

**GENERAL DYNAMICS ITRONIX CORPORATION**  
**TERMS AND CONDITIONS OF SALE**  
**(U.S. and Canadian Sales Only)**

If there is a sales/purchase agreement ("Agreement") in effect between you and General Dynamics Itronix Corporation ("Itronix"), the terms and conditions of that Agreement shall apply to your purchase orders, and the following terms and conditions do not apply.

In the absence of an Agreement, all orders placed by you (the "Customer") are subject to the following terms and conditions, as well as all additional terms and conditions presented in or accompanying an Itronix quotation or order acknowledgement. Conflicting, inconsistent or additional terms and conditions added to or included in Customer's purchase order (an "Order") are specifically objected to and are not applicable to the Order.

**1. ORDERS:**

All Orders are subject to acceptance by Itronix, at its sole discretion, at its offices in Spokane Valley, Washington, U.S.A., even if taken elsewhere by a salesperson, sales agent, or representative. Products may not be returned without prior written authorization from Itronix. Itronix will consider requests for return of products of current design (for credit against future purchases only), subject to Customer prepaying return freight plus a reasonable handling charge as determined by Itronix.

**2. PRICES:**

Prices for products and licensing fees are based on Itronix's list prices in effect at time of Order and, exclude: (i) freight and insurance; (ii) all applicable sales, use and excise taxes; and (iii) on-site installation assistance, training, and related services. List prices are subject to change by Itronix without notice. All prices are in United States dollars.

Unless otherwise specifically stated therein, all Itronix quotations are: (a) based on receiving a single Order; (b) effective for the proposed sales and on the terms as set forth in that quotation only; (c) valid for 30 days; and (d) exclusive of on-site installation or installation assistance, training, and services.

**3. TERMS OF PAYMENT:**

Subject to Itronix extending a line of credit, all payments are due no later than 30 days after the date of Itronix's invoice. Payments received more than 30 days after the date of invoice are subject to a late charge of 1.5% per month on the unpaid balance, or the maximum amount permitted by law, whichever is less. Customer shall be liable for all costs of collection, including attorney fees and court costs, if any. All payments are to be made in United States dollars.

**4. TAXES:**

Customer is responsible for the payment of all sales, use, excise and other taxes associated with the Order, exclusive of taxes based upon Itronix's revenue or net income. If Customer is a tax-exempt entity or pays taxes directly to its state, Customer shall provide Itronix with a copy of its tax exemption certificate or direct pay permit with its Order; if not, a separate charge for taxes will be shown on Itronix's invoice.

**5. PACKAGING:**

Itronix shall pack all shipments in commercially suitable containers that provide reasonable protection against damage during shipment, handling and storage under normal circumstances in reasonably dry, unheated transport and storage quarters. Itronix reserves the right to impose additional charges for packaging to comply with Customer's specifications or instructions.

**6. SHIPMENT; RISK OF LOSS; INSURANCE:**

Acknowledged shipping dates are good faith estimates only, and Itronix is not liable for any loss, damage, cost or expense for any failure to ship within the acknowledged date. Title and risk of loss passes to Customer upon shipment from Itronix's facility. Itronix has no obligation to provide Customer notice of shipment. Orders may be tendered in partial shipments. All freight and insurance charges shall be paid by Customer. If an Order does not contain shipping instructions, Itronix will ship via commercial surface transportation using a carrier of Itronix's choice.

**7. TESTING & INSPECTION:**

Itronix will test and inspect all products prior to shipment in accordance with its normal practices without additional cost to Customer. Itronix reserves the right to impose additional charges for Customer requested tests or inspections.

**8. WARRANTY:**

**(a) What is Covered:**

Itronix warrants that its products will: (i) be free from defects in material and/or workmanship which occur during normal use; and (ii) perform substantially in accordance with Itronix specifications for the specified warranty period. Itronix will repair the product during the warranty period with new or rebuilt parts, free of charge in the United States. A purchase receipt or other proof of date of original purchase may be required before warranty performance is rendered.

Products and/or Services Itronix acquires from or through a manufacturer, distributor or other third-party provider and resells and/or provides to Customer will carry the original manufacturer's pass-through warranty, if any.

**(b) How to Obtain Warranty Service:**

Call the Itronix Technical Services Center (TSC) Hot Line, 1 800-638-9270 (option #2), between 5:00 a.m. and 5:00 p.m. Pacific Time, Monday through Friday for warranty assistance. Warranty service may also be obtained by e-mailing the Itronix Client Care Center at ccc@itronix.com. Should product require service, the TSC will issue a Repair Authorization (RA) and shipping instructions.

