

GENERAL TERMS AND CONDITIONS
FOR SALE CONTRACT

All sales by Detector Electronics Corporation (hereinafter called "Detector") of equipment offered and sold by it shall be subject to the following General Terms and Conditions which shall be deemed incorporated into all orders and offers to purchase submitted to Detector for acceptance and into all of its acceptances and contracts for sale.

1. **EXCLUSION OF WARRANTIES.** DETECTOR MAKES NO WARRANTY THAT THE EQUIPMENT SOLD HEREUNDER SHALL BE MERCHANTABLE OR THAT SUCH EQUIPMENT SHALL BE FIT FOR ANY PARTICULAR PURPOSE. MOREOVER, DETECTOR MAKES NO EXPRESS OR IMPLIED WARRANTIES EXCEPT FOR THE LIMITED WARRANTY OUTLINED IN PARAGRAPH 2. IN ADDITION, NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, MADE BY ANY DISTRIBUTOR, SALES REPRESENTATIVE, OR FIELD AGENT OF DETECTOR WHICH IS NOT SPECIFICALLY SET FORTH HEREIN SHALL BE BINDING ON DETECTOR.

2. **WARRANTY.** Detector makes the following limited warranty: Detector warrants to Buyer that the equipment represented by this contract shall be free from defects in material and workmanship upon delivery. If such equipment is not as warranted and if (a) equipment not installed by Detector is received, transportation prepaid, at Detector (i) within eighteen months after date of manufacture, or (ii) within twelve months after date of installation, whichever come first as evidenced by a certification by the installer, or (b) equipment installed by Detector, or under the direct supervision of Detector is found by Detector's inspection to be defective in material and workmanship upon delivery within twelve months after date of installation, Detector's liability and Buyer's exclusive remedy against Detector is expressly limited, at Detector's option, to the repair or replacement of the defective good(s), with Detector returning the repaired or replaced good(s) to the Buyer F.O.B. destination at the lowest cost. Any part, item or equipment repaired or replaced and returned to Buyer shall be warranted by Detector for the remainder of the original warranty period. **NOTE #1:** Excluding oxygen sensors, Detector warrants that all gas sensors shall be free from defects in material and workmanship upon delivery. This sensor warranty shall be on a two (2) year "rolling basis," i.e., upon Detector's receipt of a defective gas sensor within/during the two (2) year warranty period, Detector shall provide a new gas sensor, with the remainder of the two (2) year warranty in force. The cost of repair or replacement due to all other defects, including, but not limited to those which are the result of abuse or misuse of the product parts or for a defect which arises out of a design or specification provided by Buyer, shall be at the expense of Buyer. **NOTE #2:** The PIR 9400 Hydrocarbon Detector warranty for parts only shall be five (5) years from the date of manufacture; the PIR 9400 Hydrocarbon Detector warranty for parts and labor shall be two (2) years from the date of manufacture and shall be inclusive of the total five (5) year warranty period.

Repair or replacement of the Detector equipment as provided in this warranty is the Buyer's exclusive remedy. This exclusive remedy will not be deemed to have failed of its essential purpose so long as Detector is willing and able to repair or replace the defective product in the prescribed manner. If Detector fails to provide Buyer with free repair or replacement as aforesaid, Detector's entire liability shall not exceed the lower of the repair value, the replacement value or the amount paid by Buyer to Detector for the equipment. Detector will not have any liability of any kind under this limited product warranty unless the Buyer notifies Detector within one year after the cause of action has accrued.

This warranty applies only to the equipment delivered which after shipment from Detector's factory have not been altered, changed or repaired in any manner. The products of other manufacturers are covered only by such warranties as made by these original manufacturers even though such items may have been included as components.

3. **LIMITATIONS ON WARRANTY.** IN NO EVENT SHALL DETECTOR BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL LOSS OR DAMAGES WHATSOEVER, INCLUDING BUT NOT LIMITED TO DAMAGE TO OR LOSS OF PROPERTY OR EQUIPMENT, LOST REVENUES OR PROFITS, CLAIMS OF CUSTOMERS, OR HARM TO GOODWILL OR BUSINESS REPUTATION DIRECTLY OR INDIRECTLY ARISING FROM THE SALE, HANDLING OR USE OF THE EQUIPMENT, OR FROM ANY OTHER CAUSE RELATING THERETO AND DETECTOR'S LIABILITY HEREUNDER. The remedies set forth above and the obligations and liabilities thereunder are exclusive and in lieu of all other remedies, warranties, guarantees or liabilities expressed or implied, arising by law or otherwise including without limitation, any obligations of Detector with respect to merchantability and fitness for a particular purpose/use or whether or not occasioned by Detector's negligence. Detector shall not be liable to the Buyer for any claims, demands, injuries, damages, actions or causes of action whatsoever based on negligence or strict liability.

