

MASTER TERMS & CONDITIONS

This Master Terms & Conditions Agreement (“Agreement”) is made as of the date of the date of this Contract (the “Effective Date”) and is between Virtual Enterprises, Inc. d/b/a Advanced Systems Group (“ASG”)(“Seller”), located at 12405 Grant Street, Thornton, Colorado, 80241, and _____ (“Buyer”) located at _____. Now therefore, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. DEFINITIONS:

- (a) “Acceptance” means the Buyer’s acknowledgment that Products, Software, Services, and Monthly Recurring Services procured and delivered hereunder conform to the requirements of the Purchase Order, Purchase Agreement and/or Monthly Recurring Services Contract.
- (b) “Agreement” means this written contract between Seller and Buyer, together with any attachments, exhibits, or amendments to this Agreement.
- (c) “Delivery” means partial or full receipt of Product and/or Software at the location specified by the Buyer in the Purchase Order, Purchase Agreement, Statement of Work (SOW) or Monthly Recurring Services Contract.
- (d) “End User” means the Buyer who will enter into an End User Agreement as part of the Monthly Recurring Services Contract.
- (e) “End User Agreement” means the agreement associated with the Monthly Recurring Services that Provider enters into with Buyer which describes the terms and conditions of the Monthly Recurring Services, including any service level agreement.
- (f) “Manufacturer Warranty” means the warranty against defective parts and workmanship for the period equal to the warranty period specified by the Product and/or Software manufacturer. The Manufacturer’s Warranty is the ONLY warranty provided to Buyer for Product and/or Software under this Agreement.
- (g) “Monthly Recurring Services” means the infrastructure as a service (IaaS), software as a service (SaaS), and/or platform as a services (PaaS) Products and Services of which Seller is a reseller;
- (h) “Monthly Recurring Services Contract” means the written or electronic document which stipulates the Buyer’s specific purchase instructions for Monthly Recurring Services including but not limited to the Provider, purchase quantity, description, price, and the specific shipping and billing instructions.
- (i) “Products” means the technological hardware, goods, supplies, articles, items, parts, components, assemblies, and the incidental associated Software offered for sale to the Buyer.
- (j) “Provider” means the IT service infrastructure entity which operates and manages the Monthly Recurring Services and to whom End User enters into an End User Agreement with, including any service level agreement.
- (k) “Purchase Order” means the written or electronic document which stipulates the Buyer’s specific purchase instructions, including but not limited to purchase quantity, description, price, and the specific shipping and billing instructions.
- (l) “Purchase Agreement” means the written or electronic document executed by the Buyer (Seller will provide form) to replace the Purchase Order in the event that the Buyer does not issue Purchase Orders in the ordinary course of business.

- (m) "RMA Number" means the return merchandise authorization number issued by the Seller in response to Buyer's request for return Product approval.
 - (n) "Sales Quote" means the written or electronic document that stipulates quantity, description and price for Products, Software and/or Services offered for sale to Buyer.
 - (o) "Security Agreement" means the legal document that provides collateral security for the indebtedness of the Buyer (Debtor) to the Seller (Secured Party).
 - (p) "Services" means the consulting, design, labor or installation work performed by Seller employees, subcontractors, authorized agent(s) or Monthly Recurring Services Providers.
 - (q) "Software" means computer programs and the related documentation including, without limitation, all versions, updates, enhancements, and corrections, together with operating instructions, user manuals, training materials and other written documentation. Software does not include source code or proprietary design documentation unless otherwise agreed to in writing by the parties.
 - (r) "SOW" means the written or electronic document that stipulates the scope and timing of Services to be performed with or without the sale of Product and/or Software. The Buyer is required to execute the SOW prior to engagement of professional service personnel.
 - (s) "System" means all Products, Software and Services procured by the Buyer as specified in the Sales Quote and/or SOW.
2. **CONTROLLING AGREEMENT:** All agreements made between the parties, whether written or oral, shall be performed under, governed by, and deemed to be made a part of, the terms and conditions of this Agreement. If applicable, the terms of the End User Agreement (including any service level agreement) with Provider are deemed to be part of this Agreement. Unless otherwise specified in writing, if there is any inconsistency between the terms of this Agreement and any other agreement between the parties, the terms of this Agreement shall control.
3. **AGREEMENT OF SALE:** Upon receipt of a Purchase Order and/or Monthly Recurring Services Contract executed by the Buyer's authorized agent or legal representative and subject to credit approval, Seller shall agree to deliver and/or install System to the location(s) specified by the Buyer. If the Buyer does not submit Purchase Order and/or Monthly Recurring Services Contract in the ordinary course of business, Seller will require Buyer to complete a Purchase Agreement form and/or Monthly Recurring Services Contract available from Seller.
4. **CONDITIONS OF SALE:** All sales pursuant to this Agreement shall be subject to credit approval by the Seller. Buyer will be required to complete a credit application and authorize Seller to confirm financial information prior to establishment of revolving line of credit. Seller reserves the right to require Buyer with limited financial history and/or poor credit history to make partial or full payment of purchase price in cash prior to placement of Purchase Order or execute a separate Security Agreement granting Seller a security interest in the System as further described in paragraph 9.
5. **TERMS OF PAYMENT & CREDIT:** In the event that Seller approves credit application, the Buyer agrees to the credit payment policy term of net 30 days from invoice date. Seller accepts payment only in U.S. Dollars by check, ACH or wire. Buyers that do not receive credit approval from Seller are subject to the cash payment policy that requires 50% deposit or full payment of purchase price PRIOR TO PLACEMENT OF PURCHASE ORDER AND/OR MONTHLY RECURRING SERVICES CONTRACT depending on the financial condition of the Buyer. Buyer must provide written notification to Seller of its intention to contract with third party funding source PRIOR TO PLACEMENT OF PURCHASE ORDER and/or Monthly Recurring Services Contract. Seller agrees to expedite requests for sales documentation by third party funding source. If the Buyer's third party funding commitment is cancelled or terminated for any reason before Seller receives full payment, the Buyer shall immediately make payment to Seller for unpaid balance of the invoice and any amounts due Seller hereunder. It is the Buyer's

