DIGI-STAR

Terms, Conditions & Warranty

- 1. <u>Taxes.</u> Any taxes or additional costs, due to the federal, state or municipal legislation, to which the prices in this proposal are subject, will be paid by the Purchaser.
- 2. <u>Delivery and Payment.</u> Digi-Star will make every reasonable effort to meet the delivery period set forth on the proposal. Delivery period proposed is an estimate based on conditions on the date of the proposal and is subject to review and change per Digi-Star's acknowledgment. All reference to delivery assumes the period to start on the date of Digi-Star's acknowledgment of the Purchaser's formal written order, and all deliveries are contingent upon the timely performance of the Purchaser in providing component parts/part samples, prints and approvals as may be requested by Digi-Star. Delivery shall be F.O.B Digi-Star's plant, Fort Atkinson, WI. Payment terms are net 30 days, unless otherwise stated on the Digi-Star quote sheet. Purchaser is deemed to have agreed to extend deliver date and to an increased in the quoted price if delay is result of Purchaser's failure to provide in timely fashion component parts/part samples, prints, and approvals as may be requested by Digi-Star.
- 3. <u>Delays</u>. Digi-Star shall not be liable for any loss or damage for delay or non-delivery due to acts of civil or military authority, acts of the buyer, or by reason of "Force Majeur," which shall be deemed to mean all other causes not reasonably in the control of Digi-Star, including but not limited to acts of God, war, strikes, labor disturbances, delays of carriers, inability to secure materials, labor or manufacture facilities. Any delay resulting from such cases shall extend corresponding shipping dates accordingly.
- 4. <u>Cancellations</u>. Due to the custom nature of your product, an order cannot be cancelled without prior written consent from Digi-Star. Cancellation charges will apply. Any modifications to the original delivery terms may also result in additional charges. Any litigation resulting from an order will be in the County which Digi-Star resides, or where Digi-Star determines necessary.
- 5. Warranties and Remedies. a) Products designed and manufactured by Digi-Star are warranted, to the original Purchaser for use, to be free of defects in material for one year from the date of shipment and for workmanship within such tolerances as may be customary in the industry for the reasonable lifetime of the product. b) As for products designed by Purchaser, Digi-Star warrants solely that it will construct and manufacture such products in accordance with customer's specifications to be free of defects in workmanship. Digi-Star will not warranty a Purchasers design, or component failures on said design. c) Digi-Star at its option, will repair or replace, or refund the purchase price of any product that fails within the warranty period and is found upon examination by Digi-Star to have a defect covered by a warranty. The warranties contained herein do not cover failure attributable to improper use or maintenance, exceeding rated capacity, alteration, accident, normal wear of moving parts, or damages caused by shipment or from power outages or power surges. d) To make a warranty claim, Purchaser must given written notice to Digi-Star at the address shown below within thirty days after failure, and if so instructed, return to Digi-Star the parts to be replaced or repaired, with all transportation charges prepaid by Purchaser. Replacement parts will be invoiced to Purchaser, with credit issued for items covered by this warranty and freight thereon. Removal and reinstallation of replacement parts shall be at Purchaser's expense. In the event Digi-Star determines that the defect complained of is not covered by any warranty contained herein, Purchaser agrees to pay Digi-Star a minimum of \$15.00 per unit to evaluate a return that has a failure symptom. This charge is to cover the documentation for the return and the labor involved to evaluate the failure symptoms that were documented. If there are no problems found and the assembly passes the established test, then only a \$15.00 charge (or a "minimum charge" based on evaluation and/or test time) will apply for "Re-qualification." If there are problems found that are not Digi-Star workmanship related, then repair and material costs must be added into the total cost for that return. There is a minimum billing charge of \$75.00 for a single invoice. THERE IS NO OTHER EXPRESS WARRANTY. ANY AND ALL IMPLIED WARRANTIES, INCLUDING MERCHANGTABILITY AND FITNESS FOR PARTICULAR PURPOSE, ARE HEREBY SPECIFICALLY DISCLAIMED AND EXCLUDED BY DIGI-STAR INCIDENTAL AND CONSEQUENTIAL DAMAGES ARE EXPRESSLY EXCLUDED FROM THE REMEDIES AVAILABLE TO PURCHSER, AND THE REMEDIES PROVIDED IN THIS WARRANTY SHALL BE EXCLUSIVE.
- 6. <u>Damages</u>. Digi-Star shall not be liable under any circumstances for consequential damages arising in whole or in part from any breach by Digi-Star AND ALL SUCH CONSEQUENTIAL DAMAGES ARE HEREBY SPECIFICALLY DISCLAIMED AND EXCLUDED BY DIGI-STAR. The prevailing party in any litigation between the parties shall be entitled to an award of their cost and attorney's fees.
- 7. Security Interest. Until paid in full for the purchase price, Digi-Star retains a security interest in all goods delivered to Purchaser, and the products and proceeds thereof, for the purpose of securing payment of any and all indebtedness of Purchaser to Digi-Star arising out of the sale of the goods noted hereon, together with all costs and expenses in connection therewith, including, but not limited to, expenses of retaking, preserving, repairing, maintaining, preparing for sale, and selling said collateral as well as reasonable attorney's fees, court cost and other legal expenses.
- 8. Patent and Copyright Infringement Indemnification. Digi-Star shall indemnify, defend, and hold Purchaser harmless (including attorneys' fees) from any claim that the product delivered hereunder is infringing on any valid copyright or patent, provided that Purchaser gives Digi-Star timely written notice of such claim. Digi-Star shall not be responsible for any compromise made in connection with such a claim without its consent. In the event of a final judgment which prohibits Purchaser's continued use of any product by reason of infringement, or if at any time Digi-Star is of the opinion that any product is likely to become the cause of action for infringement, Digi-Star may, at its sole discretion and expense, obtain the rights to continued use of such product, replace or modify such product so that the product is no longer infringing, or remove the product involved and refund to Purchaser the price thereof as depreciated or amortized over a five (5) year life. In no event shall Digi-Star's liability to Purchaser under this section exceed the amount paid by Purchaser to Digi-Star for any allegedly infringing product. Purchaser shall indemnify, defend and hold Digi-Star harmless form any loss, cost, or expense (including attorneys' fees) arising: (1) in connection with any claim that the product is infringing on a copyright or patent because of the way the product was modified, altered, or combined with any equipment, device, or software not supplied by Digi-Star or because the product was used in a manner for which the same was not designed; or because the goods manufactured were done so in accordance with Purchaser's specifications (or modified in any way by Purchaser); (2) and also from any product liability claims based on alleged defects in Purchaser's design or modification.
- 9. **Special Manufactured Goods**. Purchaser shall hold harmless and defend Digi-Star against all loss, damage, and expense (including attorneys' fees) arising from any patent or other property right infringement claims on goods manufactured in accordance with Purchaser's specifications and from any product liability claims based on alleged defects in Purchaser's design.
- 10. <u>Trade Uses, Governing Law</u>. All trade uses and customs of Digi-Star industry shall apply to this sale and shall constitute part of the agreement between Digi-Star and Purchaser to the extent not inconsistent herewith. Except as modified herein, the Wisconsin Uniform Commercial Code shall govern this transaction. Typographical and clerical errors are subject to correction.
- 11. <u>Modifications</u>. No additions, modifications, or changes of the foregoing terms by Purchaser in connection with any other relating hereto shall be binding upon Digi-Star unless specifically agreed to by Digi-Star in writing.