

STANDARD TERMS AND CONDITIONS OF SALE

1. **GENERAL.** These terms and conditions of sale supersede all printed terms and conditions on the purchase order form, if any, of the purchaser specified on the reverse hereof ("Customer") and all other inconsistent terms submitted by Customer prior to acceptance by Elobau Sensor Technology, Inc. ("Seller") of Customer's order. These terms and conditions may not be varied unless agreed to in writing by a duly authorized representative of Seller. Failure of Seller to object to provisions contained in any order or other writing of Customer shall not be construed as a waiver of these terms and conditions of sale or as acceptance of any terms and conditions of Customer. Customer shall be deemed to have expressly accepted these terms and conditions of sale if Customer expressly so agrees in writing or accepts any shipment of products ("Products") to which these terms and conditions relate subsequent to receipt of these terms and conditions of sale. No sales or other independent representative of Seller shall have any authority to vary these terms and conditions of sale in any respect or to agree to any additional terms or conditions.
2. **PRICES.** Price of Products shall be in accordance with the applicable price schedule or other price quotation of Seller as from time to time in effect. All orders are subject to acceptance by Seller. Prices quoted are F.O.B. Seller's warehouse, freight collect, or other place specified by Seller. All price quotations issued by Seller are firm for a period of 30 days unless otherwise indicated therein by Seller. Except only as otherwise specified in this section, prices are subject to change without notice. Price quotations based on estimated or projected quantities are subject to increase in the event that actual quantities purchased during the specified period are less than the estimated or projected quantities. Prices do not include any applicable sales, use or other taxes, and the amount of any such taxes which Seller may be required to pay or collect may be added to each invoice or separately invoiced by Seller to Customer, except and to the extent that Customer submits a tax exemption certificate which is acceptable to Seller and the appropriate taxing authorities.
3. **PAYMENT.** Each shipment shall be considered a separate transaction and payment shall be made accordingly. Unless otherwise agreed in writing by Seller, payment for Products shall be made on the basis of net cash 30 days from the date of Seller's invoice therefor. If, in Seller's judgment, the financial condition of the Customer at any time does not justify the making of any shipment on the terms specified in this paragraph, Seller may make such shipment on a C.O.D. or cash-in-advance basis, suspend its performance or revoke its acceptance of Customer's order. If shipments are delayed by Customer, Seller shall have the right to demand payment 30 days from the date Seller is prepared to make shipment. Products held for Customer because of such delay in delivery shall be held at the risk and expense of the Customer. Past due invoices of Seller to Customer shall bear interest at the rate of one and one-half percent per month, but not in excess of the maximum lawful rate, until paid in full. Customer shall be responsible for all costs and expenses incurred by Seller, including attorneys' fees and costs of collection or enforcement of any provision of these terms and conditions.
4. **DELIVERY.** Title and risk of loss to Products shall pass to the Customer, F.O.B. Seller's warehouse or other point of delivery of the Products by Seller to the common carrier. Notwithstanding any request by Customer, Seller shall, without incurring any liability, exercise its own discretion in selecting the method of shipment and the carrier.
5. **LIMITED WARRANTY.** **Products sold by Seller are warranted to conform to the specifications therefor at the time of delivery to Customer and to remain free from defects in workmanship and material for a period of 12 (twelve) months from the date of shipment from the Seller's warehouse. Any Product or components thereof which, in Seller's judgment, fails to meet such warranty shall, at Seller's option, either be repaired or replaced by Seller at no charge to Customer or Seller shall issue a credit for any such Products in the amount of the original invoice price. Seller's obligation shall be limited solely to repair or replacement of the Products or components thereof or credit for the Products. Such obligation shall be conditioned upon receipt by Seller of notice of any alleged nonconformance to specifications within 30 days after delivery to Customer and of any alleged defect in material or workmanship within 30 days after discovery. Products which Seller consents or directs in writing to be returned shall be returned to Seller, freight prepaid, F.O.B. Seller's warehouse or other destination directed by Seller in accordance with Seller's standard return policies. The foregoing warranties shall not apply to Products that have been repaired other than with Seller's authorization and by Seller's approved procedures, that have been subjected to misuse, abuse, improper maintenance, negligence or accident, that have been damaged by excessive physical or electrical stress or that have had a serial number or any part thereof altered, defaced or removed. The foregoing warranties are exclusive and in lieu of all other warranties express or implied, including but not limited to any warranty of merchantability or of fitness for a particular purpose. Seller shall have no responsibility for any particular application made of any product.**
6. **DELIVERIES.** Seller will use its reasonable efforts to fill customer's orders in a timely manner. It is understood, however, that lead time requirements and delivery dates will vary according to manufacturing and other conditions and that all delivery dates are only estimates. Delay in delivery of any shipment shall not relieve customer of its obligation to accept such shipment.
