indemnity, if any, given by the manufacturer thereof will

apply. The foregoing indemnity will not apply to any product made to the specification or design of Buyer. The rights and obligations of the parties with respect to patents and all other industrial property rights are solely and exclusively as stated herein. Seller's obligations hereunder are conditioned upon: (i) Buyer giving Seller prompt written notice of any such claim; (ii) Seller having complete control of the defense or settlement thereof; and (iii) Buyer cooperating fully with Seller to facilitate the defense or settlement of such claim.

Notwithstanding the foregoing, Seller shall have no obligation to defend or settle any claim for any infringement or other violation of any patent or other intellectual property right: (i) arising from compliance with Buyer's specifications, designs or instructions; or (ii) relating to use of any product furnished hereunder in combination with any other item(s); whether or not furnished by Seller, even if such use is the product's necessary or inherent use or the use for which the product is purchased.

The sale of any product by Seller shall not in any way confer upon Buyer, or upon anyone claiming under Buyer, any license (expressed or implied, by estoppel or otherwise) under any patent claim of Seller or others covering or relating to any combination, machine or process in which such product is or might be used, or to any process or method of making such product.

11. INDEMNIFICATION. Buyer agrees to indemnify and hold Seller harmless for any negligence on the part of the Buyer. Buyer will indemnify Seller and hold Seller harmless from and against any liability, damage, loss, expense, claim or judgment arising from injury (including death) to any person (whether an employee of Buyer or any other person) or damage to any property, however caused, arising from the sale, resale, repair, replacement or use of any products delivered pursuant to this order.

If requested by Seller, Buyer, at its own expense, will defend any claim, suit or action which is brought against Seller and is within the indemnification set out in the preceding paragraph provided that Seller promptly gives Buyer notice of such claim, suit or action, furnishes a copy of all documents and instruments served upon Seller in connection therewith and reasonably cooperates with Buyer in such defense. Seller, at its own expense, will have the right to be represented in such defense by advisory counsel of Seller's selection. If Seller does not request Buyer to defend any such claim, suit or action, Seller, at its own expense, will undertake the defense thereof and Buyer, at its own expense, will have the right to be represented in such defense by advisory counsel of Buyer's selection.

Buyer will pay any judgment finally awarded in any claim, suit or action which is brought against Seller and is within the indemnification set out hereinabove, whether Seller or Buyer directs the defense thereof, and Buyer agrees to pay any amounts payable in settlement or compromise of any such claim, suit or action, provided that Buyer agrees in writing to the settlement or compromise amount and to the terms of settlement or compromise.

12. DELAYS. The date on which Seller's obligations are to be fulfilled will be extended for a period equal to the time lost by reason of any delay arising directly or indirectly from (1) acts of God, unforeseeable circumstances, acts (including delay or failure to act) of any governmental authority (de jure or de facto), war (declared or undeclared), riot, revolution, fires, floods, strikes, labor disputes, sabotage or epidemics, (2) inability due to causes beyond Seller's reasonable control to timely obtain instructions or information from Buyer, necessary and proper labor, materials, components, facilities, or transportation, or (3) any other cause beyond Seller's reasonable control.

The foregoing extension will apply even though such cause(s) may occur after Seller's performance of its obligations has been delayed for other causes. If delay resulting from any of the foregoing causes extends for more than sixty (60) days and the parties have not agreed upon a revised basis for continuing the work at the end of the delay, including adjustment of the price, then either party, upon thirty (30) days written notice, may terminate the order with respect to the unexecuted portion of the work whereupon Buyer will pay Seller its termination charges.

13. GOVERNMENTAL AUTHORIZATIONS. Buyer will be responsible for the timely obtaining of all required authorizations, including Export Licenses, Import Licenses, Exchange Permits and all other governmental authorizations, even though such authorizations may be applied for by Seller. Buyer and Seller will assist each other in every manner reasonably possible in securing such authorizations as may be required. Seller will not be liable if any authorization is delayed, denied,

revoked, restricted or not renewed and Buyer will not be relieved thereby of its obligations to pay Seller for its work.