responsibility to promptly execute all documents and take all other actions necessary to cause payment to Seller from the Buyer's third party funding source in accordance with the terms of this Agreement.

6. **DELIVERIES:** All stated delivery and installation dates are approximate and subject to product availability and third party shipping deadlines. Seller shall immediately notify Buyer of any anticipated delivery or installation delays. However, Seller shall not be deemed to be in default hereunder or be liable for consequential, incidental or special damages, or commercial loss resulting from delays in delivery, installation, or services beyond the control of Seller.

Buyer selects the following shipping terms (initial one):

_____ CIP Destination (Incoterms® 2010), meaning freight and replacement value insurance paid to destination, delivery occurs at destination, with freight and insurance prepaid by Seller and added to Buyer's invoice. Buyer is responsible for loss or damage subsequent to delivery at destination.

OR

_____ FCA Origin (Incoterms® 2010), meaning Seller delivers the goods to Buyer at the point of origin, Buyer names the carrier and pays freight and insurance to destination. Buyer shall annually provide Seller with a copy of Buyer's insurance policy covering replacement value of the shipment, or in the alternative, shall provide Seller a signed document acknowledging that Buyer maintains replacement value insurance coverage from origin to destination, without recourse to Seller for damages. Buyer is responsible for loss or damage subsequent to delivery at origin.

Buyer agrees that if neither of the above shipping terms is initialed, Seller will apply the CIP Destination terms described above.

7. **ACCEPTANCE AND RETURN POLICY:** Buyer is responsible for inspecting System and reporting any defective or damaged Product and/or Software to the Seller in writing within 7 business days of delivery. Buyer's sole remedy is that Seller will replace defective or damaged Product or Software in accordance with the Manufacturer's Warranty. Unless Buyer receives prior written approval from Seller, the Seller will not accept Product and/or Software for return credit or refund. Requests for product returns or exchanges will be in strict accordance with the Manufacturer's policy.
8. **CANCELLATION:** Requests for cancellation of an order will be in strict accordance with the Manufacturer's policy and/or End User Agreement with Provider.
9. **GRANT OF SECURITY INTEREST:** Based on the financial condition and credit history of the Buyer, the Seller may, at its discretion, require Buyer to execute and deliver to Seller the documentation deemed necessary to perfect Seller's security interest in title of Product and/or Software including but not limited to a Security Agreement and/or UCC-1 Filing. Buyer authorizes Seller to file without signature of Buyer where permitted by law, one or more financing statements (and amendments thereto) relative to the security interest granted herein. A carbon, photographic or electronic reproduction of this Agreement shall be sufficient as a financing statement where permitted by law. Title to Product and/or Software remains with Seller until Buyer makes payment in full. Seller agrees to file the necessary documents to transfer title and release security interest in the Product and/or Software upon receipt of final invoice payment(s).
10. **NOTICES:** All notices required or permitted to be given under this Agreement may be given by either party to the other by depositing written notice in the United States Mail with registered postage prepaid, or by fax or email. Unless changed by written notice, such notices shall be directed to the Seller's and Buyer's corporate address noted at the top of this Agreement.

