

1. ENTIRE AGREEMENT. ANY DIGITAL CONTROL SYSTEMS, INC.'S ("DCS") ACKNOWLEDGMENT OF AN ORDER FROM BUYER, NOW OR IN THE FUTURE, IS CONDITIONED UPON AND SUBJECT TO BUYER'S AGREEMENT TO THESE TERMS AND CONDITIONS. IF BUYER COMPLETES A PURCHASE FROM DCS PURSUANT TO A DCS ORDER ACKNOWLEDGMENT, BUYER SHALL BE DEEMED TO HAVE AGREED TO THESE TERMS AND CONDITIONS. THESE TERMS AND CONDITIONS, ALONG WITH ANY TERMS AND CONDITIONS ON THE ORDER ACKNOWLEDGMENT FORM, REPRESENT THE ENTIRE AGREEMENT BETWEEN DCS AND THE BUYER REGARDING THE SALE OF DCS PRODUCTS TO THE BUYER, AND ARE A COMPLETE AND EXCLUSIVE STATEMENT THEREOF. NO PRIOR AGREEMENTS, UNDERSTANDINGS, REPRESENTATIONS, OR COMMITMENTS SHALL BE BINDING. NO PURCHASE ORDER SUBMITTED BY THE BUYER OR OTHER SUBSEQUENT DOCUMENT SHALL BE BINDING UPON DCS, UNLESS AGREED TO AND SIGNED BY BOTH PARTIES. EXCEPT AS OTHERWISE PROVIDED IN SECTION 3, THIS AGREEMENT MAY BE MODIFIED ONLY BY A WRITING SIGNED BY BOTH PARTIES

2. PRICE. Prices stated by DCS include only the products specified. Unless otherwise stated, a price does not include any duty or any federal, state or local taxes which are or may hereafter be applicable.

3. CANCELLATION AND MODIFICATION. The Buyer may cancel an order only by delivering written notice of cancellation to DCS. A cancellation charge of 20 percent of the price shall be payable on orders or parts of orders cancelled within 30 days of the shipment date. The Buyer may modify the quantity and type of products ordered only by delivering written notice of the modification to DCS. DCS is not required to accept modifications which are received less than 30 days before the shipment date.

4. DELAYS. DCS will not be responsible or liable for any loss or damage resulting from delay in shipment or receipt caused by acts of God, transportation delays, accidents, fire, strike, civil or military authority, insurrection, riot, requirements of any statute, order or directive of any government authority, or any other cause which is unforeseen or beyond DCS's reasonable control. The Buyer waives any obligation of DCS to notify the Buyer of any such delay.

5. CHANGES IN DESIGNS. DCS reserves the right to make minor improvements and changes in specifications and design. DCS will, however, advise Buyer in writing of any change prior to making such change.

6. DELIVERY. Unless otherwise stated, delivery will be F.O.B. DCS's facilities, Portland, Oregon. While DCS will, at Buyer's request, arrange for shipment, the Buyer shall pay all insurance and freight charges and bear all risks of transportation. Any estimated shipment date is based upon conditions prevailing at the time, and is expressly subject to change due to commitment of DCS's production capacity. In the event ordered products are not a standard DCS item, shipment date shall be a date following a reasonable period of time after DCS's receipt of specifications requested by the Buyer and approved by DCS. DCS shall promptly notify the Buyer of shipment and shall furnish to the Buyer a bill of lading showing the number of pieces shipped and the descriptions thereof.

7. CANCELLATION BY DCS. DCS reserves the right to cancel this Agreement, and to stop delivery of products under this Agreement in transit, upon Buyer's repudiation of the Agreement, Buyer's insolvency, an assignment for the benefit of Buyer's creditors, or the filing of a voluntary or involuntary proceeding in bankruptcy regarding the Buyer.

8. INSPECTION AND ACCEPTANCE. Buyer shall promptly inspect the products upon receipt and shall deliver notification to DCS in writing of any nonconformity or defect within ten days following the shipment date. In the event the Buyer does not notify DCS within ten days, the Buyer agrees that it shall be conclusively presumed to have accepted the products and to have waived its right to revoke acceptance.

9. PAYMENT. Unless otherwise stated, the Buyer shall pay the entire price to DCS at DCS's place of business no later than 30 days from the invoice date. DCS reserves the right to require that all or part of the price for any order be paid in advance of shipment. Amounts not paid when due shall bear a late payment charge of 1½ percent per month until paid.

