

TERMS AND CONDITIONS OF SALE

1. DEFINITIONS

- 1.1. "Buyer" means the entity purchasing Goods from Seller.
- 1.2. "Goods" means the products, materials, equipment, or other items sold by Seller to Buyer.
- 1.3. "Seller" means Scout Innovations, LLC, a Texas limited liability company.
- 1.4. "Agreement" means these Terms and Conditions of Sale, together with Seller's order confirmation or invoice.

2. SCOPE OF AGREEMENT

- 2.1. This Agreement shall govern all transactions between Seller and Buyer for the sale and purchase of Goods, including but not limited to gas detection sensors, tubes, pumps, and related products.
- 2.2. Any additional or different terms proposed by Buyer are hereby rejected unless expressly agreed to in writing by Seller.

3. ACCEPTANCE OF ORDERS AND PERFORMANCE

- 3.1. Seller's acceptance of Buyer's purchase order for Goods shall constitute Seller's agreement to perform in favor of Scout Innovations, LLC.
- 3.2. Buyer's placement of a purchase order, Buyer's acceptance of delivery of Goods, or Buyer's payment for Goods shall constitute Buyer's acceptance of this Agreement.
- 3.3. Seller shall confirm Buyer's purchase order in writing, and such confirmation shall be considered the sales order acceptance.

4. PAYMENT TERMS

- 4.1. Unless otherwise agreed in writing, the purchase price for Goods shall be payable net (30) days from the date of Seller's invoice.
- 4.2. Buyer shall be responsible for the payment of any and all increases in tariffs, taxes, or other costs imposed on the Goods after the date of Seller's invoice. Buyer shall pay such increases upon demand from Seller.
- 4.3. Interest shall accrue on any unpaid amounts at the rate of ten percent (10%) per annum or the maximum rate permitted by applicable law, whichever is less.

5. DELIVERY AND RISK OF LOSS

- 5.1. Delivery of the Goods shall be made in accordance with the terms specified in Seller's order confirmation or invoice. Risk of loss or damage to the Goods shall pass to Buyer upon delivery.

- 5.2. Seller shall not be liable for any delay in delivery or failure to perform due to causes beyond its reasonable control, including but not limited to acts of God, war, terrorism, civil unrest, labor disputes, or supply chain disruptions.

6. WARRANTIES

- 6.1. SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- 6.2. Buyer's sole and exclusive remedy for any breach of warranty shall be, at Seller's option, repair or replacement of the defective Goods or refund of the purchase price.

7. LIMITATION OF LIABILITY

- 7.1. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THE SALE OF GOODS, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 7.2. SELLER'S TOTAL LIABILITY TO BUYER FOR ANY AND ALL CLAIMS RELATED TO THE GOODS SHALL NOT EXCEED THE PURCHASE PRICE PAID BY BUYER FOR THE GOODS GIVING RISE TO THE CLAIM.
- 7.3. The limitations set forth in this Section 7 shall not apply to claims arising from Seller's gross negligence or willful misconduct.

8. INDEMNIFICATION

- 8.1. Buyer shall indemnify, defend, and hold Seller harmless from and against any and all claims, damages, losses, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or related to:
 - (a) Buyer's use, sale, or distribution of the Goods;
 - (b) Buyer's breach of this Agreement;
 - (c) Any negligent act or omission of Buyer or its employees, agents, or representatives; or
 - (d) Any claim that the use, sale, or distribution of the Goods infringes upon the intellectual property rights of any third party, except to the extent such claim arises solely from Seller's design or manufacture of the Goods.

9. INTELLECTUAL PROPERTY

- 9.1. All intellectual property rights in the Goods, including but not limited to patents, trademarks, copyrights, and trade secrets, shall remain the sole and exclusive property of Seller.
- 9.2. Seller hereby grants Buyer a limited, non-exclusive, non-transferable license to use any intellectual property rights necessary for the use of the Goods in accordance with their intended purpose.
- 9.3. Buyer shall not reverse engineer, decompile, or disassemble the Goods or any portion thereof.

10. CONFIDENTIALITY

- 10.1. Each party shall maintain the confidentiality of any proprietary or sensitive information disclosed by the other party in connection with this Agreement, including but not limited to pricing information, technical specifications, and business strategies.
- 10.2. The obligations of confidentiality shall survive the termination or expiration of this Agreement for a period of two (2) years.

11. TERMINATION AND DEFAULT

- 11.1. Either party may terminate this Agreement upon written notice if the other party:
 - (a) Materially breaches any provision of this Agreement and fails to cure such breach within thirty (30) days after receiving written notice thereof;
 - (b) Becomes insolvent, files for bankruptcy, or is subject to an involuntary bankruptcy petition; or
 - (c) Ceases to conduct business in the ordinary course.
- 11.2. Upon termination, Buyer shall immediately pay all outstanding amounts due to Seller.
- 11.3. Sections 6, 7, 8, 9, 10, and 13 shall survive the termination or expiration of this Agreement.

12. DISPUTE RESOLUTION

- 12.1. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement through negotiation between executives who have authority to settle the dispute.
- 12.2. If the dispute has not been resolved within thirty (30) days after delivery of the initial notice of negotiation, the parties agree to submit the dispute to mediation.

- 12.3. If the dispute has not been resolved through mediation within thirty (30) days after the commencement of mediation, either party may initiate litigation in accordance with Section 13.2.

13. GOVERNING LAW AND JURISDICTION

- 13.1. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws principles.
- 13.2. Any disputes arising out of or related to this Agreement or the sale of Goods shall be resolved exclusively in the state or federal courts located in Harris County, Texas, and the parties hereby consent to the jurisdiction and venue of such courts.

14. MISCELLANEOUS

- 14.1. This Agreement constitutes the entire agreement between the parties and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations, and communications, whether written or oral.
- 14.2. No modification, amendment, or waiver of any provision of this Agreement shall be effective unless it is in writing and signed by both parties.
- 14.3. If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue in full force and effect, and the invalid or unenforceable provision shall be replaced with a valid and enforceable provision that comes closest to expressing the intention of the original provision.
- 14.4. Neither party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party, except that Seller may assign this Agreement to any affiliate or successor in interest without Buyer's consent.
- 14.5. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver of such provision or the right to enforce it at a later time.
- 14.6. Notices required or permitted under this Agreement shall be in writing and delivered by hand, certified mail, or overnight courier to the address specified by the receiving party.
- 14.7. Nothing in this Agreement shall be construed to create a partnership, joint venture, or agency relationship between the parties.
- 14.8. The headings in this Agreement are for convenience only and shall not affect its interpretation.