**(c) Service Process:**

All products covered by this warranty will be serviced at an Itronix designated Service Center. Unless otherwise instructed by Itronix's TSC all products returned under warranty is to be shipped to Itronix at the following address:

**For product located in the USA:**  
Itronix Service Center  
12825 East Mirabeau Parkway  
Spokane Valley, Washington 99216  
USA

**For product located in Canada:**  
Itronix Canada Ltd.  
2783 Thamesgate Drive, Unit #15  
Mississauga, Ontario L4T 1G5  
Canada

The RA number is to be legibly written on the outside of the shipping container. Customer will be instructed to fill out and return a 'Client Service Report' in the package with the returned product. This survey form will assist the Service Center in determining the cause of failure and completing warranty repairs.

Product should be re-packaged in its original factory shipping packaging when returned for warranty service. If the original packaging is not available, Customer is to provide packaging of equivalent protection.

**(d) Data Storage Media:**

Itronix is not responsible for any software programs, data, or other information stored or used on any media or part of any product returned to Itronix for warranty service or other repair, including the costs of recovering such programs or data. If, during the warranty service or repair of the product, the contents of the hard disk or any other data storage media are altered, deleted, modified or lost, Itronix is not responsible. It is Customer's sole responsibility to back up any software programs, data, or information stored on any storage media or any part of the product returned for warranty service or out-of-warranty repair.

**(e) Damage and Other Repairs:**

Product returned for warranty service where the problem cannot be duplicated and no hardware failure is detected is subject to a service charge plus shipping costs. Service performed outside the scope of this warranty will be charged at current time and material rates plus shipping costs.

**(f) Exclusions:**

This warranty specifically excludes damage to the product, including but not limited to the following:

- damage during shipment other than original shipment to Customer;
- damage caused by impact with other objects, drops or falls including, but not limited to, broken display glass, hard drive sector damage or read/write head damage, or physical breakaway of internal components;
- damage caused by liquid intrusion into the inside of the product as a result of case fracture or entry through the Smart Card/PC Express door, the media bay/PC card door; or any of the access doors on the bottom of the unit;
- damage caused by products not supplied by Itronix or failures which result from alterations, modifications or foreign objects;
- damage caused by the use of the product for purposes other than those for which it was designed;
- damage caused by any other abuse, misuse, neglect, accident, negligence, mishandling or misapplication;
- damage from improper maintenance; or
- damage attributable to acts of God.

This warranty specifically excludes normal wear and tear to the product, including but not limited to:

- system hard disk drive (the "HDD") failures as the result of excessive wear due to: (i) Customer applications that stress the HDD beyond operating specifications; (ii) Customer applications that prohibit the HDD from entering standby/hibernate modes; (iii) Customer applications not designed for a power management enabled operating system (i.e. MS DOS); (iv) anti-virus programs configured to constantly scan files in background mode; (v) routing or mapping applications that constantly log GPS coordinates to the HDD; (vi) excessive heat or cold exposure beyond the system specifications; or (vii) motor or mechanical failure caused by the above items (i) through (vi);
- display overlay failures including scratches, and display failures caused by power surge, improper cleaning of screen, or the use of unapproved stylus devices;
- broken radio antennas, and damaged radio coax cable;

- broken and/or missing keyboard keys; and
- battery corrosion, and battery case cracks.

In no event shall Itronix be liable, whether in contract, negligence, tort, or on any other basis, for cover or for incidental, consequential or exemplary damages arising out of or in connection with the sale, services, maintenance, use, performance, failure, or interruption in the operation of the product, services, hardware or software, even if Itronix is advised of the possibility of such damages.

**(g) Warranty Disclaimer:**

**THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OR ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE.**

**(h) Itronix Limited Warranty:**

Itronix's entire liability and Customer's exclusive remedy for any product that fails to comply with this warranty shall be, at Itronix's option and expense to either: (i) repair the non-conforming product; or (ii) provide an equivalent replacement. Customer is responsible for returning the non-conforming product, properly packaged, to the Itronix designated Service Center. The warranty period is not extended as a result of upgrading the product. To receive warranty service Customer must promptly notify Itronix of the warranty claim prior to expiration of the applicable warranty period. This warranty is not transferable and applies only to the original end-user and the original product.

