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**MJ SYSTEMS STANDARD TERMS AND CONDITIONS OF SALE**

These conditions apply to all quotations, orders and contracts for goods and services of MJ SYSTEMS.

**1. CONSTRUCTION AND LEGAL EFFECT:** MJ SYSTEMS sale to Buyer is limited to and expressly and specifically made conditional on Buyer's assent to these terms and conditions of sale, all of which form a part of the agreement to sell and which supersede and reject all prior writings (including Buyer's order), representations, negotiations with respect hereto and any conflicting terms and conditions of Buyer's order, any statement therein to the contrary notwithstanding. The sending of the purchase order for the goods or services referred to herein, whether or not signed by Buyer or Buyer's acceptance of the goods or services or payment operates as acceptance by Buyer of these Terms. In case of conflict between these Terms and the terms of Buyer's purchase order or acceptance, these Terms shall govern and control; any different or conflicting terms submitted by Buyer in any purchase order shall be deemed objected to by MJ SYSTEMS.

**2. PRICES:** Unless otherwise noted on the face hereof, prices are net, INCOTERM FCA carrier, manufacturers factory. Stenographic, clerical and mathematical errors are subject to correction. Prices are exclusive of expenses related to special packaging or procedures to cover unique circumstances of shipment or storage unless specifically noted. Until acceptance of order on these Terms, quoted prices are subject to change.

**3. DELIVERY:** All goods shall be shipped INCOTERM 2000 FCA (manufacturers facility), and title and risk of loss shall pass to Buyer when the goods depart manufacturers facility. Insurance added for orders over \$1,000. Dates for the furnishing of services and/or delivery or shipment of goods are approximate only and are subject to change. MJ SYSTEMS shall not be liable, directly or indirectly, for any delay in or failure to perform caused by carriers or suppliers or delays from labor difficulties, shortages, strikes or stoppages of any sort, failure or delay in obtaining materials, customer requested order changes, fires, floods, storms, accidents, causes designated acts of God or force majeure by any statute or court of law or other causes beyond MJ SYSTEMS' reasonable control.

**4. SHORTAGE, DAMAGE, ERRORS IN SHIPMENT:** MJ SYSTEMS responsibility ceases upon delivery to carrier. Buyer shall note receipt for goods that are not in accordance with bill of lading or express receipt and Buyer shall make claim against such carrier for any shortage, damage or discrepancy in the shipment per the ICC Code for Freight Claims promptly.

**5. TAXES:** MJ SYSTEMS prices do not include sales, use, VAT, excise, occupation, processing, transportation or other similar taxes which we may be required to pay or collect with respect to any of the materials covered hereby under existing or future law. All taxes shall be paid by Buyer, or Buyer shall provide MJ SYSTEMS with a tax exemption certificate acceptable to the appropriate taxing authorities. Buyer shall also assume and pay any import or export duties and taxes, with respect to the materials covered by the order, and shall hold harmless, indemnify, and reimburse MJ SYSTEMS therefrom.

**6. CREDIT AND PAYMENT:** Unless otherwise noted on the face hereof, payment of goods shall be net thirty (30) days, in US dollars. Prorated payments shall become due with partial shipments. MJ SYSTEMS retains all remedies for Buyer's insolvency including, but not limited to, the right to stop delivery, reclaim any goods delivered, or withhold delivery except for cash. Failure to pay invoices at



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maturity date, at MJ SYSTEMS election, makes all subsequent invoices immediately due and payable and MJ SYSTEMS may withhold all subsequent deliveries until the full account is settled and MJ SYSTEMS shall not, in such event, be liable for non-performance of contract in whole or in part. Buyer agrees to pay, without formal notice, 1.5% per month of the amount not paid when due, or, if such rate is in excess of applicable governing law, Buyer agrees to pay the maximum permitted rate.

**7. CANCELLATIONS AND CHANGES:** In the event of Buyer's cancellation, Buyer shall be liable for a cancellation charge equal to the greater of (i) 25% of the purchase price and (ii) any loss or cost incurred by MJ SYSTEMS, including, but not limited to, cost of materials, labor, engineering, reconditioning and a reasonable profit margin. Buyer is responsible for all reasonable storage, insurance, and all other expenses incurred by MJ SYSTEMS as a result of Buyer's cancellations and/or changes. No changes to the specification or the order are accepted without the prior written consent of both parties. In the event Buyer requests a change, MJ SYSTEMS will provide a quotation to Buyer within ten (10) days detailing the corresponding change in delivery, price, materials, and similar. MJ SYSTEMS shall not be obligated to implement the requested change until the quotation is agreed by the parties.

**8. LIMITED WARRANTY:** Unless otherwise noted on the face hereof, MJ SYSTEMS goods, auxiliaries and parts thereof are warranted to the original purchaser against defective workmanship and material for a period of twelve (12) months from date of installation or (18) months from date of shipment from factory, whichever expires first. If the goods or services do not conform to the warranty stated above, then as Buyer's sole remedy, MJ SYSTEMS shall, at MJ SYSTEMS option, either repair or replace the defective goods or re-perform defective services. Unless otherwise agreed to in writing, MJ SYSTEMS shall not be liable for breach of warranty or otherwise in any manner whatsoever for: (i) normal wear and tear; (ii) corrosion, abrasion or erosion; (iii) any good or services which, following delivery or performance by MJ SYSTEMS, has been subjected to accident, abuse, misapplication, improper repair, alteration, improper installation or maintenance, neglect, or excessive operating conditions.

