



TERMS AND CONDITIONS

1. ORDERS

All orders placed with SACO Technologies Inc. ("SACO") are subject to the present terms and conditions. An order is accepted by SACO only when submitted in writing and when the following conditions are met: (1) Purchaser's credit and terms of payment of the order are approved; (2) The following details are received: project name, the agent and the quote number if available, Purchaser's purchase order number, price and information relating to the shipment of the order; (3) Delivery date required and acknowledged by SACO in the form of an Order Acknowledgement to Purchaser, subject to the conditions set forth in Clause 8 (see "Shipping"); (4) Color samples of non-standard SACO offerings have been approved by purchaser; (5) Approved shop drawings for modified or special designs have been received; (6) deposits have been received if required (See sec. 5 "Deposits" herein). (7) If a quotation has been submitted, the quote number must appear on the purchase order. Any price changes or changes to the specifications must be accompanied by a change order. Missing information on the order form will result in a processing delay of your request that you will be returned to be completed.

2. PRICING

All prices are in US dollars. SACO reserves the right to change prices without notice. All previous price lists are hereby superseded. All prices are EXW our warehouse in Montreal, Canada (INCOTERMS 2020). The price of the product shall be the price set out in the invoice. For any Product not on the price list or a modified and/or custom Product, please contact your SACO Sales Representative for pricing. All orders are subject to a minimum charge of \$1000. Parts only orders are subject to a minimum charge of \$500. Purchase orders that have been accepted allowing for shipment within 90 days will carry a firm price. Written Quotations are valid for a period of thirty (30) days. If a written quotation is submitted, our quotation number must be included with the purchase order.

3. TERMS OF PAYMENT

Terms of payment are as per Written Quotation. Unless otherwise agreed to, all first orders (new Purchaser) are on a Cash In Advance basis at order entry, until credit and payment terms can be established by SACO. Credit will be established at the sole discretion of SACO and we reserve the right to cancel or change credit terms at our discretion and may request advance payment at any time.

Any invoices that become past due are subject to Illinois Local Government Prompt Payment Act (50 ILCS 505/1 et. seq). The Products delivered shall remain SACO's property until full payment has been received.

If Purchaser defaults with any due payment, the Purchaser shall pay for all costs in accordance with Illinois Local Government Prompt Payment Act

4. TAXES

ORDERS OUTSIDE OF CANADA:

Any charges paid in exchange for the Services, or for any other Products or Services provided by SACO, are exclusive of any sales, use and other similar taxes and governmental charges, imposed upon by or made payable to the respective State, and arising out of sales under any Agreement or Purchase order received, and Purchaser shall pay all such taxes now or hereafter due and owing, if any such taxes are imposed upon and paid by SACO. Purchaser shall reimburse SACO in accordance with Illinois Local Government Prompt Payment Act, as may be reasonably requested. SACO shall honor any tax-exempt certificates provided by Purchaser as applicable by law.

5. DEPOSITS

All deposits are non-refundable. The down payment deposit, per Written Quotation, shall be due with 14 days of Agreements being executed. Parties agree and understand that no production will commence until down payment deposit is received by SACO. When the order is ready for shipment, the unpaid balance of the order will be invoiced at the established payments terms in written quotation.

6. CATALOGUE

Every effort is made to ensure accuracy; however, specifications, dimensions, and information contained in our catalogue (print and electronic) are subject to change without notice. Catalogue sheets are not to be used for installation information. Installation guides and operation and maintenance manuals are provided with the product and should be utilized for this purpose. Failure to use the proper documentation for its intended use may result in the warranty being voided.

7. TERRITORY

Unless otherwise agreed in writing by SACO, the Purchaser shall refrain from, directly or indirectly, installing or using the products outside the State or Province in which the Purchaser is located ("Territory"), or selling, commercializing, distributing or transferring in any manner the products to any person whom the Purchaser should reasonably expect to install or use the products outside the Territory. Moreover, Purchaser is specifically prohibited from, directly or indirectly, installing or using the products, or selling, commercializing, distributing or transferring in any manner the products to any person, company or subsidiary thereof located, organized or resident in a country or territory which is the subject or target of sanctions administered by any branch of the United States, Canadian or European Union governments, currently: Iran, North Korean, Russia, Syria, Venezuela and Iraq.

