

DIVERSI-TECH CORPORATION STANDARD TERMS AND CONDITIONS

- (1) **PAYMENT TERMS:** 2% 10 Days Net 30 from date of invoice.
- (2) **SHIPPING SCHEDULE:** Most of our products are made to order, please allow 6 to 8 weeks on larger orders. In stock items or small orders will be shipped within 1 week.
- (3) **CANCELLATION:** If all or part of an order is cancelled before product is completed, the customer will be responsible for all special parts and assemblies on hand at time of completion. The customer will also be liable for higher prices on products already shipped and invoiced, if the cancellation drops the order to a lower-quantity-higher-price category per Diversi-tech's existing price schedule for that particular product.
- (4) **DELAYED SHIPMENTS:** If any work or shipment of the goods is delayed by or at the request of the Buyer, Seller may demand payment based on the purchase price and the percentage of completion as determined by Seller, and payment covering seller's increased costs as a result of the delays. Any payments of the purchase price not paid by Buyer when due shall be assessed a late payment charge of 2% per month of the overdue payment from its due date until paid.
- (5) **DELIVERIES:** Every effort will be made to fill orders within the time promised. Diversi-Tech does not assume responsibility for any damages growing out of, or owing to, any delays in delivery. Unless specifically stated to the contrary, partial shipments against customer schedule may be made.
- (6) **SHIPPING:** Carrier selection is at Diversi-Tech's discretion unless customer specifies otherwise. In the absence of customer instructions, Diversi-Tech will endeavor to select the most economical method of shipment in every case. All risk of loss or damage from the time of tender of the shipment to the carrier shall be born by the customer.
- (7) **INSPECTION:** Inspection by Diversi-Tech will be in accordance with Diversi-Tech's standard practice of quality control. Parts proved not as ordered by customer inspection may be returned upon written authorization from Diversi-Tech with a claim for repair or replacement.
- (8) **RETURNED GOODS:** Defective merchandise due to faulty material and/or workmanship is returnable for full replacement or credit on the following basis: No products may be returned without authorization from Diversi-Tech. When a request for returned goods has been approved, a RETURNED GOODS FORM will be sent to the customer giving necessary instructions to cover the merchandise. Merchandise returned must be identified as to the original date of purchase, purchase order number, and shipper's name and address. Credit or replacement will be made at the option of Diversi-Tech, depending upon the reason and responsibility for the return. Products ordered incorrectly by customer may be accepted for return subject to a handling charge. All merchandise must be returned prepaid (Except in the case of defective parts) and properly packaged. Merchandise damaged in transit due to inadequate package will be chargeable to the customer.
- (9) **CLAIMS:** Diversi-Tech is not responsible for goods lost in transit. The customer is solely responsible for filing claims with carrier for any such losses. Claims for shortages in shipment, which are not chargeable to carrier, must be reported within (10) days from receipt of merchandise.
- (10) **WARRANTIES:** Diversi-Tech warrants for a period of one year from date of delivery that their products will be free from defect in material and workmanship, and shall be liable only to the extent of replacing the merchandise.
- (11) **APPLICABLE LAWS: ARBITRATION:** All terms and conditions herein shall be in accordance with the laws of the state of Utah, U.S.A. Any controversy or claim arising out of this Order or its breach or pertaining to the Goods, except any claim or action by Seller to collect owing to it or to enforce its security interest, shall be settled by arbitration in St George, Utah, in accordance with its rules of the American Arbitration Association, and judgements upon the award rendered by this arbitrator(s) may be entered in any court having jurisdiction.

DIVERSI-TECH MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, EXTENDING BEYOND THAT DESCRIBED ABOVE INCLUDING BUT NOT LIMITED TO THE DEGREE OF THE SECURITY CONVEYED, THE MERCHANTABILITY AND FITNESS OF THE PRODUCT, OR RELATING TO THE CUSTOMERS REQUIRED APPLICATION OR USE OF THE PRODUCT.