

## 1. SCOPE

1.1 These General Terms and Conditions ("Terms and Conditions") shall apply to all sales, deliveries, advice, offers, services and performances provided by Dallmeier electronic USA, Inc. (hereafter referred to as "Dallmeier electronic" or "us"), and shall govern the entire business relationship between us and you ("our customer" or "purchaser") and include the following express provisions as well as the stipulations included in the current pricelist, which may only be superseded in writing signed by Dallmeier electronic. There are no other written agreements between the parties which apply to this transaction. These Terms and Conditions and all benefits and obligations hereunder apply only as between you and us and are not transferable or assignable in whole or in part without Dallmeier electronics prior written consent.

1.2 Any customer purchasing conditions which conflict with any portion of our Terms and Conditions or the legal regulations in whole or in part are herewith expressly rejected unless Dallmeier electronic has expressly agreed to their validity in writing. The conflicting terms and conditions of trade will only be deemed valid when Dallmeier electronic fully performs without reservation in the knowledge of such conflicting or differing conditions.

1.3 If our customer is given an offer without details of our Terms and Conditions, or if these are only given to him at a later date, they will apply nevertheless, as he will be deemed to know them or have known them from previous business dealings.

## 2. OFFER

2.1 Our offers are always provisional and not binding and are understood to be dependent on supply from our suppliers. An order is only accepted and a contract only comes into effect when a written confirmation accepting our customer's order is provided by Dallmeier electronic, or, in the event no confirmation has been received, when the delivery is received by the customer.

2.2 The composition of the contracted goods is defined exclusively by the contract negotiations with our customers and is not to be taken from other commercial statements, brochures, consultations and the like which are merely for informational and illustrative purposes.

2.3 Descriptions and specifications in brochures, catalogues and documentation as well as models, materials and designs are all subject to technical and stylistic modifications as a result of technical progress and further development. Any such variations will not result in any liability whatsoever on our part and Dallmeier expressly disclaims any obligation to inform its customers of any changes or modifications thereto unless and until it has agreed upon such specifications with the customer in writing.

## 3. PRICES

3.1 All prices quoted are "ex works" as defined in Incoterms 2000. Any negotiated deviation from this must be confirmed in writing. All prices quoted are in USD and exclude shipping (freight), packaging, postage and transport insurance and any applicable sales tax.

3.2 If, after the contract has been made, changes occur in the basis of the price calculation, through higher labor and material costs, an increase in sales tax or other factors, particularly technically-based calculation changes, then we are entitled to increase the contract price in reasonable proportion with the change of conditions.

## 4. DELIVERY AND PERFORMANCE DATES/FORCE MAJEURE

4.1 Dates and deadlines given by us are not binding unless agreed otherwise and stated explicitly in writing. Unless so agreed in writing, delivery dates are merely estimates and may be altered or revised without notice. Dallmeier electronic shall not be liable to customer for any loss or damages suffered directly or indirectly as a result of any delay or change in estimated delivery date or terms.

4.2 All delivery dates are subject to correct supplies being obtained on time.

We will not be held liable for delayed deliveries and/or performances due to unforeseen circumstances and obstacles resulting from a force majeure and/or due to any events making its performance significantly more difficult, or impossible, including for example and without limitation, Acts of God, elements, war, acts of belligerence, blockade, insurrection, riot, terrorism, disorder, political disturbance, act of government, fire, flood, breakdown of machinery,

shortages, difficulties in acquiring materials, non-delivery or delayed delivery by suppliers of materials to Dallmeier electronic, operational problems, strikes, lockouts, the non-issuance of official permits or any other similar circumstance or other cause beyond our control, even if deadlines and/or dates have been fixed. This applies similarly if any such circumstance occurs in the operational spheres of our suppliers or their subcontractors. Such delayed deliveries and/or performance will entitle us to postpone any delivery and/or performance by the duration of the restraint or withdraw fully or partially from the unfulfilled part of the contract without entitling our customer to any compensation.

4.3 Dallmeier electronic retains the right to make and charge for partial deliveries.

4.4 In addition, we can only be considered overdue if the purchaser has given a final written deadline 2 months or more in advance. In the case of a delay the purchaser will be entitled to damages resulting from the delay amounting to 0.5 per cent (%) of the invoice value for each completed week of delay. The maximum possible compensation will be 5 per cent (%) of the invoice value related to the deliveries and/or performance affected by the delay. Any other claims, in particular for any damages whatsoever will be excluded.

