



12929 E PEAKVIEW AVE
CENTENNIAL, CO 80111

General Terms And Conditions of Sale of Goods

Notwithstanding any other provision to the contrary, the following Terms and Conditions shall apply to any sale of Goods by MSI TEC ("Seller"), a Colorado corporation, having its principal place of business at 12929 E Peakview Ave, Centennial, CO 80111. Any purchase order from Buyer covering the sale of Seller product shall be governed by these Terms and Conditions of Sales. Seller shall not be deemed to have waived these Terms and Conditions of Sale if it fails to object to provisions appearing on, incorporated by reference in, or attached to Buyers purchase order form which provisions are hereby expressly rejected. Buyer silence or acceptance or use of product constitutes its acceptance of these Terms and Conditions of Sale. No modification or addition to these Terms and Conditions of Sale shall be effective unless agreed in writing and signed by an authorized representative of Seller. Buyer shall not be obligated to buy any Product from Seller, and Seller shall not be obligated to sell any product to Buyer. In the event Buyer orders product from Buyer and Seller delivers product to Buyer, the Terms and Conditions contained in this document shall apply to all such sales and transactions.

1. **Sales Prices.** Prices listed on the Sales Order do not include any city, state, or federal excise taxes and when applicable, those taxes will be added to the invoice as a separate charge to be paid by Buyer. If an exemption from a tax is claimed, supporting documents must be furnished by Buyer prior to delivery. Any sales quotations provided by Seller to Buyer shall automatically expire thirty (30) calendar days from the date issued. All amounts referred to in this Sales Order are in United State dollars and are payable in United States dollars, unless otherwise agreed to by the Parties in writing.
2. **Delivery.** All goods shall be shipped at Buyer's expense and all shipments are F.O.B. Origin. All risk of loss shall pass to Buyer at time of shipment regardless of the method of shipment that may be elected by Buyer. All scheduled delivery dates are estimates based on a normal workload and all deliveries are subject to change without liability to the Seller. Unless expressly specified to the contrary, all shipping dates are based upon current availability of materials, present production schedules and prompt receipt of all necessary information.
3. **Terms of Payment.** Buyer agrees to pay Seller as invoiced within thirty (30) days from the date of invoice on approved credit or other payment term agreed in writing by Seller. Seller may charge interest, at its discretion, on any invoice which remains unpaid after it becomes due until payment is received in full at a rate 15% per annum.
4. **Freight.** Quotations specifically including freight or other transportation charges are only estimates based on routing at the Sellers's option and current rates. The Seller will favor Buyer's routing whenever same does not cause an increase in freight or other transportation charges, or whenever such increase is guaranteed by the Buyer. Charges

for freight or other transportation will be modified to reflect actual rates at the time of shipment, including hauling permits and transportation taxes.

5. **Shortage and returns.** Claims for shortages must be filed within three (3) days of receipt of shipment. Product cannot be returned without prior written consent from the Seller. A Return Material Authorization (RMA) number is required for all returns as well as the material being in the same state as it was delivered. Once issued, an RMA expires in 30 days if the product is not received by Seller. The RMA number must be clearly visible on return shipments and referenced by accompanying documentation. Product received by Seller without an RMA number will be returned to the sender. No credits will be issued until product has been received and evaluated. All return shipments are to be freight prepaid at Buyer's expense, though Seller may reimburse the Buyer if defective material is found to be the Seller's responsibility.
6. **Changes or Cancellations.** Buyer may not cancel or change a Purchase Order without the written consent of Seller. Upon request to cancel, the Seller will advise amount of cancellation charges, labor hours, work in progress, products produced, engineering and design, inspection, material and other incurred costs. The Seller reserves the right, at its discretion to cancel the order if the Buyer becomes bankrupt or insolvent. Clerical and stenographic errors are subject to correction.
7. **Damages.** In no event shall the Seller be liable for any special or consequential loss or damages, of anticipated profits, loss resulting from delays, or loss of use of equipment or any installation into which its product may be installed.
8. **Nonconforming Goods.** Buyer shall inspect all goods delivered by Seller, and notify Seller, in writing, within ten (10) days describing the nature of any nonconformity. Seller shall have the right and option to repair or replace any nonconforming goods. The failure of Buyer to notify Seller in writing that the goods are nonconforming within ten (10) days of delivery, shall constitute acceptance of the goods and Buyer shall be liable to Seller for the total Sales Order price.
9. **Warranties.** Standard products supplied by a third-party manufacturer shall be subject only to the warranties expressly offered by that manufacturer. Any products supplied which are custom or modified by Seller shall be free from defects in material or workmanship for a period of one (1) year from the date of delivery of the goods to Buyer. This warranty is voided for products which are modified, improperly used, or maintained by the Buyer. Seller, at its option in its sole discretion and at the Buyer's expense, may facilitate repair or replacement of any faulty products, components or software of another manufacturers goods, and/or facilitate communications to allow the Buyer to take advantage of the warranty of the manufacturer of any faulty products, components or software incorporated into goods. Seller disclaims all other warranties, express or implied, oral or written, including, without limitation, the implied warranties of merchantability and fitness for a particular purpose.
10. **Force Majeure.** Neither party shall be liable for its failure to perform due to any occurrence beyond its reasonable control, including acts of God, fire, floods, war, terror,

sabotage, accidents, labor disputes or shortages, governmental laws, ordinances and regulations, allocations and price restrictions, inability to obtain material, equipment or transportation, or any other similar occurrence; provided, however, Buyer's payment for Products produced and shipped shall not be suspended by any event of force majeure. The party whose performance is prevented by any such occurrence shall promptly give written notice to the other party of the cessation of performance. The party affected by such occurrence shall use commercially reasonable efforts to minimize the effects of the force majeure event.

11. **LIMITATION OF LIABILITY.** IN NO EVENT SHALL EITHER SELLER OR BUYER BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING WITHOUT LIMITATION LOSS OF PROFIT, USE OF DATA OR OTHER COMMERCIAL LOSS WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS LIMITATION SHALL APPLY TO ANY CLAIM OR CAUSE OF ACTION WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), IN LAW OR EQUITY, STRICT PRODUCT LIABILITY OR OTHERWISE, OR UNDER ANY OTHER THEORY INCLUDING CLAIMS CONCERNING PATENT, COPYRIGHT OR OTHER PROPRIETARY RIGHTS INFRINGEMENT.
12. **Governing Law.** This Terms and Conditions, the Sales Orders to which it applies, and the transaction described therein shall be subject to, construed under and enforced according to the laws of the State of Colorado. The Seller and Buyer acknowledge that the United Nations Convention of Contracts for the International Sales of Goods does not apply to the Sales Order.
13. **Remedies.** In the event that Buyer is in default or otherwise breaches the Sales Order or this Terms and Conditions, Seller shall be entitled to pursue any and all remedies, legal or equitable including an action to recover the total Sales Order price, as well as its costs of enforcing the Sales Order, including, without limitation, its attorneys' fees. In the event that Seller is in default or otherwise breaches the Sales Order, the liability of Seller to Buyer for such breach or default shall be limited to the replacement value of the goods under the Sales Order which is the sole and exclusive remedy of Buyer for any such breach or default.

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