**9. SOFTWARE LICENSE:**

- (a) Subject to the terms and conditions of the appropriate license agreement, Itronix grants Customer a nonexclusive, nontransferable, perpetual license to use any software provided with or installed on the hardware product. All such software is subject to the applicable license agreement(s) included with the product(s). All Microsoft® operating system software shall be subject to the applicable Microsoft end-user licensing agreement (the "EULA"). Your Itronix sales representative can furnish you a copy of the applicable EULA upon request if one was not included with your quotation. Customer shall be bound by the above license agreements once the software is opened, the package is opened or its seal is broken. Warranty for any software shall be in accordance with the license agreement.
- (b) **If you are requesting a downgrade from the Microsoft Windows Vista® Business operating system to Microsoft Windows XP® Professional you must accept the terms and conditions of the Windows Vista Business® EULA and you hereby grant Itronix permission to install Microsoft Windows XP® on your behalf. You can view said terms and conditions at: <http://www.microsoft.com/about/legal/useterms/>.**
- (c) Such software shall be used only for the processing of Customer's own business information, which may include servicing and maintaining records on behalf of its customers. Customer may not: (i) permit any third party to use the software; or (ii) reverse engineer, disassemble, modify, prepare derivative works of, or otherwise alter the software.
- (d) Title to any software provided to Customer under any Order shall remain with the applicable licensor(s). Customer acknowledges that Itronix and its third-party licensor(s) own all right, title and interest (including but not limited to all related patent, copyright, and other intellectual property rights) to their respective software and related documentation, and any software modifications and enhancements thereof, which shall remain the sole and exclusive property of Itronix or its third-party licensor(s).
- (e) Hardware product may contain software for internal operation, or as embedded software or firmware that is generally not sold or licensed as a separate software product. Such software is proprietary, copyrighted, and may also contain valuable trade secrets and may be protected by patents. Itronix grants Customer a license to use the software code on, or in conjunction with, only the hardware product purchased under Customer's Order.

**10. FORCE MAJEURE:**

Itronix shall not be liable for any default or delay attributable to any cause or circumstance beyond its reasonable control, or the reasonable control of its suppliers or sub-contract manufacturers, which prevents or impedes the ability of Itronix to deliver product in accordance with an Order. Such causes and circumstances include, but are not limited to: acts of God; governmental acts, decrees or restrictions; accidents; wars (declared or undeclared), riots, acts of terrorism or civil commotion; explosion, fire or flood; boycotts, trade disputes or quarantines; strikes, lockouts, slowdowns or other labor problems; restraints affecting shipment or credit; non-arrival or delay of carriers; inadequate or reduced supply or excessive cost of suitable raw materials, transportation or production facilities; or any other cause or circumstance affecting the ability of Itronix, its suppliers, or manufacturers to manufacture and supply product. In the event of such default or delay, the date for shipment shall be extended accordingly. Itronix may make delivery on an equitable basis with reference to all its Customers. No Orders may be cancelled due to a force majeure event without Itronix's prior written approval.

**11. NOT FOR RESALE:**

Customer agrees and represents that it is buying for its own internal use only, and not for resale or distribution to any other third party. Itronix authorized resellers are subject to the terms and conditions of the separate reseller agreement executed between Itronix and such reseller.

**12. COMPLIANCE WITH LAWS:**

Products purchased by Customer shall be subject to export laws and regulations of the United States of America. Customer agrees to comply with all applicable laws and regulations of the various states and of the United States.

**13. INTELLECTUAL PROPERTY:**

- (a) Itronix shall hold Customer harmless from any and all expenses or losses resulting from infringement of United States patent in connection with the purchase, manufacture, or use of Itronix designated products, provided Itronix is promptly notified in writing of any alleged infringement and given the right, at its option, to either: (i) modify the products and make them non-infringing; (ii) procure for Customer the right to continue using such products; or (iii) remove such products and refund Customer the purchase price less reasonable and customary depreciation.
- (b) Itronix has no liability for any claim based upon the combination, operation or use of any product or software with other equipment or software, or based upon Customer's alteration of the product or modification of any software supplied by Itronix.
- (c) The foregoing states the entire obligation of Itronix with respect to infringement of patents, copyrights, trade secrets or trademarks.

**14. LIMITATIONS ON LIABILITY:**

**DUE TO THE NATURE OF WIRELESS COMMUNICATIONS, ITRONIX WIRELESS PRODUCTS SHOULD NOT BE USED IN SITUATIONS WHERE LIVES OR PROPERTY WOULD BE ENDANGERED BY AN INABILITY TO FUNCTION OR ESTABLISH COMMUNICATIONS. THEREFORE IN NO EVENT SHALL ITRONIX BE LIABLE TO CUSTOMER OR ANY THIRD PARTY, WHETHER IN CONTRACT, NEGLIGENCE, TORT, OR ON ANY OTHER BASIS, FOR COVER OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGE FOR ANY BREACH OF THESE TERMS AND CONDITIONS INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF BUSINESS OR GOODWILL, OR LOSS OF USE, EVEN IF ITRONIX HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE OR ANY CLAIM BY ANY THIRD PARTY. FOR ANY BREACH OF THESE TERMS AND CONDITIONS, ITRONIX'S SOLE AND EXCLUSIVE MAXIMUM LIABILITY SHALL NOT IN ANY EVENT EXCEED THE TOTAL PRICE OF THE PRODUCTS ORDERED BY CUSTOMER THAT GIVE RISE TO THE CLAIM.**

**15. INDEMNIFICATION:**

Customer agrees to indemnify and hold Itronix harmless from any and all claims, liability, actions and damages, including reasonable attorney's fees and costs, incurred by or awarded against Itronix that arise as a direct result of Customer's negligence, wrongful acts or omissions.