7. **LIMITATION OF LIABILITY.** Under no circumstances shall seller be liable to customer or any other person or entity for any special, incidental or consequential damages, whether based upon lost goodwill, lost resale profits, work stoppage, product failure, impairment of other goods or otherwise and whether arising out of breach of warranty, breach of contract, negligence or otherwise.
8. **FORCE MAJEURE.** Seller shall not be liable for damage as a result of any delay or failure of performance due to any cause beyond Seller's control, including, without limitation, act of God, act of Customer or any of its representatives or agents, embargo or other governmental act, regulation or order, fire, flood, freezing, storm, accident, strike, slow down, war, riot, delay in transportation, inability to obtain necessary labor, materials, fuel or manufacturing facility or any other circumstance, whether similar or dissimilar to the foregoing, which is beyond Seller's control. In the event of such delay, the date of delivery shall be extended for a period equal to the time lost by reason of delay, and, if such delay is caused by act of Customer or any of its representatives or agents, Customer shall reimburse Seller for any additional costs arising from such delay.

9. **CANCELLATION.** Customer's wrongful non-acceptance of Products or cancellation or repudiation of its order shall entitle Seller to recover from Customer, in addition to any incidental damages caused by Customer's wrongful non-acceptance, cancellation or repudiation either: (a) in the case of Products the risk of loss of which has passed to Customer at the time of non-acceptance, cancellation or repudiation of Products, the price of such Products, or (b) in the case of Products for which other readily-available customers exist or where an action for the price is not otherwise permitted by law, damages equal to the profit (including reasonable overhead) which Seller would have realized had Customer fully performed plus, in the case of special orders, Seller's expenses, if any, incurred prior to receipt, or which cannot be reasonably avoided after receipt, by Seller of notice of non-acceptance, repudiation or cancellation by Customer in connection with providing special services, developing special tooling, purchasing special supplies and the like.
10. **REGULATORY LAWS AND STANDARDS.** Seller makes no promise or representation that the Products will conform to any federal, state or local laws, ordinances, regulations, codes or standards, except as particularly specified and agreed upon in writing by a duly authorized representative of Seller. Prices do not include the cost of any inspections or permits.
11. **CHANGES AND DRAWINGS.** Seller reserves the right to change or modify the specifications, design, drawings and construction of any Products and to substitute other suitable material. If drawings are furnished, they are submitted only to show general style and arrangement of the Products.
