

1. **Acceptance By Buyer - Entire Agreement.** The terms and conditions as set forth herein shall constitute the entire agreement between the Seller and the Buyer. Seller shall not be bound by any terms of Buyer's order which are inconsistent with the terms herein set forth. This agreement shall not be modified, supplemented, qualified, or interpreted by any trade usage or prior course of dealing not made part of the agreement by its express terms. The failure by Seller to enforce at any time the provisions of this agreement, or to exercise any election or option provided herein, shall in no way be construed as a waiver of such provisions or options, nor in any way to affect the validity of this agreement or any part thereof, or the right of the Seller thereafter to enforce each and every such provision. Buyer hereby acknowledges that he has not entered into this agreement in reliance upon any warranty or representations by any person or entity except for the warranties or representations specifically set forth herein.
2. **Applicable Law.** This agreement shall be governed by, subject to and interpreted with the rights of the parties being determined, in all respects according to the laws of the State of Colorado (USA).
3. **Order Acceptance.** The purchase and sale of Products shall be made against specific written purchase orders submitted by Buyer. Integrated Systems & Solutions shall review all submitted orders and acknowledge receipt to Buyer. The provisions hereof shall take precedence over all other terms and conditions for all accepted orders placed by Buyer. Partial shipment of Buyer's order shall not be deemed as acceptance of the total order. All purchase orders for Products submitted by Buyer shall state quantities ordered, requested delivery dates, product model and tax status of each shipment to a location and the tax exemption certificate number, if exempt, and that such orders being placed are subject to the terms and conditions of this Agreement.
4. **Delivery.** All deliveries are F. O. B. origin, Colorado Springs, Colorado. Title passes to Buyer upon delivery to carrier at origin.
5. **Shipment.** When Buyer has not provided specific shipping instructions, Seller will ship by a method it deems most advantageous. Buyer is obligated to obtain insurance on any shipment. Packaging and packing will be standard commercial. Special or export packaging costs will be born by the Buyer and will be separately invoiced. Dates of shipment are estimates only and Integrated Systems & Solutions shall not be liable for any loss or damage by reason of delay in delivery or for causes beyond Integrated Systems & Solutions control, or for failure to give notice of delay in delivery.
6. **Product Inspection/Acceptance.** The inspection and acceptance point for all products shall be at Destination. Buyer shall have five (5) days after delivery to inspect the Products. If any of the Products are deemed defective by Buyer, Buyer shall within such five (5) day period notify Integrated Systems & Solutions and obtain a Return Material Authorization from Integrated Systems & Solutions and return such defective Products to Integrated Systems & Solutions, transportation prepaid and insured, in the same condition as delivered and in the same or equivalent shipping container with a description of such defect. If Integrated Systems & Solutions confirms the defect, Integrated Systems & Solutions shall at its option and cost, repair or replace and re-deliver Products or refund any amounts paid for such defective Products; or if not defective, return at Buyer's cost. Failure to return Products within such five (5) day period shall constitute acceptance of the Products.
7. **Terms and Method of Payment.** With approved credit, terms are Net fifteen (15) days from the date on the invoice. Otherwise, terms are C. O. D. or cash in advance. Buyer shall pay interest on amount not paid when due, at a rate of 1.5% for Net sixteen (16) through Net thirty (30) and 1.5% per month thereafter or at the highest lawful rate. If payment is not received after 60 days from the date on the invoice, the outstanding invoice will be forwarded to a collection agent. At the time the invoice is sent to a collection agent, an additional 25% of the invoice total will be added as a collection fee to the invoice and the appropriate financial institutions will be notified in writing of non-payment. All payments shall be sent to: Integrated Systems and Solutions, 1510 North Gate Road, Colorado Springs, Colorado, 80921. Payment will only be credited on the date it is received at Integrated Solutions and Systems.
8. **Price and Taxes.** Prices are exclusive of all federal, state, municipal or other government, excise, sales, use, occupational, or like taxes or duties now in force or enacted in the future. Any such tax, fee or charge of any nature whatsoever imposed by any governmental authority on, or measured by, the transaction between Seller and the Buyer shall be paid by the Buyer in addition to the prices quoted or invoiced. In the event Seller is required to pay any such tax, fee or a charge, at the time of the sale or thereafter, the Buyer shall reimburse the Seller.
9. **Cancellation and Deferral.** Buyer may, prior to scheduled delivery date, cancel delivery of any Product, except Custom Products which are being produced for Buyer, provided Integrated Systems & Solutions receives written notice of such cancellation at least sixty (60) days prior to scheduled delivery date. Buyer shall pay cancellations charges of 25% of the list price of Products if cancelled between thirty (30) and fifty nine (59) days of scheduled delivery. Buyer shall pay full price for any orders cancelled within thirty (30) days of scheduled delivery. Custom Products are non-cancelable. Product delivery may only be deferred with the written consent of Integrated Systems & Solutions. No other cancellations or re-schedules shall be accepted except per the terms of this paragraph.