10. SECURITY INTEREST. Until all amounts payable to DCS under this Agreement are paid in full, and as security for payments when due and performance of the obligations of the Buyer under this Agreement, or under any other agreement between DCS and the Buyer, the Buyer hereby grants to DCS a purchase money security interest (including the right of repossession) in the products, all substitutions, replacements and additions to the products, and all proceeds thereof. The Buyer agrees that it shall execute, from time to time as DCS may request, one or more financing statements or other documents or shall take such other actions considered necessary or desirable by DCS in order to perfect or protect the security interest created by this section.

11. LIMITED WARRANTY AND REMEDIES. Unless otherwise specified in the product's user manual, DCS warrants to Buyer that for two years from the date of shipment of Products to the Buyer that Products will substantially conform to the product specifications agreed to by DCS. This warranty is not transferable.

a. This warranty does not cover:

(i) defects due to misuse, abuse, or improper or inadequate care, service or repair of Products; (ii) defects due to modification of Products, or due to alteration or repair by anyone other than DCS; or (iii) problems that arise from lack of compatibility between DCS's Products and other components used with those Products or the design of the product into which Products are incorporated. Buyer is solely responsible for determining whether Products are appropriate for Buyer's purpose, and for ensuring that any product into which Products are incorporated, other components used with DCS' Products, and the purposes for which DCS's Products are used are appropriate and compatible with those Products.

THE WARRANTY IN THIS SECTION 11 IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. DCS EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. DCS IS NOT RESPONSIBLE IN ANY WAY FOR DAMAGE TO A PRODUCT, PROPERTY DAMAGE OR PHYSICAL INJURY RESULTING IN WHOLE OR IN PART FROM (1) IMPROPER OR CARELESS USE, (2) UNAUTHORIZED MODIFICATIONS, OR (3) OTHER CAUSES BEYOND DCS'S CONTROL. IN NO EVENT IS DCS LIABLE TO THE BUYER OR ANY OTHER PERSON FOR COST OF PROCUREMENT OF SUBSTITUTE GOODS, LOSS OF PROFITS, OR FOR ANY OTHER SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

b. To obtain service under this warranty, unless DCS agrees otherwise, Buyer must contact the DCS Salesman or the DCS Customer Service Department to obtain a Return Material Authorization Number and provide to DCS a Purchase Order Number for non-warranted repairs and/or unauthorized credits. Buyer must pack any nonconforming Product carefully, and ship it, postpaid or freight prepaid, to DCS at 7401 SW Capitol Highway, Portland, OR 97219 USA before the expiration of the warranty period. Buyer must include a brief description of the nonconformity. Any actions for breach of this warranty must be brought within one year of the expiration of this warranty.

c. If DCS determines that a returned Product does not conform to the warranty in this Section 11, it will either repair or replace that Product, at DCS's discretion, and will ship the Product back to Buyer free of charge. At DCS's option, DCS may choose to refund to Buyer the purchase price for a nonconforming Product instead of repairing or replacing it.

d. UNDER NO CIRCUMSTANCES will DCS grant credit to any customer for the price of any Product that has been returned for repair prior to DCS's determination of warrantability. Products returned for repair will be repaired or replaced and returned to the Buyer. NO CREDITS will be issued and no credits demanded by Buyer will be recognized by DCS. Any such unauthorized credits that appear on checks rendered for payment will be immediately re-billed with a service charge of 20% of the unauthorized credit added, per unit of Product. Notwithstanding the aforementioned, DCS Customer Service may authorize full credit for the purchase price (less a 20% restocking fee) for unused Products returned as unsuitable for the Buyer's application.

12. PROPRIETARY INFORMATION. DCS regards the products specified, their specifications, any software, documentation, manuals and all related technical information, as being confidential and of a proprietary nature ("Confidential Information"). The Buyer shall not use or disclose the Confidential Information except as expressly authorized by DCS. The Buyer shall not attempt to reverse engineer products or any component thereof, including associated software. Confidential Information shall be made available to the Buyer's employees only on a "need to know" basis and after such employees have been informed of and agreed to be bound by the confidentiality terms of this Agreement. The Buyer's obligations to protect the confidentiality of the Confidential Information shall include, without limitation, all actions it takes to protect its own confidential business information.

13. NONWAIVER. The failure of either party to enforce a covenant or condition of this Agreement shall not affect its right thereafter to enforce the same, nor shall the waiver of any breach of any provision of this Agreement be taken or held to be a waiver of any succeeding breach.

14. DISPUTES. The rights and obligations of the parties arising out of this Agreement shall be governed by the law of the state of Oregon, and the prevailing party in any litigation shall be entitled to recover reasonable litigation costs and attorneys' fees, including cost and fees on any appeal or petition for review.

15. NON-ASSIGNMENT. Neither party may assign any of its rights or obligations pursuant to this Agreement without the written consent of the other party