

CLASSONE TECHNOLOGY, INC.
TERMS AND CONDITIONS OF SALE

THE FOLLOWING TERMS AND CONDITIONS CONSTITUTE THE SOLE TERMS AND CONDITIONS UPON WHICH SELLER AGREES TO SELL THE PRODUCTS ORDERED PURSUANT TO THIS AGREEMENT AND UPON SELLER'S ACKNOWLEDGEMENT OF BUYER'S PO, SHALL BE THE EXCLUSIVE AND BINDING AGREEMENT BETWEEN THE PARTIES COVERING SUCH PRODUCTS. ANY ACCEPTANCE OF THIS OFFER IS LIMITED TO ACCEPTANCE OF THE EXPRESS TERMS CONTAINED IN THIS DOCUMENT. ANY PURCHASE ORDER THAT VARIES IN ANY DEGREE ANY OF THE TERMS OF THIS OFFER SHALL NOT OPERATE AS A REJECTION OF THIS OFFER BUT SHALL BE DEEMED AS MATERIAL AND EXCLUDED FROM THESE TERMS OF SALE. ANY ADDITIONAL TERMS CONTAINED IN ANY DOCUMENTS FURNISHED BY BUYER BEFORE OR AFTER BUYER'S RECEIPT OF THESE TERMS ARE HEREBY REJECTED BY SELLER WITHOUT ANY FURTHER NOTICE OR ACTION BY SELLER.

1. **PRICE.** Prices for products are based on the delivery terms Ex-Works (EXW) Kalispell, Montana (Incoterms® 2010), unless otherwise specifically provided. List prices do not include any sales, use, or other taxes, and such taxes shall be paid by Buyer, or in lieu, Buyer shall provide a valid exemption certificate acceptable to Seller and the relevant taxing authorities. Quoted prices are valid for thirty (30) days from the date of quotation, unless extended in writing by Seller. In the event Seller agrees to any other delivery terms, title shall pass upon loading of the product onto the common carrier at Seller's dock.

2. **ITEMS INCLUDED.** Each sale includes only the products described in the order and does not include any accessory items or training, unless specified in Seller's quotation.

3. **PAYMENT TERMS AND CREDIT.** Upon shipment Seller shall generate an invoice for the products shipped. Unless otherwise agreed in writing, payment terms for Seller's system products are 60% of the purchase price due After Receipt of Order (ARO), 30% due upon shipment, payable Net 30 days from the date of invoice with remaining 10% due and payable within 30 days after final acceptance completion at Buyer's site not to exceed 45 days from product shipment date unless delay was solely caused by Seller. Buyer acknowledges that Seller's credit department may, in its sole discretion, impose more stringent payment requirements on Buyer's order(s), including requiring payment in advance or payments by letter of credit. If Buyer becomes delinquent in payment of any sum due hereunder, Seller shall not be obligated to continue performance under this agreement. Seller reserves the right to charge interest, at the maximum legal rate, on all delinquent accounts.

4. **SECURITY INTEREST.** If Buyer fails to pay the total sum due hereunder within the time due for payment, Seller hereby reserves and Buyer hereby grants a purchase money security interest in the products sold hereunder and the proceeds thereof. In the event of default by Buyer of any payment obligations, Seller shall have the nonexclusive right to repossess the products sold hereunder and recover any shortfall between the value of the repossessed product and the purchase price. Upon request of Seller, Buyer agrees to promptly execute financing statements and such other instruments as Seller reasonably requires to perfect or maintain its security interest.

5. **SHIPMENT SCHEDULES.** Shipment of products shall be scheduled as mutually agreed upon between Buyer and Seller. Seller shall make reasonable efforts to meet any shipment or performance date(s) quoted or acknowledged; however, Seller shall not be liable for any failure to meet such date(s) unless Seller has agreed in writing to accept a delay penalty. Buyer may reschedule an order for products only upon the written consent of Seller. Any such rescheduling must be for delivery of products within three (3) months of the originally scheduled delivery date, and Buyer shall be required to pay an amount to cover the costs of any work in progress.

6. **SHIPMENT AND PACKING.** Unless otherwise agreed in writing, Seller is responsible for the method of shipment. Seller shall ship in accordance with its standard shipping practices, unless Buyer requests other shipping method. Unless otherwise agreed in writing, all products shall be packed, if appropriate, for shipment and storage in accordance with standard commercial practices. All packing shall conform to the requirements of the carrier's tariffs. Any request by Buyer to package products differently may subject Buyer to an additional charge.

7. **QUALIFICATION AND ACCEPTANCE.** All hook-ups and other related installation of the products are the responsibility of the Buyer, unless otherwise agreed in writing. Acceptance shall be deemed to occur at the time of the qualification of the product in accordance with the relevant product specifications, or, in the event acceptance is delayed by no material fault of Seller, 45 days after shipment, whichever is earlier. Notwithstanding the foregoing, any substantial use of the product in production (either directly or in connection with research activities) by Buyer shall be deemed as an acceptance of the product.

