

Sensing Technologies, Inc.

Terms and Conditions of Sale

1. Entire Agreement. The terms and conditions of sale contained herein, together with any additional terms contained in Sensing Technologies, Inc. (STI) standard Product (as defined below) documentation (collectively, the "Sales Terms"), apply to all quotations made and purchase orders received by STI and are the exclusive binding agreement between the parties regarding the products sold by STI ("Products"). STI's acceptance of any order for Products by a purchaser (the "Buyer") is conditional upon Buyer's assent to these Sales Terms in lieu of all other terms including, without limitation, the terms contained in Buyer's purchase order. STI hereby rejects all provisions contained in communications from Buyer that conflict with or are inconsistent with the terms contained herein. No addition or deletion or other agreement, promise or covenant proposed by Buyer shall become binding upon STI, whether advanced by document, purchase order, confirmation or otherwise, unless specifically agreed to in a writing executed by STI. STI's failure to object to any of the provisions contained in Buyer's documentation shall not be deemed a waiver of these provisions.
2. Non-Cancelable. An order pursuant to these Sales Terms shall be non-cancellable (in whole or in part) except with the prior written consent of STI. In the event of any cancellation, Buyer shall pay STI, at STI's option, the following as liquidated damages:
 - (a) invoice price of all Products which have been identified to these Sales Terms, whether such Products have been delivered to Buyer or not
 - (b) actual costs incurred by STI for Products not completed which are allocable to the balance of Products ordered by Buyer, including the cost of discharging STI's liabilities which are so applicable, and the costs of materials on hand which were acquired or produced in connection with these Sales Terms, plus a reasonable allowance for profit in connection with partially finished work and materials; and
 - (c) a reasonable allowance for profit in connection with Products ordered pursuant to these Sales Terms but with respect to which production has not yet begun at the time of the cancellation.
3. Price; Payment.
 - (a) Buyer will be billed at the prices stated at the time of STI's acceptance of Buyer's order. All prices are subject to adjustment on account of specifications, quantities, shipment arrangements or other terms and conditions, which are not part of the original price quotation. If the prices are based on the purchase of a particular quantity of goods and Buyer fails to purchase that quantity which would justify the pricing granted, STI shall have the right, in addition to any other remedies at law or equity, to recover from Buyer the difference between the stated price and STI's standard prices for such goods in the quantity actually purchased by Buyer. Unless otherwise specified or required by law, all prices will be quoted and billed exclusive of customs, duties or taxes, and Buyer shall be responsible for all such applicable duties and taxes (exclusive of taxes on STI's income). If exemption from such taxes is claimed, Buyer must provide a certificate of exemption at the time the Purchase Order is submitted to STI, and Buyer agrees to indemnify STI for any unpaid taxes in the event such exemption is not applicable.
 - (b) Unless otherwise agreed to by STI in writing, payment shall be made net cash, in U.S. dollars, within thirty (30) days from date of shipment (whether in full or partial fulfillment of these Sales Terms) without setoff of any kind. An invoice may or may not accompany shipment at STI's option. Any credits or setoffs alleged by Buyer to be due from STI shall not be deducted from the amounts due STI under this or other agreements until STI shall have issued and delivered to Buyer STI's credit memorandum authorizing such deduction. To the extent permitted under applicable law, past due accounts and sums improperly deducted shall accrue interest at the lower of (i) twelve percent (12%) per annum or (ii) the highest rate permitted by applicable law. Additionally, Buyer shall pay to STI all costs and expenses incurred by STI in seeking collection of any amounts owed by Buyer to STI.

- (c) If STI accepts partial payment in an amount less than the full amount of any invoice, such acceptance shall neither constitute a waiver of STI's right to collect the balance nor an accord and satisfaction, notwithstanding STI's endorsement of a check or other instrument.
- (d) In addition to all other rights and remedies STI may have against Buyer, Buyer hereby grants to STI a security interest in all of the Products and all proceeds thereof to secure Buyer's obligation to pay the purchase price therefor and any other amounts owing to STI by Buyer, including, without limitation, all costs and expenses of litigation, attorneys' fees and interest. In connection with the security interest granted herein, STI is expressly authorized, at its discretion, to file one or more financing statements or other notices under applicable law naming Buyer as debtor and STI as secured party. Buyer agrees to execute such documents requested by STI to record and otherwise perfect this security interest.
- (e) Stenographical, typographical, and/or clerical errors are subject to correction.