- 11. LIMITED WARRANTIES:** Seller warrants the System against defective parts and workmanship for a period equal to the warranty period(s) for each component of the System as provided by the Manufacturer Warranty. Seller's sole obligation under this warranty and the sole and exclusive remedy of the Buyer under this warranty is limited to the replacement or repair, at Seller's or the manufacturer's options, of the defective part(s) or workmanship, and is conditioned upon the System not having been altered or repaired by anyone other than Seller, its employees, or agents. Seller shall not be responsible for any defect resulting from the mishandling, abuse, improper storage, accident, negligence, theft, vandalism, fire, water, forces of nature, or other peril beyond the control of Seller or because of conditions outside of specifications, including but not limited to wiring, electrical power, temperature, humidity or dust; or by cause other than normal use; or due to improper installation by someone other than Seller, its employees, or agents. Seller shall perform all Services in a good, workman-like manner in accordance with the standards of the computer industry. Except for the foregoing warranty, no other warranties, written or oral, statutory, express or implied, including merchantability or fitness for a particular purpose, shall apply to the System.
- 12. WARRANTY FOR MONTHLY RECURRING SERVICES.** Seller does not guarantee that the Monthly Recurring Services will be performed error-free or uninterrupted or that Provider will correct all Monthly Recurring Service errors. End User acknowledges that Seller does not control the transfer of data over communications facilities, including the Internet, and that the Monthly Recurring Services may be subject to limitations, delays and other problems inherent in the use of such communications facilities. Seller is not responsible for any delays, delivery failures or other damage resulting from such problems. End User understands and agrees that Seller does not provide any guaranty or warranty with regard to the Monthly Recurring Services. End Users sole remedy is limited to the warranty provided by the Provider as described in the End User Agreement. Seller disclaims any warranties of merchantability, fitness for any particular purpose and non-infringement relating to the Monthly Recurring Services and the End User Agreement.
- 13. INDEMNITY.** Buyer will indemnify Seller (including its officers, shareholders and employees) from and against any claims, demands, penalties, fines, suits, judgments, losses, expenses, including reasonable attorneys' fees and court costs, arising out of or related to any breach of this Agreement by Buyer, Buyer's use of the Monthly Recurring Services, any information or content contained within the Monthly Recurring Services, the infringement of any intellectual property rights, or any damages that result from the Buyer acts or omissions.
- 14. LIMITATION OF LIABILITY: EXCEPT FOR LIABILITY UNDER A CLAIM SUBJECT TO INDEMNIFICATION HEREUNDER OR FOR A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, IN NO EVENT SHALL: (1) EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES (INCLUDING LOST PROFITS, SAVINGS OR REVENUE), A SERVICE ORDER OR THE PERFORMANCE OR BREACH THEREOF, EVEN IF SUCH PARTY WAS ADVISED OF THE POSSIBILITY OF THE OCCURRENCE OF SUCH DAMAGES; OR (2) EITHER PARTY'S LIABILITY HEREUNDER EXCEED AN AMOUNT EQUAL TO THE TOTAL AMOUNT PAID TO SELLER HEREUNDER FOR PRODUCT, SOFTWARE AND/OR SERVICES THAT ARE THE SUBJECT OF THE CLAIM DURING THE 12 MONTHS PRIOR TO THE OCCURRENCE OF THE EVENTS GIVING RISE TO THE CLAIM.**
- 15. DEFAULT:** If Buyer shall fail to make payment of any sum owing to Seller hereunder when due, then, in addition to all other remedies available to Seller by law or under other provisions of this Agreement and not in limitation thereof, Seller may, until said sum is paid in full, collect interest on the sum then owing at the rate of 1.0 % per month from the date of the last installment due date until such default by the Buyer has been cured; cease maintaining or installing the System; cease performing warranty service without extending the warranty period; cease performance of any other obligation undertaken in this agreement or any related agreement with Buyer; and repossess the System with or without court proceeding as allowed under the law. In the case of default under the Monthly Recurring Services Contract, End User Agreement shall control. It is expressly agreed and understood that in no event shall the aggregate interest charges under the provisions of this paragraph exceed the maximum rate of interest, which could be charged under applicable law. Should either party institute legal

action to enforce its right under this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorneys' fees in the amount allowed by the court.