**16. ORDER CANCELLATION AND RESCHEDULING:**

- (a) After an Order is accepted, Customer may only cancel the Order by providing Itronix written notice at least sixty (60) days prior to the original acknowledged delivery date, subject to reimbursement to Itronix for its direct expenses incurred prior to such cancellation.
- (b) After an Order is accepted, Customer may only reschedule the Order one (1) time subject to: (i) providing Itronix written notice at least sixty (60) days prior to the original acknowledged delivery date; (ii) the requested rescheduled delivery date being no greater than sixty (60) days beyond the original acknowledged delivery date; and (iii) reimbursement to Itronix for its direct expenses incurred as a result of such reschedule.
- (c) Itronix may, upon written notice to Customer, cancel any Order or portion thereof immediately if Customer's financial condition, in Itronix's reasonable judgment, indicates that it may not be able to comply with the specified payment terms, unless, upon Itronix's demand, Customer immediately pays for all products shipped and that portion of the Order that has not yet shipped.

**17. ADDITIONAL TERM AND CONDITIONS:**

**(a) Assignments:**

Customer may not sublease or assign any of its rights or obligations under this contract for sale, including the right to receive payments due or to become due hereunder, without the prior written consent of Itronix, and any purported assignment without such consent shall be void.

**(b) Contract:**

There are no representatives, agreements, warranties, conditions, or obligations, expressed or implied, relating to the sale and purchase of Itronix products except as set forth herein. Customer's Order and Itronix's acceptance is the sole contract between the parties.

**(c) Choice of Law:**

The construction, validity, and performance of the contract for sale between Itronix and Customer shall be governed by the laws of the State of Washington, United States of America, without reference to its choice of law principles. Customer irrevocably consents to the jurisdiction of the courts of the State of Washington and the United States District Court for the Eastern District of Washington, with venue in Spokane County, Washington, for the trial of any lawsuit arising out of the contract for sale. Any action for the breach of the contract for sale must be commenced within one (1) year after the cause of action has occurred.

**(d) Dispute Resolution:**

Except for: (i) Itronix's obligation to indemnify Customer pursuant to the above Section 13, Intellectual Property; (ii) Customer's obligation to indemnify Itronix pursuant to the above Section 15, Indemnification; or (iii) a suit, action or proceeding to compel either party to comply with the provisions of this Section 17(d), Dispute Resolution, all disputes, controversies or claims arising out of or relating to any Order shall be finally settled pursuant to the Commercial Arbitration Rules of the American Arbitration Association by one (1) arbitrator appointed in accordance with said rules. The award rendered shall be final and binding upon both parties. Judgment upon the award may be entered in any court having jurisdiction, or application may be made to such court for judicial acceptance of the award and/or an order of enforcement as the case may be. The place of arbitration shall be Spokane County, Washington. Each party shall bear its own cost of these procedures. A party seeking discovery shall reimburse the responding party the cost of production of documents (to include search time and reproduction time costs). The parties shall equally share the fees of the arbitration and the arbitrator provided, however, that the prevailing party may apply for an award of its attorney fees. The award of the arbitrator shall be payable in United States dollars free of any tax. The award shall include interest from the date of any damages incurred for breach or other violation of this Agreement and from the date of the award until paid in full, at a rate to be fixed by the arbitrator. The parties, their representatives and the arbitrator shall hold the existence, content and result of the mediation in confidence.

**(e) Attorney Fees:**

In the event of litigation or arbitration to enforce the terms of the contract of sale, the prevailing party shall be entitled to reasonable attorney fees, both at the time of trial and on appeal.

**(f) Waiver; Enforceability:**

Any waiver of the terms and conditions hereof, or any waiver of any breach hereof by Customer, either directly by Itronix or by operation of law or in equity, shall not be deemed to be a waiver of any subsequent failure of strict compliance with the performance of each and every item of the contract for sale. If any provision or provisions of these terms and conditions of sale are held to be invalid, illegal or unenforceable, such provision shall be enforced to the fullest extent permitted by applicable law, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

**(g) Entire Agreement:**

These terms and conditions set forth the entire agreement between the parties, and cancels and supersedes all prior agreements and understandings, whether written or oral, with respect to any Order. The terms and conditions herein may only be amended, modified or altered by a written instrument executed by duly authorized officers or representatives of both parties.