If, after inspection of the returned equipment, Detector determines that the defect is a result of damage, misuse, mishandling, installation, abnormal conditions of storage or operation, unauthorized repair or modification, or due to the Buyer's failure to install, maintain or operate the equipment in compliance with the written instructions, all expenses incurred by Detector in connection with the replacement or repair of the equipment shall be for the account of the Buyer. Any equipment returned to Detector for replacement shall become the property of Detector.

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The validity, performance and interpretation of the limited warranty shall be governed by the internal laws (and not the laws of conflicts) of the State of Minnesota. All disputes arising in connection with the limited warranty shall be resolved, if not sooner settled, by a court of competent jurisdiction located in Hennepin County, Minnesota, USA.

4. ACCEPTANCE STATES THE ENTIRE CONTRACT. The acknowledgment by Detector of the Buyer's order or offer to purchase is an acceptance of the Buyer's order and intended to embody the complete and exclusive contract of sale in relation to the subject matter hereof, and no understandings or agreements, verbal or otherwise, in relation thereto except as herein expressly set forth or incorporated herein by reference shall be binding on either party.

The acknowledgment by Detector of the Buyer's order(s) is accepted on the condition that the terms and conditions set forth herein shall apply and shall constitute complete agreement and between the parties. Any provisions or conditions of the Buyer's order forms or any verbal or other understandings or agreements which are in any way in conflict with or in addition to these terms and conditions shall not be binding on Detector and shall not be applicable, unless expressly agreed to in writing by Detector herewith or hereafter. Buyer shall be deemed to have assented to the exclusive terms and conditions hereof unless objection by the Buyer hereto in writing has been received by Detector at its office in Minneapolis, Minnesota within ten (10) days after receipt of the acknowledgment by the Buyer, or if a shipment has been requested in less than said ten (10) days, then prior to such date shipment, and in the event of such objection and at Detector's option, the acknowledgment shall thereupon be revoked and the sale contract terminated.

5. DELIVERY. Delivery of equipment not agreed on the face hereof to be installed by or under supervision of Detector shall be F.O.B. at Detector's factory, warehouse or office selected by Detector. Shipping dates are approximate and are based upon current and anticipated manufacturing capabilities and upon receipt of all necessary information from the Buyer. Detector reserves the right to make deliver in installments and the contract shall be severable as to each such installment. Delay in delivery or other default in any installment shall not relieve the Buyer of its obligation to accept and pay for remaining deliveries. If delivery of goods is delayed in transit due to default in payment of the purchase price or to delay in receipt of shipping instructions, documents for payment, required inspection, export permit or other cause for which Detector is not responsible, charges for demurrage and storage shall be paid by the Buyer. All claims for a delay in delivery shall be deemed waived unless presented to Detector in writing thirty (30) days after the delivery of each shipment.

Unless otherwise indicated on the front side of the invoice, all shipping and insurance charges, any duty and all taxes related to the Buyer's order shall be paid to the Buyer. Claims for damages in transit must be asserted against the Carrier. Within (7) days after receipt of shipment, the Buyer must report to Detector any shortage or damage not due to the carrier, otherwise claims for such shortage or damage will be deemed waived.