10. **Security Interest.** Integrated Systems & Solutions hereby reserves a purchase money security interest in Products sold and the proceeds thereof, in the amount of its purchase price. If Buyer defaults on any of its obligations in this Agreement, without any further action on Integrated Systems & Solutions part, all rights shall automatically transfer without liability from Buyer to Integrated Systems & Solutions to repossess the Products sold hereunder. Integrated Systems & Solutions shall release its security interest with respect to Products upon receipt of payment in full for such Products. A copy of this Agreement and the invoice may be filed with the appropriate authorities at any time as a financing statement and/or chattel mortgage, in order to protect Integrated Systems & Solutions' security interest. Upon Integrated Systems & Solutions' request, Buyer will execute financing statements and other instruments required to protect Integrated Systems & Solutions' security interest.
11. **Proprietary Rights In Products.** Buyer is notified that portions of the Product supplied by Seller is proprietary to Seller. Seller shall retain for itself all proprietary rights in and to all designs, engineering details and other data pertaining to any Product sold except where such rights are assigned under written agreement by a corporate officer of Seller.
12. **Software Product Restrictions.** No title or ownership of any Software or any part thereof is transferred to Buyer by any delivery of Software to the Buyer hereunder. All software provided by Integrated Systems & Solutions is subject to a separate license agreement between Buyer and Integrated Systems & Solutions or Buyer and the Software Vendor.
13. **Force Majeure.** Integrated Systems & Solutions shall not be responsible for failure to fulfill its obligations under this agreement due to causes beyond its control.

14. **Limited Warranty.** Seller warrants that the Seller manufactured products sold hereunder will be free from defects in material and workmanship for a period of one (1) year from date of shipment to Buyer. The liability of Seller is limited to replacing or repairing, at Seller's option, any defective products which are returned F. O. B. Colorado Springs, Colorado at Buyer's expense. Software is warranted as in the applicable software license. Such repair or replacement shall be the Buyer's sole remedy with respect to a breach of the above warranty. In no case are products to be returned without first obtaining a Return Material Authorization from Seller. Seller disclaims all liability with respect to data in returned products. The foregoing warranty shall not be valid: (i) if the product or parts have been subjected to abuse, misuse, accident, alteration, neglect, unauthorized repair or installation; or (ii) for custom equipment or products produced to Buyer's specifications. EXCEPT AS HEREIN ABOVE PROVIDED SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT.
15. **Limitation of Liability.** INTEGRATED SYSTEMS & SOLUTIONS' ENTIRE LIABILITY UNDER ANY CAUSE OF ACTION (INCLUDING WITHOUT LIMITATION NEGLIGENCE), OR FOR BREACH OF THIS AGREEMENT, SHALL BE LIMITED TO THE PURCHASE PRICE. IN NO EVENT SHALL INTEGRATED SYSTEMS & SOLUTIONS BE LIABLE FOR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS, LOSS OF PROFITS OR FOR ANY SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, HOWEVER CAUSED, UNDER ANY THEORY OF LAW, INCLUDING WITHOUT LIMITATION, BREACH OF WARRANTY OR NEGLIGENCE, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
16. **High Risk Activities.** Buyer acknowledges that the Hardware and/or Software Products may contain errors and are NOT designed or intended for use in on-line control equipment in hazardous environments requiring FAIL-SAFE performance, including without limitation, the operation of nuclear facilities, aircraft navigation or communication systems, air traffic control, direct life support machines or weapons systems ("High Risk Activities") in which the failure of the Hardware and/or Software Products would lead directly to death, personal injury or severe physical, or environment damage. BUYER REPRESENTS AND WARRANTS THAT IT WILL NOT USE, DISTRIBUTE OR LICENSE THE HARDWARE AND/OR SOFTWARE PRODUCTS FOR HIGH RISK ACTIVITIES WITHOUT APPROPRIATE FAIL-SAFE OR REDUNDANT SYSTEMS. IN THE EVENT THAT BUYER USES, DISTRIBUTES OR LICENSES THE HARDWARE AND/OR SOFTWARE FOR HIGH RISK ACTIVITIES, LICENSEE SHALL INDEMNIFY AND HOLD HARMLESS INTEGRATED SYSTEMS & SOLUTIONS AND ITS SUPPLIERS AND LICENSORS FOR ANY LIABILITY OR DAMAGES RELATING TO THE USE OF THE HARDWARE AND/OR SOFTWARE PRODUCTS IN SUCH HIGH RISK ACTIVITIES.
17. **Government Approvals and Security Instruction.** Buyer agrees to comply with all applicable laws and regulations. Buyer understands that Integrated Systems & Solutions is subject to regulation by agencies of the U.S. Government, including the U.S. Department of Commerce, which prohibit export or diversion of Integrated Systems & Solutions' Products to certain countries, and agrees it will not knowingly assist or participate in any such diversion or other violation of applicable U.S. laws and regulations. Buyer warrants that it shall not sell any Products in countries or to users not approved to receive classified technical equipment under applicable U.S. laws and regulations or that Buyer otherwise has knowledge of such laws and regulations, and that it will abide by such laws and regulations. Buyer shall hold harmless and indemnify Integrated Systems & Solutions for any damages resulting from a breach of this paragraph by Buyer.
18. **General.** The provisions of this Agreement are severable and the invalidity of any provision hereof shall not affect the validity of any other provision.