THE WARRANTIES CONTAINED HEREIN ARE THE SOLE AND EXCLUSIVE WARRANTIES AVAILABLE TO BUYER AND MJ SYSTEMS HEREBY DISCLAIMS ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE FOREGOING REPAIR, REPLACEMENT AND REPERFORMANCE OBLIGATIONS STATE MJ SYSTEMS ENTIRE AND EXCLUSIVE LIABILITY AND BUYER'S EXCLUSIVE REMEDY FOR ANY CLAIM IN CONNECTION WITH THE SALE AND FURNISHING OF SERVICES, GOODS OR PARTS, THEIR DESIGN, SUITABILITY FOR USE, INSTALLATION OR OPERATIONS.

**10. LIMITATION OF LIABILITY:** IN NO EVENT SHALL MJ SYSTEMS, ITS EMPLOYEES, AGENTS, CONSULTANTS OR ANY OTHER PARTY FOR WHICH MJ SYSTEMS MAY BE LIABLE (COLLECTIVELY DEFINED AS " MJ SYSTEMS GROUP") BE LIABLE FOR, AND BUYER SHALL DEFEND, INDEMNIFY AND RELEASE MJ SYSTEMS GROUP FROM AND AGAINST ANY EXEMPLARY, PUNITIVE, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES WHATSOEVER (COLLECTIVELY DEFINED AS "CONSEQUENTIAL DAMAGES"), WHETHER FORESEEABLE OR NOT, INCLUDING WITHOUT LIMITATION, THIRD PARTY CHARGES AND COSTS, LOST PROFITS, PRODUCT, PRODUCTION, BUSINESS OR BUSINESS OPPORTUNITY, REGARDLESS OF THE CAUSE, INCLUDING WITHOUT LIMITATION, THE NEGLIGENT ACTS OR OMISSIONS, BREACH OF CONTRACT, WARRANTY (EXPRESS OR IMPLIED) OR DUTY (STATUTORY OR OTHERWISE) OR STRICT LIABILITY OF MJ SYSTEMS



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GROUP OR ANY OTHER THEORY OF LEGAL LIABILITY. MJ SYSTEMS AGGREGATE LIABILITY ARISING FROM OR IN CONNECTION WITH ALL ORDERS AND CONTRACTS FOR GOODS AND SERVICES UNDER THESE TERMS SHALL NOT EXCEED THE CONTRACT PRICE FOR THE GOODS AND/OR SERVICES FOR WHICH LIABILITY IS CLAIMED. ANY ACTION FOR BREACH OF CONTRACT BY BUYER MUST BE COMMENCED WITHIN 12 MONTHS AFTER THE DATE OF SALE. BUYER SHALL BE SOLELY RESPONSIBLE FOR ANY AND ALL AGREEMENTS MADE WITH THIRD PARTIES THAT ARE OUTSIDE THE SCOPE OF THESE TERMS AND WHICH ARE CONTRARY TO THE LIMITATIONS OF LIABILITY AND/OR WARRANTY INCLUDED HEREIN.

**11. GOODS FOR EXPORT:** If the ultimate destination of the goods is outside of the United States, Buyer shall designate such country on its purchase order. In the event that Buyer purchases goods for export without so notifying MJ SYSTEMS, MJ SYSTEMS reserves the right to cancel the contract at no penalty or liability for breach in the event that MJ SYSTEMS objects to the ultimate destination of the goods, and Buyer will have sole liability and shall defend, indemnify and release MJ SYSTEMS for any loss or damage (including without limitation, claims of governmental authorities) arising from the export from the United States or import into another country of such goods, including, without limitation, those related to packaging, labeling, marking, warranty, contents, use, or documentation of the goods. Buyer has sole responsibility for obtaining any required export licenses. Buyer will not take, and will not solicit MJ SYSTEMS to take, any action which would violate any anti-boycott or any export or import statutes or regulations of the United States or other governmental authorities and shall defend, indemnify, and reimburse MJ SYSTEMS for any loss or damage arising out of or related to such actions.

**12. PROPRIETARY INFORMATION:** Manufacturer shall retain title to all engineering and production prints, drawings, technical data, and other intellectual property, information and documents that relate to the goods or services sold to Buyer. All such information and documents disclosed or delivered by MJ SYSTEMS to Buyer: (i) are to be deemed proprietary to manufacturer; (ii) shall not be disclosed to any third party for any reason without the express prior written consent of manufacturer; and (iii) shall be used by Buyer solely for the purpose of inspection, installation, and maintenance of the goods and services sold to Buyer under these Terms, and not for any other purpose.

**13. LIQUIDATED DAMAGES:** Due to current supply chain disruptions and material shortages, SELLER expressly rejects all Liquidated Damage liability on the value of any current or future contracts directly or indirectly related to the work scope defined in SELLER'S quotation detailed herein. To maintain the project delivery schedule, should SELLER'S quoted material or equipment become unavailable or excessively delayed during project execution, SELLER will use its best efforts to specify and locate suitable alternate material and equipment for BUYER'S review and consideration