

C. DAVIS SYSTEMS & SOFTWARE, L.L.C. – STANDARD TERMS & CONDITIONS FOR SERVICE WORK

I. PRICING AND TERMS OF QUOTATION

This Quotation (Quote) shall be deemed an offer by C. Davis Systems and Software, L.L.C. (CDSS) to Repair, Refurbish, Rebuild or otherwise Service, Buyer's equipment as detailed in the Quote exclusively to the Buyer therein named, subject exclusively to the Terms and Conditions herein stated. Any additional terms appearing in Buyer's Purchase Order (BPO) or elsewhere shall not be construed to create a binding contract on CDSS. This Quote is not subject to partial acceptance or modification without written consent of CDSS. This Quote shall remain valid for thirty (30) days.

II. PAYMENT TERMS

CDSS will begin work on this project upon receipt of a BPO referencing this Quote. Upon completion of the Quoted Service Work, CDSS will Invoice Buyer, with that Invoice being DUE UPON RECEIPT. State sales tax and other taxes are not collected. If taxes apply to Buyer, Buyer is responsible.

CDSS DOES NOT OFFER NET TERMS ON SERVICE WORK. IF CDSS HAS SERVICED EQUIPMENT IN FURTHERANCE OF BPO, BUYER'S EQUIPMENT WILL BE RETURNED SHIPPED TO BUYER ONLY UPON RECEIPT OF FULL PAYMENT OF THE INVOICE.

III. SERVICE ASSESSMENTS & TIME LIMITS

To extend the useful service life of our products, CDSS encourages our Customers to send us equipment for the purposes of assessing the condition of the equipment and to enable the Quoting of Service and Repair Work.

Upon assessment of the condition of Buyer's equipment and the Service and Repair work necessary to meet Buyer's requirements, CDSS will prepare a Quote for Buyer on this work. Buyer will have thirty (30) days to alternatively: 1) place a BPO for the Service and Repair Work; 2) request a new Quote from CDSS with different requirements; or 3) direct CDSS to return the equipment to Buyer.

If thirty (30) days elapse after Quoting without Buyer taking one of the above actions, Buyer will be considered Delinquent and agrees to pay fees for storage of their equipment.

If after completion of Service work and Invoicing, Buyer does not pay the invoiced amount within thirty (30) days, Buyer will be considered Delinquent and agrees to pay fees for storage of their equipment.

IV. STORAGE & BAILMENT CHARGES

In the event that Buyer is Delinquent (as described in Section II), fees will be assessed in the following manner: 5% of the replacement value of the machine will be assessed for each 30 day period that the Buyer is Delinquent for Storage and Bailment of Buyer's Equipment by CDSS. After assessment of these charges, CDSS will issue a new Invoice which will supersede all prior Invoices and the original Quote. Storage periods will be assessed from time of initial Invoice.

V. ABANDONED EQUIPMENT

IF BUYER HAS NOT PAID THE LATEST INVOICE (INCLUDING ANY ASSESSMENT FOR STORAGE AND BAILMENT FEES) AND SIX CONSECUTIVE THIRTY DAY PERIODS (180 DAYS) HAS LAPSED SINCE THE ORIGINAL INVOICE OR QUOTATION, BUYER'S EQUIPMENT WILL BE CONSIDERED ABANDONED AND CDSS WILL HAVE THE RIGHT TO RE-SELL IT OR STRIP IT IF FOR PARTS TO REPAY ANY OUTSTANDING SERVICE, REPAIR, STORAGE AND/OR BAILMENT FEES. IN THIS EVENT NO REFUND OF ANY KIND WILL BE GIVEN TO BUYER EVEN IF THE VALUE OF THE MACHINE EXCEEDS THE VALUE OF INVOICE.

VI. QUOTE CANCELLATION & REFUNDS

In the unusual scenario where CDSS has Quoted Service work, and then determines that the Quote is not feasible for whatever reason, CDSS reserves the right to cancel the Quote and any associated BPOs. Cancellation of a Quote and BPO due to lack of feasibility will be in the sole discretion of CDSS. In the event of the Cancellation of a Quote and BPO due to lack of feasibility, Buyer will not be assessed any fees for service, regardless of an actual work performed, however Buyer will still be responsible for return shipping charges.

VII. DELIVERY DATES ARE ESTIMATED ONLY

The actual time required to Repair, Refurbish, Rebuild or otherwise Service custom automation systems is inherently unpredictable. Times for delivery shall be regarded as estimated only. By accepting these Terms and Conditions via a BPO referencing this Quote, Buyer shall be deemed to have waived any damages arising out of any delay for any reason.

VIII. F.O.B. POINT & SHIPPING CHARGES

All items are quoted F. O. B. origin. Buyer is solely responsible for all shipping to and from CDSS' location in Portland Oregon. To maintain Warranty, CDSS may stipulate the type of shipment, i.e. air ride, special precautions, etc. If Buyer elects alternate methods of transport, Buyer waives all Warranties. CDSS recommends that Buyer insure the shipment for replacement value as loss or damage in shipment falls on Buyer.

IX. SYSTEM ACCEPTANCE

All Quoted Service work shall be tested for acceptance at the CDSS facility prior to Invoicing. A Functional Demonstration of the System's performance as per the Requirements of the Quote will be held at CDSS' facility in Portland Oregon. The Buyer is invited to send personnel to attend this Demonstration. Successful completion of this Functional Demonstration shall constitute Acceptance of the System.

X. SAMPLES OF COMPONENTS

CDSS is unable to begin work on any System until receipt of all the various components that will be run in the system, including ADEQUATE QUANTITY OF SAMPLES FOR DESIGN AND TESTING AND ALL RELEVANT PART NUMBERS, TECHNICAL DRAWINGS, ETC. Any delay in Buyer's provisioning of these necessary materials and information will shift estimated delivery time by an equal amount.