6. FORCE MAJEURE. Fulfillment of this order is contingent upon the availability of materials. Detector shall not be liable for any delays in delivery, or for non-delivery or nonperformance, in whole or in part, caused by the occurrence of any contingency beyond the control of either Detector or suppliers of Detector, including but not limited to one or more of the following causes: fires, destruction of plant; strike; lockout; dispute with workmen; epidemic; flood; accident; delay in transportation; war (whether declared or undeclared); insurrection; riot; blockage; embargo; acts, demands or requirements of the United States, or the country in which or through which delivery is to be made or any state or territory thereof, or of any governmental subdivision of any thereof; restraining orders for decrees of any court or judge; or any other cause whatsoever, whether similar or dissimilar to those herein before enumerated. The existence of any such cause or causes of delay shall extend the time of performance by the time or times measured by any such cause or causes of delay. If delivery is not completed within sixty (60) days after the date stipulated in the acceptance of the order due to any said causes, either Detector or the Buyer may cancel this contract on ten (10) days notice to the other. If any contingency occurs, Detector reserves the right to allocate production and deliveries among its customers.

7. ACCEPTANCE OF ORDERS. Orders and offers to purchase received by or on behalf of Detector are subject to acceptance only at its office in Minneapolis, Minnesota. No Detector distributor, sales representative, or field agent has authority to accept orders or make contracts of sale on behalf of Detector.

8. CANCELLATION, COUNTERMAND AND RETURN OF GOODS. Orders accepted by Detector cannot be cancelled or countermanded, or shipments deferred or equipment returned except with the prior written consent from Detector's office in Minneapolis, Minnesota, and upon terms that will indemnify Detector against all losses resulting therefrom, including the profit on any part of the order that is cancelled. When Detector authorizes the return of equipment, the Buyer shall prepay the shipping charges on such returned equipment unless otherwise expressly stated by Detector in its written return authorization.

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9. **PRICES, TAXES AND TRANSPORTATION CHARGES.** The sales price stipulated in this contract is exclusive of all customs duties, charges or surcharges, consular fees, sale, use, excise, turnover, occupational or transportation taxes, or any other taxes imposed by any country or political subdivision thereof. If any such tax or charge is imposed by law on the Buyer on account of this sale and Detector is obligated to collect and pay such tax or charge, the amount of such disbursement shall be reimbursed to Detector by the Buyer forthwith in addition to the purchase price. Freight and insurance quotations are merely estimates based upon currently prevailing rates and, because Detector has no control over such quotations, any variations in the actual rates at the time of shipment shall be for the Buyer's account. Detector may add a charge for export packing to the price, and Detector reserves the right to impose an additional reasonable charge for packing and/or packaging to comply with Buyer's specifications or instructions.

10. **TERMS AND PAYMENT; INSTALLATION CHARGES, FINANCE CHARGES.** Absent contrary provision on the face hereof and subject to approval and continuance of approval of credit by Detector, terms of payment are thirty days net from the date of invoice. In the case of equipment for destination outside the United States, terms of payment are by satisfactory confirmed irrevocable Letter of Credit or Sight Draft with documents attached as Detector may elect. All payments shall be in legal currency of the United States. Acceptance and endorsement by Detector of an instrument for less than the full amount which claims to be due shall not be deemed to be an admission of payment in full and any conditions to the contrary which are noted on such an instrument shall not be binding on Detector. Detector's prices prevailing at time of each shipment shall apply. Prices are subject to correction for error.

All costs of installation shall be done by Buyer. It is contemplated that any installation or supervision labor and services agreed on the face hereof to be performed by Detector are to be performed during regular working hours on regular working days. If for any reason the Buyer requests Detector to furnish any such labor or services outside of such regular working hours, any overtime or other additional expense occasioned thereby shall be billed to and paid by the Buyer as an extra.

A finance charge will be assessed on past due amounts at 1 1/2% per month or the highest rate permitted by law whichever is lower.

11. **TITLE AND RISK OF LOSS.** Unless otherwise indicated on the front side of this document, title to, ownership, and right to possession of the merchandise sold by this contract, and risk of loss, shall pass to the Buyer at the time of delivery to the carrier or Buyer, whichever first occurs. If, however, payment of the purchase price is not contemporaneous with, or does not precede delivery of the merchandise to the carrier or the Buyer, the Buyer agrees at Detector's request to execute, acknowledge and record appropriate financing statements so as to perfect a security interest in the products in favor of Detector, including, but not limited to, a UCC Form 1204 - Retail Installment Contract or the execution of a contract of conditional sale containing the provisions as Detector shall deem proper. If payment of the purchase price is not contemporaneous with, or does not precede delivery of the goods to the carrier or the Buyer, title to the merchandise shall not pass from Detector to the Buyer until payment of the full purchase price.