4.5 In cases other than those covered under 4.2 the liability such as is accepted by Dallmeier electronic, is limited to the foreseeable damage and a maximum of 4% of the value of the delivery.

4.6 Dallmeier electronic reserves the right to refuse to make delivery of any order (or any part thereof) if and so long as customer has failed to make any payment due, whether under this or any other order.

## 5. TRANSPORT AND RISK TRANSFER

5.1 Transportation is entirely the responsibility of and at the cost of the customer.

5.2 Any risk is passed to the purchaser the moment of dispatch, that is when the consignment is given to the carrier or otherwise leaves our premises.

5.3 If transport is delayed or proves impossible through no fault of ours, the risk of loss is transferred to the purchaser the moment they are notified that the consignment is ready to ship.

5.4 Unless explicitly instructed to the contrary by the purchaser, we will arrange adequate insurance to cover damage during transportation. Insurance will be provided by an insurance company chosen by us in the name and on behalf of the purchaser. We will not be held liable for any damage during transportation which is covered by this insurance.

5.5 Any customer complaints about damage during transportation should be sent immediately in writing to the transport firm and a copy forwarded to us without delay.

## 6. WARRANTY AND LIABILITY

6.1 The agreed upon specifications of the goods ordered or purchased from us are defined entirely by the contract negotiations with our customers and are not to be taken from other commercial statements, brochures, consultations and the like. This is in no way deemed to constitute a warranty of any kind.

6.2 We provide advice to the best of our knowledge, based on our experience but without any liability. We provide no warranty for Information about suitability or use of the contracted goods cannot be if it is not expressly part of the negotiated specification as set out in 6.1. This does not relieve our customers from making their own independent investigation.

6.3 We accept liability for delivery defects with the following exceptions:

6.3 a) Our customer is obliged to inspect the contracted goods carefully, immediately on receipt. If the contracted goods have any obvious defects these are to be clearly specified in writing immediately on receipt (and in no event later than 7 days) and before the item is used.

6.3 b) If no complaint of this kind is lodged then the order is regarded as delivered complete and correct. Defects which are not recognized at first despite thorough examination are likewise to be reported to us within 6 days of receipt. If a fault report is not sent in a timely manner, then the contracted goods will be considered as approved.

6.3 c) Dallmeier provides a warranty commencing with the transfer of risk as indicated in the overview "Important notes on TCT, price validity, warranty periods and warranty conditions" or as indicated in the order confirmation. This is not affected by possibly shorter or longer warranty periods provided by our suppliers. Agreements which do not comply with this regulation (e.g. for longer warranty periods) are to be made in writing. A prerequisite for this is that the product is returned to Dallmeier's repair centre, at 5115 S Valley View Blvd, Las Vegas, NV 89118 in its original packaging. We provide no on-site repair. Defects will be rectified by repair or replacement as we choose. Dallmeier electronic retains the right to entrust this work to a third party. Our customer is to provide reasonable time and opportunity for the rectification of the defects. If this is refused, or if the above delivery conditions are not met, the customer loses all his warranty rights against us.

If rectification fails more than once our customer has the right to cancel the contract or demand a reduction. If a repair is made during the warranty period, then we provide a warranty for the repaired parts for a further 12 months from completion of the repair. Once again this is conditional on the products being delivered to us.

Any further claims against us or our representatives, on whatever legal basis are inadmissible, unless we have acted negligently, or personal injuries are involved.

6.3 d.) We accept no liability for defects or adaptations to the goods supplied which result from any improper intervention by the customer or a third party, or the use of parts not authorized by Dallmeier, from normal wear and tear, or from improper use of the goods. The obligation of Dallmeier electronic to provide a warranty shall not apply if faults in or changes to the supplied goods are attributable to incorrect action or installation by the customer or a third party of spare parts not authorized by Dallmeier electronic, including without limitation, components intended for use as removable media are replaced by or upgraded with replacement parts which have not been authorized by Dallmeier electronic. Also, we accept no liability for normal wear and tear of hardware components, or similar, and the natural wear and tear of basic parts when used as stipulated in the contract.