4. Inspection.

Buyer shall inspect the Products upon delivery and shall notify STI within 30 days of any damage or defective Products or under-shipment by STI.

5. Returns. Any Product return shall be returned to STI ONLY upon assignment of a Return Merchandise Authorization (RMA) Number by STI. Any Product returned to STI without a RMA Number will be refused and returned to Buyer at Buyer's expense. Returns will not be accepted by STI for any reason other than for: (i) verifiable Product defects or damage occurring within the warranty period, or (ii) mishandled shipments directly caused by STI. Return requests involving mishandled shipments must be brought to STI's attention within five (10) days of original ship date. STI reserves the right to reject any request regarding mishandled shipments submitted more than five (10) days after the original ship date.

6. Warranty and Disclaimer.

(a) STI WARRANTS THAT THE PRODUCTS WILL CONFORM WITH ALL PERTINENT SPECIFICATIONS INCLUDING PERFORMANCE SPECIFICATIONS, DRAWINGS AND APPROVED SAMPLES, IF FURNISHED IN WRITING, AND WILL BE FREE FROM DEFECTS CAUSED BY DEFECTIVE MATERIALS OR WORKMANSHIP FOR A PERIOD OF ONE-YEAR AFTER SHIPMENT THEREOF TO BUYER.

(b) STI MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, TO BUYER, ITS CUSTOMERS OR ANY USERS OF THE PRODUCTS EXCEPT AS HEREIN STATED, AND STI EXPRESSLY DISCLAIMS AND EXCLUDES ALL WARRANTIES WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING ALL WARRANTIES WHICH, BUT FOR THIS PROVISION, MIGHT ARISE FROM COURSE OF DEALING, CUSTOM OR TRADE AND INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OF THE PRODUCTS, FITNESS FOR ANY PARTICULAR USE OR PURPOSE AND NON-INFRINGEMENT. ALL CLAIMS FOR ALLEGED DEFECTS IN THE PRODUCTS SHALL BE DEEMED WAIVED UNLESS MADE IN WRITING AND DELIVERED TO STI WITHIN ONE (1) YEAR AFTER SHIPMENT OF THE PRODUCTS TO BUYER. STI'S SOLE LIABILITY WITH RESPECT TO THE PRODUCTS SHALL BE LIMITED TO THE REPAIR, REPLACEMENT OR REFUND OF THE PURCHASE PRICE OF ANY DEFECTIVE PRODUCTS. STI, IN ITS DISCRETION, SHALL DETERMINE ON A CASE BY CASE BASIS WHETHER REPAIR, REPLACEMENT OR REFUND WILL BE THE REMEDY RESPECTING ANY SUCH DEFECTIVE PRODUCTS. IF THE APPLICABLE WARRANTY PERIOD DESCRIBED HAS NOT EXPIRED, SUCH REPAIR, REPLACEMENT OR REFUND SHALL BE STI'S SOLE LIABILITY AND THE SOLE REMEDY THAT BUYER, ITS CUSTOMERS OR ANY USERS OF THE PRODUCTS SHALL HAVE AGAINST STI WITH RESPECT TO THE QUALITY, PERFORMANCE OR USE OF ANY OF THE PRODUCTS. IF THE WARRANTY PERIOD HAS EXPIRED, STI SHALL NOT BE LIABLE FOR ANY DAMAGES OF ANY KIND WHATSOEVER. BUYER HEREBY AGREES TO COMMUNICATE IN WRITING THE TERMS OF THIS SECTION TO ITS CUSTOMERS.

(c) ALL PRODUCT INFORMATION FURNISHED BY STI IS BELIEVED TO BE ACCURATE AND RELIABLE. HOWEVER, BUYERS MUST INDEPENDENTLY EVALUATE THE SUITABILITY OF AND TEST EACH PRODUCT SELECTED FOR THEIR OWN APPLICATIONS. STI PRODUCTS ARE NOT DESIGNED