8. SHIPPING AND STORAGE

Unless otherwise agreed upon by both SACO and the Purchaser, all orders will be shipped complete EXW our warehouse in Montreal, Canada. The shipping date shall



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be determined by SACO in accordance with the readiness of the products and factory loading. Any and all dates given are approximate only and do not constitute any guarantee of shipment or delivery on or by any particular date. The Purchaser is responsible for arranging merchandise pickup on collecting vehicles, and risks and costs associated are transferred to customer upon freight collection.

SACO is not responsible for any direct or indirect damages, penalties or labor charge-backs resulting from delayed shipments or from its inability to ship by the acknowledged shipping date. If SACO's ability to manufacture and deliver the products shall be curtailed or limited, directly or indirectly, by any acts of force majeure, including but not limited to, acts of God, fires, sabotages, wars, riots, typhoons, explosions or other catastrophes, epidemics, pandemics, or quarantine restrictions, embargoes, acts of governmental bodies or agencies foreign or domestic, act of public enemy, strikes, lockouts or labor difficulties or any other occurrences whatsoever beyond SACO's reasonable control, in whole or in part, the occurrences shall constitute valid grounds for the suspension of delivery to the Purchaser upon notification and without penalty to SACO. In such a case, the date of delivery shall be extended for a period equal to the delay incurred by SACO. SACO shall notify the Client promptly of any of those events and specify the revised date of delivery as soon as practical.

At the Purchaser's request, SACO may, for a time not exceeding thirty (30) days and at no additional cost to the Purchaser, store products ordered by the Purchaser if the Purchaser is not ready to receive such products. All merchandise ready for shipment after that time shall be invoiced to Purchaser. Should the Purchaser wish to store products ordered for longer than thirty (30) days, SACO reserves the right to charge a storage fee.

Title to any goods sold and the risk of loss of such goods passes to Purchaser upon delivery by SACO or SACO's vendors to the Purchaser's carrier, and any claims or losses or damage in transit shall be filed by Purchaser directly with the carrier. Special shipping requests will be accommodated when possible. Purchaser may be charged extra for optional packaging.

SACO requires that its products be stored in a location and in a manner to avoid damage to components, in a clean, dry location, away from construction activities, elements or other hazards which may cause damage to SACO's products.

9. RETURNS

All return requests must be made in writing within thirty (30) days of the invoice date. No merchandise may be returned without a return merchandise authorization ("RMA"). SACO will not accept unauthorized returns. Authorized returns freight charges will be the responsibility of the Purchaser. All RMA requests must include original invoice,

packing slip or purchase order as well as the reason for the return. For Standard Products, a minimum restocking fee of thirty-five (35) % of the product value will be indicated on the return authorization. Please note that all modified, specially discounted, or custom items are sold on Non-Cancellable, Non-Returnable terms ("NCNR"). Returned merchandise must be in original packaging. An additional ten (10) % handling fee may apply to merchandise not returned in original cartons. All returns must have an RMA number clearly marked on the boxes as well as on the waybill and commercial invoice. Merchandise sent to SACO without an RMA number will be returned to Purchaser at its expense. Credits for returns will be issued only after inspection and acceptance by SACO. Damaged material will not be credited.

SACO reserves the right to refuse damaged or out of warranty merchandise.

10. ORDER CANCELLATION OR SUSPENSION

The Purchaser may, at no charge, cancel a Standard Product order in writing provided the order was sent to SACO twenty-four (24) hours or less prior to cancellation. Please note that all modified, specially discounted, custom items cannot be cancelled and are sold on NCNR terms.

After the above-stated twenty-four (24) hour period has elapsed, cancellation or suspension of orders will only be accepted by SACO, provided that the Purchaser shall assume any and all costs related to the cancellation or suspension, any such cancellations or suspension must be confirmed in writing by SACO.

11. DESIGN CHANGES

SACO reserves the right to make changes in design, construction, software, firmware of products, which in SACO's judgment constitute an improvement, without notice or obligation to the Purchaser. SACO cannot guarantee that replacement parts will be available after five (5) years of delivery of a product. This does not apply to products that were being liquidated at the time of delivery.

12. WARRANTY AND DISCLAIMERS

Except in Instances of SACO's gross negligence, fraud, or willful misconduct, SACO warranty obligations for the components supplied to our Purchaser are limited to the terms set forth below as well as the terms of SACO's Warranty Certificate. In the case of conflict, the Warranty Certificate will apply.