12. **PATENTS AND COPYRIGHTS.** Subject to the conditions set forth in this paragraph, Seller shall, at its own expense, defend or, at its option, settle, any claim, suit or proceeding brought against Customer on the issue of infringement of any United States patent or copyright by any Product supplied by Seller to Customer in accordance with these terms and conditions. Subject to the limitations set forth in this paragraph, Seller will pay any final judgment entered against Customer on such issue in any such claim, suit or proceeding defended by Seller. Seller's obligations contained in this paragraph shall be subject to the conditions that Customer (a) notify Seller in writing of any such claim, suit or proceeding promptly after Customer shall have received notice or obtained knowledge thereof, and (b) at Customer's expense, provide Seller full information and assistance as requested by Seller in such defense. Seller reserves the right, at its option, in the event of any such claim, suit or proceeding to modify or replace the affected Products to eliminate the alleged infringement, to obtain a license to cure the alleged infringement or to give Customer a refund of the price of the affected Products less an appropriate amount for depreciation in lieu of any other obligations or responsibilities under this paragraph. Seller shall have no liability for any infringement arising out of: (w) the combination of any Product with any other product whether or not furnished to Customer by Seller; (x) the modification of any Product unless such modification was made by Seller; (y) use of any Product in an application or environment for which such Products were not designed or contemplated; or (z) any claims of infringement of a patent in which Customer or any affiliate of Customer has an interest or license. Seller shall not be liable for any costs or expenses incurred without Seller's written authorization, and in no event shall Seller's total liability to Customer under, or as a result of compliance with, the provisions of this paragraph exceed the aggregate sum paid to Seller by Customer for the allegedly infringing Product. The foregoing states the entire responsibility of Seller, and the exclusive remedy of Customer, with respect to any alleged intellectual property right infringement or violation by a Product, and Seller shall in no event be liable for loss of use or for incidental, indirect or consequential damages, whether in contract or in tort, by virtue of any such infringement or violation. No sale of Products to Customer shall convey any license by implication, estoppel or otherwise under any proprietary or patent rights of Seller.
13. **GOVERNING LAW; SEVERABILITY.** The sale of Products by Seller to Customer shall be governed by the laws of the State of Illinois. If any provision of these terms and conditions of sale shall be adjudged by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such adjudication shall not affect or modify any other provision of this agreement, but the effect shall be confined to the provision as to which such adjudication is made.
14. **EXPORT LICENSES.** The Products are being sold to Customer in the United States. Any exporting of Products is by Customer and not Seller. Accordingly, Customer shall be responsible for, at its own risk and expense, any necessary export license or permit and any other approval or documentation which may be required for or in connection with the export of any Products. Customer shall indemnify and hold Seller harmless from all liabilities, damages, costs and expenses arising from or connected to any breach of Customer's obligations under this paragraph. Customer shall execute any documents reasonably required by Seller for the purpose of complying with US laws and regulations.
15. **INDEPENDENT CONTRACTORS.** Seller and Customer are independent contractors, and their relationship is not one of principal and agent. No act or obligation of either party is in any way binding upon the other party.
16. **NONWAIVER OF COMPLIANCE.** No failure by Seller to enforce at any time any provision of these terms and conditions of sale shall be construed as a waiver of Seller's right thereafter to enforce each and every such term and condition.
17. **NOTICES.** All notices and other written communications in connection with these terms and conditions of sale shall be in writing and shall be sent by first class mail, with all postage prepaid, to a party at its address, or to such other address as may be specified by such party by notice in accordance herewith.
18. **NON-ASSIGNMENT.** Customer may not assign any of its rights or interest under these terms and conditions of sale without the prior written consent of Seller and any such attempted assignment shall be void.
19. **TERMINATION.** Seller may terminate any obligation to Customer with respect to the sale of the Products as set forth in these terms and conditions of sale immediately by notice to Customer if: (a) Customer fails to make any payment on the date due or to accept delivery of any shipment; (b) Customer makes an assignment for the benefit of creditors; (c) Customer admits in writing its inability to pay its debts as they mature; (d) a trustee or receiver of all or a substantial part of Customer's assets is appointed by any court; (e) any bankruptcy or reorganization proceedings is instituted by or against Customer; (f) Customer becomes insolvent or unable to pay its debts as they mature; or (g) Seller has reasonable basis for insecurity with respect to Customer's performance of its obligations to Seller and Customer fails to provide to Seller adequate assurance of Customer's performance within 30 days of Seller's demand for such assurance. Seller may also terminate any such obligation to Customer on 30 days' notice for any failure of Customer to comply with any other of its obligations contained in these terms and conditions of sale; provided that such failure shall not have been corrected during such 30-day period.
20. **ENTIRE AGREEMENT.** These terms and conditions of sale contain all of the terms and conditions governing the sale of the Products as set forth in these terms and conditions of sale and may not be modified or amended except by an agreement duly executed by the parties.
21. **HEADINGS.** The headings contained in these terms and conditions of sale are included for mere convenience of reference and shall not affect the interpretation of these terms and conditions.