Dallmeier electronic warrants that it has good title to the goods and that the goods will be free from defects in material and workmanship at the time of delivery for shipment. Except as set forth above, this is the only warranty or representation, and the sole basis for liability respecting quality, performance, defects, repair and delivery of the Goods. **THIS UNDERTAKING BY SELLER IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.** Seller's liability arising out of the sale, use or operation of goods, whether on warranty, contract, negligence or otherwise (including claims for consequential damages) shall be strictly limited to the provisions of this agreement. Seller shall not be liable to buyer for any loss, damage, claim, liability, expense, or penalty, or for any indirect, special, secondary, incidental, or consequential damages however or whenever the same may arise. Seller's liability shall not in any event exceed the cost of furnishing a replacement for the defective goods. The foregoing shall constitute seller's sole liability to buyer or its vendees. **THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF.**

#### 7. SECURITY INTEREST

Supplier shall retain a security interest in the Goods until the purchase price has been paid in full and until all Supplier claims against the Customer have been satisfied. At the request of Dallmeier, customer agrees to undertake a UCC-1 filing for all Dallmeier product, which is in the possession of customer and not fully paid for.

#### 8. PAYMENT

8.1 Unless otherwise agreed upon elsewhere in writing our invoices are due for payment in full immediately.

8.2 Despite Customer's provisions to the contrary, Dallmeier is entitled to offset claims for outstanding invoices with payment for current invoices. If charges or interest have already accumulated,

payment shall be offset with, first, charges and, second, interest and, finally, with the balance due.

8.3 Payment shall be deemed credited when the amount is at the Supplier's disposal. Payment by check shall be deemed credited when the check has been honored

8.4 On default of payment by the Customer, Dallmeier may charge interest at the current prime rate plus 5% for past due receivables including sales tax, as well as late fees, collection costs and reasonable attorneys' fees and expenses.

8.5 Bank charges are always to be borne by our customers.

8.6 If the customer does not fulfil his or her financial obligations pursuant to the contract, if the customer suspends payments or if Dallmeier becomes aware of other circumstances, which cast doubt on the credit worthiness of the customer, we will be entitled to declare the entire outstanding debt due and to demand advance payments for future deliveries or other security payments.

8.6 The customer is only entitled to offset claims if we expressly agree to such offset.

#### 9. RIGHTS OF PROTECTION AND COPYRIGHT

Programs and their documentation provided by us are solely for the use of the purchaser within the legal framework of a single non-transferable license which applies to products delivered by us. The purchaser is not allowed to make these programs and documentations available to any third party without prior written consent. The same applies to any resale of our hardware. Making copies is only permissible for archive purposes, or where a replacement is required or for finding defects and we accept no liability for such copies. Where originals have a copyright mark, the purchaser is obligated to reproduce this on the copies too.

#### 10. CUSTOMERS' DATA

The customer herewith grants Dallmeier electronic his express agreement to the automatic electronic processing of data required for order processing which is relevant to the contractual relationship.

#### 11. EXPORT

The products and technical know-how are intended to remain and be used in the country agreed with the purchaser. The export of our products to countries outside the United States requires our consent in writing. This is irrespective of the customer's obligation when re-exporting contracted products – individually or integrated within a system - to obtain the necessary permits and to be subject to the export regulations of the United States of America, or those of the other agreed upon country to which the goods are delivered. The customer is responsible for obtaining knowledge of all of these regulations. It is his responsibility to acquire the necessary permission from the relevant export/import authorities before exporting such products.

#### 12. APPLICABLE LAW/CONSENT TO JURISDICTION AND VENUE

The Agreement shall be construed and enforced according to the laws of the State of Nevada, without regard to its choice of law principles. Each of the parties hereto irrevocably submits to the jurisdiction and venue of any court (Federal or State) located within the State of Nevada.

#### 13. NO WAIVER.

The failure of Seller to enforce any of its rights or to require performance under any of the provisions hereunder shall in no way be construed to be a waiver of such rights or provisions, nor in any way affect the validity of the Agreement or Seller's right to enforce any and all provisions of the Agreement.

#### 14. SEVERABILITY

If any provision of this Agreement is held invalid by a court of competent jurisdiction, such invalidity shall not affect the remaining provisions of this Agreement, and they shall be given effect without the invalid provisions if to do so would not substantially frustrate the expectations of the parties hereto.