8. **CANCELLATION CHARGES.** In the event Buyer should cancel an order for products, cancellation charges shall be paid to Seller based upon a percentage of the price for the cancelled products, and the relation of the date of cancellation to the originally scheduled shipment date (regardless of any shipment date rescheduled by Buyer) as follows: (1) a cancellation charge of 80% of the purchase amount shall apply to cancellations made less than 41 days prior to the originally scheduled shipment date; (2) a cancellation charge of 50% of the purchase amount shall apply to cancellations made between 41 and less than 91 days prior to the originally scheduled shipment date; and (3) a cancellation charge of 30% of the purchase amount shall apply to all of other cancellations. In the event Seller requests a revised schedule for shipment in order to accommodate modification requests by Buyer, the relevant shipment date for the purpose of calculating cancellation charges shall be deemed to be such revised shipment date. Buyer agrees to pay all invoices for cancellation charges within 30 days of receipt of invoice.

9. **PATENT & TRADEMARK INFRINGEMENT INDEMNITY.** Seller shall not be liable for, and Buyer shall hold Seller harmless against, any expense or loss from infringement of patents, trademarks, or other intellectual property rights of others arising from Seller's compliance with Buyer's design, formulae, processes, specifications, or instructions, or with Buyer's requirements that a design be produced to perform a specific process. Except as otherwise provided in the preceding sentence, Seller, if notified promptly in writing and given authority, information, and assistance for defense of same, shall defend any suit or proceeding brought against Buyer, so far as based on a claim that any Seller product furnished under this Agreement constitutes an infringement of any apparatus claim of a U.S. patent of any third party that has been issued as of the date of sale of such product. The liability of Seller stated herein does not extend to any method or process claim of any patent. In case any such product is in such suit held to constitute infringement of any apparatus claim of any U.S. patent and all use of said product by Buyer is thereby enjoined, Seller shall, at its own expense and option procure for the Buyer the right to continue using said product. If the foregoing is not commercially feasible, Seller shall, at its option and expense, replace such product with a non-infringing product, modify it so it becomes a non-infringing product, or remove said product and refund the purchase price to Buyer, together with transportation costs thereof. In no event shall Seller's total liability to Buyer under or as a result of compliance with the provisions of this paragraph exceed the aggregate sum paid by Buyer for the allegedly infringing product and transportation and installation costs thereof. The foregoing states the entire liability of Seller for patent infringement by said products, or by any part thereof, either alone or in combination with other devices or elements. THE FOREGOING PROVISION IS STATED IN LIEU OF ANY OTHER EXPRESSED, IMPLIED, OR STATUTORY WARRANTY AGAINST INFRINGEMENT AND SHALL BE THE SOLE AND EXCLUSIVE REMEDY FOR PATENT INFRINGEMENT OF ANY KIND.

10. **SOFTWARE.** The title to all software (including programs and documentation) furnished by Seller shall be retained by Seller. Said software shall be used only on the specific product(s) with which it was supplied. Buyer shall not copy or duplicate, or permit anyone else to copy or duplicate, in any manner, any version of Seller-supplied software or any printed materials related to and/or furnished with Seller-supplied software. Buyer agrees to comply with any other restrictions on use of the software which may be specified by Seller and provided with the software. No licenses or rights are granted to Buyer except as set forth herein or in Seller's software or program license agreement. Any license to use Seller-supplied software may not be assigned by Buyer without Seller's prior written consent. A re-sale of the products purchased hereunder shall be deemed to be an assignment of software and the purported assignment of that software to any third party shall require the written consent of Seller. Software provided hereunder (except for upgrades to such purchased product) is warranted for a period of twelve (12) months from the date of installation to operate with Seller's products in accordance with applicable specifications and under normal use. SELLER DOES NOT WARRANT THAT ANY SOFTWARE IS FREE OF ERRORS OR "BUGS". EXCEPT AS PROVIDED HEREIN, SELLER MAKES NO WARRANTY, EXPRESSED OR IMPLIED, WITH RESPECT TO THE SOFTWARE AND SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. In the event any software fails to comply with the warranty set forth herein, Seller's sole obligation, and Buyer's sole remedy, shall be for Seller to exert its best efforts to correct any such defect and to supply Buyer with a corrected version within a reasonable time after Buyer notifies Seller in writing of the defect.