Unless indicated otherwise, SACO warrants its own products against defects in materials and workmanship for the Warranty Period extending two (2) years from the Effective Date. The Effective Date of the Warranty Period is the date of delivery by SACO. Third-party products that we may sell as part of the order are covered by the third-party manufacturer's warranty.



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If a defect arises and SACO receives a valid claim within the Warranty Period, at its option, SACO will (1) repair the product at no charge, using new or refurbished replacement parts or (2) exchange the product with a product that is new or which has been manufactured from new or serviceable used parts and is at least functionally equivalent to the original product. SACO reserves the right to suspend the processing of any warranty claim, at its sole discretion, for any Purchaser account not in good standing.

All Warranty work must be done at the factory and will not be dealt with in the field.

SACO warrants replacement products or parts provided under this warranty against defects in materials and workmanship from the date of the replacement or repair for ninety (90) days or for the remaining portion of the original product's warranty, whichever provides for longer coverage. When a defective product or part is exchanged, any replacement item becomes the Purchaser property and the defective item becomes SACO property.

To the maximum extent permitted by law, this warranty and the remedies set forth above are exclusive and in lieu of all other warranties, remedies and conditions, whether oral or written, express or implied. SACO specifically disclaims any and all implied warranties, including, without limitation, warranties of merchantability and fitness for a particular purpose.

If SACO cannot lawfully disclaim or exclude implied warranties shall expire on expiration of the warranty period. No SACO reseller, agent, or employee is authorized to make any modification, extension, or addition to this warranty.

To the maximum extent permitted by law, SACO is not responsible for indirect, special, incidental or consequential damages resulting from any breach of warranty or condition, or under any other legal theory, including any costs of recovering or reproducing any program or data stored on the product. SACO specifically does not represent that it will be able to repair any product under this warranty or make a product exchange without risk to or loss of programs or data. In any case, SACO's maximum liability shall not exceed that of the value of the products sold.

For consumers who have the benefit of consumer protection laws or regulations in their country of purchase or, if different, their country of residence, the benefits conferred by this warranty are in addition to all rights and remedies conveyed by such consumer protection laws and regulations. To the extent that liability under such consumer protection laws and regulations may be limited, SACO liability is limited, at its sole option to replacement or repair of the product or supply of the repair service again.

13. EXCLUSIONS AND LIMITATIONS

SACO's Standard Warranty applies only to the products manufactured by SACO. De-installation, shipment to SACO, re-installation and any associated onsite labor is not covered under SACO's Standard Warranty. SACO is not liable for any damage to or loss of any programs, data, or other information stored on any media contained within the products or any non-SACO product or part not covered by this warranty. Recovery or reinstallation of data or other show information is not covered under SACO's Standard Warranty unless data or other show information was written by SACO.

SACO's Standard Warranty does not apply:

- a) to damage caused by accident, abuse, misuse, misapplication, or non-SACO products;
- b) to damage caused by service performed by anyone other than SACO;
- c) to a product or a part that has been modified without the written permission of SACO;
- d) to damage caused by accidents, misuse or errors in installation;
- e) to failure of color stability in non-standard paint colors; or
- f) if any SACO serial number has been removed or defaced.

SACO shall indemnify, defend, and hold harmless the City, its elected officials, officers, and employees from and against all claims, losses, damages, costs and expenses, including without limitation, reasonable attorney's fees, incurred by the City, arising from or out of claims brought by third parties as a result of SACO's performance of its obligations under this Agreement. To the extent allowed by state law, the Client shall indemnify, defend, and hold harmless the SACO, its officers, and employees from and against all claims, losses, damages, costs and expenses, including without limitation, reasonable attorney's fees, incurred by the City, arising from or out of claims brought by third parties as a result of City's performance of its obligations under this Agreement. By the indemnifications requirements of this Agreement the City does not waive any privilege, defense, or immunity, which may be available to it, its elected officials, officers, or employees by law, including, but not limited to those set forth in in the Local governmental and Governmental Employees Tort immunity Act.