#### 15. ASSIGNMENT

Buyer may not assign any of its rights hereunder without prior written consent of Seller.

#### 16. NOTICES

Any notice hereunder shall be in writing and shall be deemed given if mailed by first class registered mail, return receipt requested, addressed to the parties at such addresses as they may provide. Notices mailed shall be deemed to be received on the third business day after mailing.

## Important notes on TCT, price validity, warranty periods and warranty conditions

### **Price Validity and Terms and Conditions of Trade**

With the publication of a price list, all previous price lists are superseded. Unless otherwise specified or agreed upon separately, all prices are quoted in US Dollars ex works, excluding freight, packing, insurance and the respective statutory applicable sales tax. The price list is applicable in conjunction with our Terms and Conditions of Trade (TCT) which are in effect at the time of ordering and apply exclusively. The TCT in effect from time to time is available on the Dallmeier website or will be sent by mail upon request.

Prices and models are subject to change. Information and illustrations in any document on the appearance, performance, dimensions etc. are non-binding and only represent an approximate description. The product descriptions in our documents correspond to the status at the time of printing. Dallmeier reserves the right to make technical and design variations, as well as changes to model, design and material in the course of technical progress and further foreseeable development. Please ask Dallmeier about the current equipment status of the system in which you are interested before placing an order. The properties and features of the contract object specified in the respective order confirmation are decisive. Please refer to paragraphs 2.2 and 2.3 of our TCT as to any changes and variations after conclusion of the contract.

### **Warranty periods for new systems**

If no other warranty period is specified for individual products and components, Dallmeier offers a 36-month warranty.

Excluded from this warranty are wear and tear parts or moving parts (e.g. pan/tilt/zoom, joystick, DC-controlled lenses, zoom blocks, filter shifter etc.) for which a warranty period of 6 months is typical in business with other companies (however, see also the following notes on regular wear).

### **Warranty periods for service and repair orders as well as individually ordered hard disks and replacement parts and for systems purchased in sell-off programs:**

12 months

**Any extension of warranty obligations does not constitute a guarantee and does not cover the installed hard disks.**

#### **Note:**

Dallmeier's warranty obligation is voided if defects or changes to the delivered equipment are caused by improper interference or installation of spare parts which have not been authorized by Dallmeier on the part of the customer or third parties.

This also applies in particular if the customer or third parties replace, or upgrade components intended for use as removable media using spare parts which are not authorized by Dallmeier. The warranty obligation is also voided if a defect is caused by regular wear or improper use of the goods. This applies particularly for usual wearing of hardware components or comparable parts which are susceptible to natural wear during use in conformance with the contract. We refer particularly to paragraph 6.3(d) of our TCT.

An RMA number is to be created for each return of goods. A flat-rate processing fee of USD \$75.00 will be charged in addition to the repair costs for each processing of a repair case without RMA number and without detailed description of the defect.

Should a complaint turn out to be unjustified, the return of the respective goods will be charged. If no defects can be reconstructed on returned goods in spite of thorough tests, we will charge a flat-rate processing fee of USD \$45.00 for cameras and USD \$170.00 for recorders plus transport costs for each unjustified request to remedy defects.

We charge USD \$75.00 per device for cost estimates if the estimate does not lead to a repair order, if the performance date elapses without response from the customer, or if the goods are to be scrapped. If the estimate does lead to a repair order the USD \$75.00 will be included in the charge. Depending on the condition of the delivered products we charge a cleaning fee of USD \$15.00 per product. If the products are not delivered in their original or at least in equivalent packing, we charge packaging for returning the products to the customer as follows: recorder DMS USD \$35.00, recorder DLS USD \$20.00 and cameras USD \$10.00.

### **Authorized Return of Goods**

Before any product can be returned to Dallmeier, an official of Dallmeier must grant a Return Authorization (RA). In order for a product to qualify for a return authorization, it must be, new, unused and in its original, unopened container. A customary restocking fee of a minimum of 15% of the returned product's original sales price will be assessed. Any credit resulting from the return of goods will be processed as a credit to the account of the original purchaser, which can be used toward the future purchase of Dallmeier products and/or services.

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