- 16. MONTHLY RECURRING SERVICES BILLING.** End User acknowledges that Monthly Recurring Services may be billed in advance for the monthly or prepaid charges based on the subscription services purchased. Any metered usage components and other subscriptions, features, products, services or add-ons, if applicable, may be billed in arrears. End User is aware that Monthly Recurring Services may cause their monthly billing amount to fluctuate and/or result in multiple invoices. If the fees charged by Monthly Recurring Services Provider increase, Buyer's fees may increase. All fees due are non-cancelable and the sums paid nonrefundable. Any fees not paid within thirty (30) days of the date of invoice may accrue interest on the overdue balance at the rate of one percent (1%) per month. End User acknowledges that Provider may suspend its Monthly Recurring Services as may be described in the End User Agreement and that End User may not have access to any electronic files, materials, data, text, audio, video, images or other content transmitted, stored, retrieved or processed by End User during a suspension of the Monthly Recurring Services by Provider. End User is responsible for maintaining current and reliable backups of stored files. ASG has no obligation to help recover files. Fees for Monthly Recurring Services will continue to be charged during a suspension and fee(s) may be charged for reinstatement of suspended Monthly Recurring Services.
- 17. FORCE MAJEURE:** The obligations of Seller hereunder shall be suspended to the extent and for the period of time that it is rendered or prevented from performing because of labor disturbances, strikes and lockouts, forces of nature, fires, storms, water, unreasonable delays in transportation, governmental action, failure of suppliers, and or any other cause beyond Seller's control.
- 18. BUYER TO PROVIDE:** Buyer shall, as specified by Seller, provide appropriate environmental conditions, necessary commercial power and facilities for the System, access to the premises, remote access trunk, and if required local law, conduit. Buyer shall pay all utilities charges.
- 19. REPRESENTATION OF BUYER:** Buyer warrants and represents that Buyer has been duly authorized by all necessary corporate procedures or other action of Buyer, and that Buyer's execution of this Agreement is authorized, will not violate any provision or law of its Articles of Incorporation or Bylaws, or result in the breach of any agreement to which Buyer is a party, including that the customer is the end-user of products as required by Seller's vendor agreements.
- 20. TERM:** This Agreement shall commence on the Effective Date and shall remain in effect for a period of one year unless sooner terminated as allowed herein. This Agreement will automatically renew for subsequent one year periods unless one party provides the other party with thirty (30) days prior written notice. The term of the End User Agreement shall be as described therein.
- 21. TERMINATION:** Either party may terminate this Agreement without cause by providing the other party with 30 days prior written notice. Termination for Monthly Recurring Services shall be as described in the End User Agreement. Buyer shall be charged for all fees incurred with Monthly Recurring Services Provider and acknowledges that this Contract is open-ended with regard to Monthly Recurring Services Provider fees. If the Buyer fails to comply with any provision of this Agreement or to make payments in accordance with this Agreement, the Seller may, at its option, defer further shipments or, without waiving any other rights it may have, terminate this Agreement; provided, however, that the Buyer shall be obligated to pay all amounts owed to Seller for Systems shipped prior to termination of this Agreement.
- 22. GENERAL:** Sales Quotes are good for thirty (30) days and are subject to immediate revision if/when vendor's list prices and/or Providers prices increase. This contract contains the entire agreement between Seller and the Buyer and supersedes any prior or contemporaneous oral or written agreements or communications between

them relating to the subject matter hereof. This contract may not be assigned, modified or cancelled without Seller's prior written consent, and any attempt to assign, modify or cancel it without such consent shall be absolutely void. In the event any of the provisions herein shall for any reason be held void or unenforceable, the remaining provisions shall remain in full force and effect and shall control. The laws of the State of Colorado, excluding choice of law rules, will govern any action related to this Agreement.

Price excludes tax, insurance and shipping. By placing a Purchase Order and/or Monthly Recurring Services, Buyer accepts ASG's terms and conditions as reflected here and as noted on ASG's website at <http://www.virtual.com/terms>.

Buyer Signature:

(Signed by authorized representative)

Signature

Printed Name

Title

Company Name

Date

Seller Signature:

Signature

Printed Name

Title

Advanced Systems Group ("ASG")

Date

Return completed application to:

Advanced Systems Group, Credit Department
accountsreceivable@virtual.com
12405 Grant Street, Thornton, CO 80241
Phone (303) 301-3000 Fax (866) 572-5266