14. INTELLECTUAL PROPERTY

"Intellectual Property" means any and all intellectual property rights existing anywhere in the world, including (a) inventions (whether or not patentable and whether or not reduced to practice), patents, patent applications, provisionals, reissuances, divisions, revisions, supplementary protection certificates, continuations, continuations-in-part, extensions, renewals, substitutions and reexaminations, and all patents issuing on the foregoing and all equivalent or similar rights anywhere in the world in inventions and discoveries including invention disclosures; (b) registered or



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unregistered trademarks, service marks, trade dress, logos, trade names and corporate names, business, corporate and product names and slogans and any other indicia of source or origin, together with all goodwill associated therewith; (c) works of authorship (whether or not published), copyrights, neighbouring rights, moral rights, industrial designs and applications for industrial designs; (d) mask works and any equivalent or similar rights in semiconductor masks, layouts, architectures or topologies; (e) databases, data compilations and data collections; (f) trade secrets and other confidential information, including discoveries, research and development, know how, formulas, compositions, processes, techniques, technical data, designs, drawings, specifications, customer lists, supplier lists and business and marketing plans; (g) right, title and interest and benefit in and to domain names and social media identities and the respective accounts therefor and registrations thereof; (h) rights in computer programs and software implementations of algorithms, models and methodologies, source code, object code and executable code, whether embodied in software, firmware or otherwise, designs, methods, techniques, processes, files, descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and data and documentation related to any of the foregoing; and (i) all applications, registrations and renewals in connection with any and all of the foregoing.

The Purchaser acknowledges the validity and the ownership of SACO's Intellectual Property and that such Intellectual Property is and shall remain SACO's property. The Purchaser shall not (i) in any way do anything to infringe upon, harm or contest the validity of the Intellectual Property, (ii) seek to register or appropriate for any reason whatsoever the Intellectual Property anywhere in the world and (iii) use the Intellectual Property in any manner other than in the manner permitted by the present Agreement or otherwise expressly permitted by SACO in writing.

Without limiting the generality of the foregoing, the Purchaser shall not reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code, techniques, processes, algorithms, know-how or other information from the binary code portions of the SACO firmware and other embedded Technologies (collectively "Reverse Engineering") or permit or induce the foregoing. The Purchaser may however engage in Reverse Engineering solely for purposes of obtaining such information as is necessary to achieve interoperability of independently created software with the SACO Technology, or as otherwise and to the limited extent permitted by directly applicable law, but only if: (a) Reverse Engineering is strictly necessary to obtain such information; and (b) Purchaser has first requested such information from SACO and SACO failed to make such information available (for a fee or otherwise) under reasonable terms and conditions. Any information supplied to or obtained by Purchaser under this section is to be treated as confidential information of SACO, may only be used by Purchaser for

the purpose described in this section, and will not be disclosed to any third party or used to create any software which is substantially similar to the expression of the SACO Technology.

The Purchaser agrees not to remove or alter SACO's trademarks, which are affixed to the Products, nor affix any additional trademarks or trade designations to any of the Products that bear SACO's trademarks without the prior written consent of SACO.

The Purchaser's obligations set forth above shall survive and continue to bind the parties after the termination of this Agreement.

Illinois Freedom of Information Act. SACO acknowledges the requirements of the Illinois Freedom of Information Act (FOIA) and agrees to comply with all requests made by the City of Aurora for public records (as that term is defined by Section 2(c) of FOIA in the undersigned's possession and to all reasonable business efforts to provide the requested public records to the City of Aurora within two (2) business days of the request being made by the City of Aurora.

15. LITIGATION AND GOVERNING LAW

The Parties agree that in the event of litigation arising from the Agreement, the exclusive venue for the adjudication of such disputes shall be the Circuit Court of the Sixteenth Judicial Circuit, Kane County and that the Illinois law shall apply to such disputes without regard to its choice of law principles.

16. MISCELLANEOUS

Offers and acceptance made by facsimile or email are legally binding as though executed originally. If any provision of this Agreement is found to be null or unenforceable, the remainder shall continue to be in full force and effect. This Agreement constitutes the entire Agreement between SACO and the Purchaser with regard to the purchase and sale of the Products and shall supersede all prior Agreements, undertaking and communications between the Client and SACO with regard to such purchase and sale.

This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

The Parties acknowledge that this Agreement and all the terms and conditions contained herein have been fully reviewed and negotiated by the Parties. Having acknowledged the foregoing, the Parties agree that any principle of construction or rule of law that provides that, in the event of any inconsistency or ambiguity, and agreement shall be construed against the drafter of the Agreement and shall have no



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application to the terms and condition of the Agreement .

The Parties represent and warrant to each other that each has obtained all the requisite consents and approvals, whether required by internal operating procedures or otherwise, for entering into this Agreement and the undertakings contemplated herein.