Sample Components used for design and testing purposes (and any assemblies produced) will be returned to the Buyer in "as is" condition upon Buyer's request. Otherwise, CDSS will retain or dispose of any remaining materials as they see fit.

XI. PROPRIETARY STATEMENT

This Quote and/or other documents or instruments part of this Quote process are the property of CDSS which is being shared with Buyer to further the sale of Service

and Repair work to Buyer. It may not be duplicated or shared or otherwise disseminated without the written permission of CDSS. The ideas and concepts contained herein are proprietary, classified as confidential and CDSS represents that any unauthorized dissemination will result in material harm to CDSS.

XII. SERVICE & REPAIR WARRANTY

Service and Repair work does not extend the original New Machine Warranty. All service and repair work and replacement parts are covered by a 120 day warranty. This warranty covers only the specific work or parts outlined in the repair invoice and does not warranty the machine against any other defects or breakage.

In the serviced components fail within 120 days, CDSS shall, if given prompt notice by Buyer, repair, replace or modify the defective part. Repairs or replacements pursuant to warranty shall not renew or extend the original equipment warranty period or the 120 day service warranty period, however, any such repairs or replacements shall be warranted for the time remaining for the original period.

XIII. WARRANTY SERVICE

Repair or Replacement under Warranty shall be exclusive of any costs for removal or installation, freight, insurance, or travel. Buyer shall at their expense ship machine to CDSS for Warranty work. If in the sole judgment of CDSS it is determined that repairs must be made at Buyer's location, Buyer shall be responsible for all travel and lodging costs.

XIV. SOFTWARE WARRANTY

Except as otherwise provided in any software license agreement between CDSS and Buyer, CDSS makes no warranty whatsoever, including but not limited to implied warranties of merchant ability and fitness for a particular purpose, with respect to software and related intangibles.

XV. CONDITIONS & LIMITATIONS OF WARRANTY

This warranty shall not apply to any equipment or parts which have been: a) Improperly installed, repaired or altered; b) Subjected to misuse, negligence or accident; c) Used in a manner contrary to CDSS operating and maintenance procedures; d) Operated or maintained by unqualified and/or untrained personnel.

THE ABOVE WARRANTIES AND REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS, SPECIFICATIONS, WARRANTIES AND REMEDIES EITHER EXPRESSED OR IMPLIED OR WHICH MIGHT ARISE UNDER LAW OR EQUITY OR CUSTOM OR TRADE INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANT ABILITY AND OF FITNESS FOR A SPECIFIED OR INTENDED PURPOSE. THE REMEDY SPECIFIED REPRESENTS THE SOLE LIABILITY OF CDSS AND THE SOLE REMEDY OF BUYER WITH RESPECT TO OR ARISING OUT OF THE EQUIPMENT OR SERVICES WHETHER BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR OTHERWISE.

XVI. LIMITATIONS ON RIGHT TO USE SOFTWARE

CDSS owns and has all rights to certain proprietary computer software. As part of the sale made hereunder, Buyer obtains a limited right to use certain proprietary software identified in CDSS' Quote, subject to the following: a) The proprietary software may be used only in conjunction with the CDSS equipment; b) The proprietary software is to be kept confidential; c) The proprietary software shall not be copied, reverse engineered, or modified. Buyer's right to use the proprietary software shall become effective upon delivery and shall continue until Buyer no longer uses the related equipment or until otherwise terminated hereunder. The rights to use the proprietary software are non-exclusive, and are non-transferable, except with the prior written consent of CDSS.

XVII. CONDITIONS

The Price and Terms of this Quote are not subject to verbal changes or other agreement unless submitted in writing and agreed to by CDSS. The Quote is contingent upon strikes, accidents, fires, availability of materials, equipment and all other causes beyond CDSS control. The Quote is based upon costs and conditions existing at the time of submission of the Quote.

In view of the variances involved in individual productivity rates and other operating conditions outside of CDSS control, any statement in this or other related documents relating to production capacities are estimates only based on normal operating conditions current in USA industries. Accordingly, CDSS makes no warranties expressed or implied with respect to productivity levels unless specifically stated otherwise in writing.

XVIII. CHANGE ORDERS

This Quote is based on CDSS' preliminary assessment of the condition of Buyer's Equipment and the Service and Repair Work required to meet Buyer's requirements. In the event that more issues are discovered the addressing of which would incur additional costs, CDSS will contact Buyer enumerating these findings to authorize a Change Order before incurring costs which exceed this Quote. Any changes to the Quote requested by Buyer after CDSS has begun work on a BPO and prior to System Acceptance, must be accomplished by a Change Order. Modifications of Quote requiring a Change Order includes any changes in Requirements for Acceptance, scope of work, the contract sum, the project schedule or any other material change to the terms of the Quote.

A Change Order is a written order to CDSS signed by Buyer requesting specific modification(s) to an existing Quote in the form of a new Purchase Order from Buyer. A Change Order signed by CDSS constitutes its agreement to such change. A Change Order only becomes effective after both full execution by both Buyer and CDSS.

XIX. TERMINATION OF BUYER'S PURCHASE ORDER

If BPO is terminated for any reason, the Buyer agrees pay all costs incurred by CDSS up to termination date, including any parts or materials purchased and time spent, to be assessed at CDSS' Standard Day Rate for Service and Repair work of \$1500 per day.

XX. ENTIRE AGREEMENT

No modifications to these terms and conditions shall be binding on CDSS unless in writing and signed by an authorized representative of CDSS.