FOR, AND SHALL NOT BE USED FOR, ANY PURPOSE (INCLUDING, WITHOUT LIMITATION, AUTOMOTIVE, MILITARY, AEROSPACE, MEDICAL, LIFE-SAVING, LIFE-SUSTAINING OR NUCLEAR FACILITY APPLICATIONS, DEVICES INTENDED FOR SURGICAL IMPLANT INTO THE BODY, OR ANY OTHER APPLICATION IN WHICH THE FAILURE OR LACK OF DESIRED OPERATION OF THE PRODUCT MAY RESULT IN PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE) OTHER THAN THOSE EXPRESSLY SET FORTH IN APPLICABLE STI PRODUCT DOCUMENTATION. WARRANTIES GRANTED BY STI SHALL BE DEEMED VOID FOR PRODUCTS USED FOR ANY PURPOSE NOT EXPRESSLY SET FORTH IN APPLICABLE STI DOCUMENTATION. STI SHALL NOT BE LIABLE FOR ANY CLAIMS OR DAMAGES ARISING OUT OF PRODUCTS USED IN APPLICATIONS NOT EXPRESSLY INTENDED BY STI AS SET FORTH IN APPLICABLE STI DOCUMENTATION.

(d) Anything to the contrary notwithstanding, any action for alleged breach by STI of these Sales Terms, including, without limitation, an action for breach of the warranty herein set forth, shall be barred unless commenced by Buyer within one (1) year after the date the Products in question were first delivered to Buyer.

7. Limitation of Liability.

IN NO EVENT SHALL STI BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE, SPECIAL OR OTHER DAMAGES WHATSOEVER RESULTING FROM STI'S PERFORMANCE OR FAILURE TO PERFORM UNDER THESE TERMS OR THE FURNISHING, PERFORMANCE OR USE OF ANY PRODUCTS SOLD PURSUANT HERETO, WHETHER DUE TO BREACH OF CONTRACT, BREACH OF WARRANTY, STRICT LIABILITY, PRODUCT LIABILITY, THE NEGLIGENCE OF STI OR OTHERWISE. STI SHALL NOT BE LIABLE FOR LOST PROFITS, LOST REVENUE, LOSS OF PRODUCTION OR SIMILAR DAMAGES REGARDLESS OF WHETHER THEY ARE CHARACTERIZED AS DIRECT OR CONSEQUENTIAL DAMAGES. IN NO EVENT SHALL STI'S LIABILITY EXCEED THE U.S. DOLLAR AMOUNT EQUAL TO THE AMOUNT PAID BY BUYER FOR THE COST OF THE PRODUCTS PAID BY BUYER UNDER THE APPLICABLE INVOICE GIVING RISE TO A CLAIM. THE DAMAGE LIMITATIONS PROVIDED IN THIS AGREEMENT AND THE REMEDIES STATED HEREIN SHALL BE EXCLUSIVE AND SHALL BE BUYER'S SOLE REMEDY. THIS LIMITATION ON LIABILITY SHALL SURVIVE FAILURE OF ANY ESSENTIAL PURPOSE. Certain jurisdictions do not permit the limitation of certain types of liability, so this limitation may not apply to the Buyer.

8. No Waiver.

No waiver of a breach of any provision of these Sales Terms between the parties shall constitute a waiver of a continuing or future breach of such provision or of any other provision hereof.

9. Cumulative Remedies.

In the event of a default or breach by Buyer in the performance of any of its obligations hereunder, in addition to any and all other rights and remedies which STI shall have against Buyer, Buyer shall be liable to STI for all costs and expenses incurred by STI in enforcing its rights hereunder, including, with limitation, all court costs, expenses of litigation and attorneys' fees. The remedies of STI shall be cumulative and in addition to any other legal remedies.

10. No Assignment. These Sales Terms or any Product order shall not be assignable by Buyer without the prior written consent of STI.

11. Severability. If any of the provisions of these Sales Terms shall be invalid or unenforceable, the remainder of these Sales Terms, or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each provision of these Sales Terms shall be valid and enforceable to the fullest extent permitted by law.

12. Performance. STI shall not be liable for or deemed to be in default by reason of any failure to deliver the Products, or any delay in delivery due to any preference, priority, allocation or allotment order issued by any governmental body or any other cause beyond its control, including, but not limited to, acts of God or a public enemy, terrorism, acts of the government, fires, floods, epidemics, quarantine restrictions, strikes, lockouts, inability to obtain materials or shipping space on terms deemed reasonably by STI, delays of carriers or

suppliers, freight embargoes, unusually severe weather conditions and delays of any subcontractor. In addition, STI shall be so excused in the event it is unable to acquire from its usual sources and on terms it deems to be reasonable, any material necessary for manufacturing or acquiring the Products

13. Governing Law. Any claims brought as the result of this agreement shall be governed by the laws of the State of Florida and the property venue for any such action shall be Lee County, Florida.