12. **PATENTS.** Buyer shall indemnify and hold Detector Electronics harmless from any claim of patent infringement if such patent infringement or claim involves machines produced by Detector at Buyer's direction or is based upon the use of the product in combination with other items where such infringement or claim thereof would not have occurred from the normal use for which the product was designed.

13. **GENERAL PROVISIONS.** Detector reserves the right to correct any stenographical or clerical errors in any of the writings issued by it. Except as otherwise set forth herein, the terms and conditions of sale and any description on the face of this acknowledgement constitute a complete and exclusive statement of the terms and conditions of the sale of the products by Detector to the Buyer. There are no other promises, conditions, understandings, representations or warranties. This Agreement may be modified only in a writing signed by Detector. No waiver of any right will be effective against Detector unless supported by consideration and expressly stated in the writing signed by Detector, and the failure of Detector to enforce any right will not be construed as a waiver of Detector's right to performance in the future. The Buyer may not assign any rights to, or delegate any performance owed under this Agreement without the written consent of Detector. Detector shall have the right to credit toward the payment of any monies that may become due Detector hereunder and any sums which may now or hereafter be owed to the Buyer by Detector. The validity and performance in all matters relating to the interpretation and effect of this Agreement and any amendment hereto shall be governed by and construed in accordance with the internal laws (and not the laws of conflicts) of the State of Minnesota. The Buyer shall pay Detector all fees, costs and expenses of Detector reasonably incurred in the enforcement of Detector's rights under or with respect to this Agreement, including, without limitation, reasonable attorneys' fees.

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14. **LICENSES AND PERMITS.** Buyer shall be solely responsible for obtaining all export licenses or governmental permits necessary to export the products from the United States provided, that at Buyer's request, Detector will endeavor to assist Buyer in obtaining such licenses and permits. Buyer shall be solely responsible for obtaining all import permits or other documents necessary for the importation of the products into another country or political subdivision thereof.

15. **ULTIMATE DESTINATION.** United States Law prohibits disposition of the equipment to certain countries. It is the responsibility of Buyer to inform Detector of the ultimate destination.

16. **NON-DISCLOSURE OF CONFIDENTIAL AND/OR PROPRIETARY TECHNICAL INFORMATION.** The Buyer shall not disclose any technical/proprietary information furnished by Detector or acquired by Buyer or by virtue of or as a result of the implementation of this order to any person, firm or body or corporate authority and shall make all endeavors to ensure such technical/proprietary information is kept CONFIDENTIAL. Title to such technical/proprietary information imparted/supplied by Detector to Buyer shall at all times remain the absolute property of Detector.

SOFTWARE LICENSE. All software programs which are embodied in a human readable media or machine readable media and which include, but are not limited to, programs having a series of instructions, statements and data, and are related materials furnished by Detector, are trade secrets and proprietary to Detector. Detector provides such programs under a non-transferable and non-exclusive license to use them on the system for which Detector provided it; the Buyer may not assign, sublicense or otherwise transfer said license and programs or materials without the prior written consent of Detector. In the event information/data is exchanged between Detector and the Buyer, both parties mutually agree not to expose said programs to any claim, lien, conversion or any other encumbrance. Detector and the Buyer further agree to exercise due care and employ reasonable efforts to prevent disclosure of said technical information/data/program(s) unless it was or is:

- [i] Known to the receiving party without restriction when received or thereafter developed independently by the receiving party, or
- [ii] Obtained from a source other than the originating party, or
- [iii] In the public domain when received or thereafter enters the public domain through no fault of
- [iv] Disclosed by the originating party to a third (3rd) party without restriction.

17. **CHANGES.** The Buyer may make changes, additions or deletions to specifications, drawings and other descriptions and conditions recited in the related document(s) upon written notice to Detector. If any such change(s), addition(s) or deletion(s) initiated by the Buyer affects the cost of manufacture or time of delivery, Detector shall give the Buyer written notice thereof within two (2) weeks from the date of Buyer's notice, and the Buyer shall give the instruction within a period of two (2) weeks from the date of Buyer's receipt of whether to accept Detector's proposed cost or delivery changes or to withdraw such change(s). In case of withdrawal of change(s), addition(s), deletion(s) during the above period(s), the original contract price and/or delivery shall remain unchanged.