All sales hereunder will at all times be subject to the export control laws and regulations of the United States Government and any amendments thereof Buyer agrees that it will not make any disposition, by way of trans-shipment, re-export, diversion or otherwise, except as said laws and regulations may expressly permit, of US origin goods purchased from Seller, other than in and to the ultimate country of destination specified on Buyer's order and/or declared as the country of ultimate destination on Seller's invoices.

14. **DEFAULT-CANCELLATION.** Seller reserves the right, by written notice of default, to cancel this order, without liability to Seller, in the event of any default on the part of the Buyer, the discontinuance of business by Buyer, or the sale by Buyer of the bulk of its assets other than in the usual course of business.

15. **GENERAL.** (i) Any order resulting herefrom will in all respects be construed and be given legal affect in conformity with the laws of the State of Virginia, USA. (ii) These Standard Conditions of Sale supersede all prior discussions and writings and constitute the entire agreement between Buyer and Seller with respect to the terms and conditions governing all orders. No waiver or modification of these Conditions will be binding upon Seller unless made in writing and signed by a duly authorized representative of Seller. (iii) Seller's obligation hereunder will be dependent upon Seller's ability to obtain the necessary raw materials.

(iv) The remedies provided herein will be cumulative and in addition to any other remedies provided by law or equity. A waiver of a breach of any provision hereof will not constitute a waiver of any other breach hereof. (v) All correspondence pertaining to this order, or to any of the terms and conditions covered by this order, will be in the English language.

16. **RIGHTS IN INTELLECTUAL PROPERTY.** Seller exclusively shall own all right, title and interest in and to any inventions, discoveries, improvements, methods, ideas, computer and other apparatus programs and related documentation, other works of authorship fixed in any tangible medium of expression, mask works or other forms of intellectual property, whether or not patentable, copyrightable or subject to mask work rights or other forms of protection, which are made, created, developed, written, conceived or first reduced to practice by Seller solely, or on its behalf, in the course of, arising out of or as a result of work done under this Agreement.

17. **MEDICAL AND LIFE SUPPORT APPLICATIONS.** Seller does not recommend the use of any products for medical or life support applications wherein a failure or malfunction of the product may directly threaten life or cause injury and Seller will not knowingly sell its products for such use except pursuant to a written exception to this policy granted on a case-by-case basis. No warranty is made with respect to any medical or life support use of any product.

18. **HIGHWAY INTERSECTION CONTROL AND RAILROAD CROSSING APPLICATIONS** Seller does not recommend the use of any products for highway traffic and railway intersection control applications wherein a failure or malfunction of the product may directly threaten life or cause injury and Seller will not knowingly sell its products for such use except pursuant to a written exception to this policy granted on a case-by-case basis. No warranty is made with respect to any railway intersection control use of any product.

19. **LIMITATIONS ON USE.** Software provided on any medium (disks and Electrically Erasable Read-Only Memories (EEROMs)), provided with or as components of the System Printed Circuit Board (PCB) shall not be copied, reverse engineered, reverse compiled, or otherwise manipulated to provide access to the code. Seller grants a personal, and non-exclusive right to use, in object code form, all software and related documentation furnished under this order. This grant shall be limited to use said software with Product for which the software was obtained and is transferable only with that equipment. Any transfer should be subject to the terms of agreement and payment of any scheduled fees if any. Use of the software on any items other than that for which it was obtained, or other material breach shall automatically terminate this license. Software or technical business information (hereinafter "Information") owned by Seller and furnished under this order shall remain the property of Seller. All software and Information furnished under this order: (1) shall only be used to install, operate or maintain Product for which they were originally furnished; (2) shall not be reproduced or copied, in whole or in part, except as necessary for use as authorized under this order; and (3) shall, together with any copies, be

returned or destroyed when no longer needed or permitted for use with Product for which they were initially furnished.

20. SEVERABILITY. If any one or more of the provisions of these Conditions of Sale shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions of these conditions of Sale shall not be affected thereby.

21. ASSIGNMENT. Neither this order nor any rights or obligations herein may be assigned by Buyer nor may Buyer delegate the performance of any of its duties hereunder without, in either case, Seller's prior written consent.

22. CONTROLLING LAW. All questions concerning the validity and operation of this order and the performance of the obligations imposed on the parties under this order will be governed by the laws of the State of Virginia, USA.