11. **PROPRIETARY INFORMATION AND TECHNOLOGY RIGHTS.** Any documentation, data, or information of any kind ("Confidential Information") supplied by Seller to Buyer shall be deemed proprietary to Seller and treated as confidential by Buyer. Seller retains for itself all proprietary rights in and to all Confidential Information. Buyer shall not disclose, without Seller's written consent, any Confidential Information to any other person, or use Confidential Information for any purpose other than the operation and maintenance of the products sold hereunder at Buyer's site. Buyer shall return all Confidential Information, together with all copies thereof, to Seller at Seller's request. The obligations under this paragraph shall survive the cancellation, termination or completion of this agreement. Seller may, at its sole option, require

Buyer to execute a separate confidentiality agreement acceptable to Seller as a condition to providing any documentation or data which it considers proprietary or confidential. All products, information and technology produced, conceived or otherwise developed by or for Seller shall be the sole property of Seller, and Buyer shall have no ownership or other rights in such property. Buyer agrees to use such products, information and technology only in connection with products or services furnished by Seller and otherwise to retain them as confidential in accordance herewith. Buyer hereby assigns to Seller all of the Buyer's right, title and interest in all inventions, trade secrets, patents, mask works, copyrights, trademarks and other intellectual property developed by Buyer or for Seller in connection with the conception, design, development or manufacture of Seller's products or services sold hereunder and shall fully cooperate with and assist Seller in perfecting such rights.

12. **SALE CONVEYS NO LICENSE.** The sale of products hereunder by Seller does not convey any license under any patent, copyright, trade secret or other proprietary right with respect to which Seller can grant licenses. Seller expressly reserves all of its rights with respect to such patent, copyright, trade secret and/or other proprietary rights. Notwithstanding the foregoing, and unless otherwise agreed in writing, use of any of Seller's proprietary technology on the products sold hereunder by Buyer shall not be considered an infringement of any technology rights of Seller.

13. **SUBSTITUTIONS, MODIFICATIONS AND CHANGES.** If Buyer makes changes in the specifications applicable to products ordered hereunder and if Seller agrees to make such changes, Buyer shall be responsible for Seller's additional costs in complying with such changes.

14. **LIMITED WARRANTY AND DISCLAIMER; REMEDY.**

14.1. **Warranty and Warranty Period.** Seller warrants that all products provided hereunder (exclusive of software, spare parts and consumables) shall be free from defects in material and workmanship under normal use for a period of twelve (12) months from the date of acceptance; provided that, such warranty shall not exceed fifteen (15) months from the date of shipment. The warranty for spare parts shall be for 90 days from date of shipment. Consumable products are not covered by warranty. All warranties are subject to the following conditions: (a) misuse, unauthorized repair, inadequate or improper maintenance, alteration of product, or similar inappropriate conduct by Buyer shall void the warranty; and (b) Buyer must notify Seller of any claim for breach of warranty within 10 days after the claim arises. This warranty does not extend to any defect which arises as a result of causes external to the product which are not covered by warranty or which arise out of the installation or use of parts not authorized by Seller.

14.2. **DISCLAIMER. THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, EXCEPT FOR ANY WARRANTIES SET FORTH IN THIS DOCUMENT, ARE EXCLUDED FROM THIS TRANSACTION AND SHALL NOT APPLY TO THE PRODUCTS SOLD.**

14.3. **Remedy.** Buyer's exclusive remedy against Seller shall be for Seller to repair or replace any defective products during the applicable warranty period, and any such repair, replacement or remedy shall be at no charge to Buyer. No other remedies (including, but not limited to, incidental or consequential damages for lost profits, lost sales, or any other incidental or consequential loss) shall apply to the sale of the product to Buyer.

15. **NO CONSEQUENTIAL DAMAGES/LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, SELLER SHALL NOT, UNDER ANY CIRCUMSTANCES, BE LIABLE TO BUYER FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, LOSS PROFITS, PUNITIVE OR INDIRECT DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREUNDER, EVEN IF SELLER HAS BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES. IN NO EVENT SHALL SELLER'S LIABILITY TO BUYER FOR ANY BREACH OF THIS AGREEMENT EXCEED THE AGGREGATE PRICE OF THE PRODUCTS PURCHASED BY BUYER HEREUNDER.**

16. **MISCELLANEOUS.**

16.1. **Insolvency and Demands for Assurances.** Except as may be prohibited by applicable law, Seller may cancel any unfilled order or obligation hereunder in the event one of the following occurs: (i) Buyer becomes insolvent or unable to pay its debts as they mature; (ii) voluntary or involuntary bankruptcy proceedings are instituted by or against Buyer; (iii) a receiver or trustee is appointed for the benefit of Buyer's creditors; (iv) an assignment is made for the benefit of Buyer's creditors; or (v) Buyer fails to provide an adequate written response within ten (10) days to a demand by Seller for assurance of Buyer's intention and ability to perform under any contract with Seller.

16.2. **Indemnification.** Seller is not responsible for any loss or damage arising out of any work performed on Buyer's premises, unless the loss or damage is proximately caused by Seller's negligence. Seller makes no representations or promises concerning indemnification of Buyer except as set forth in this agreement.

16.3. **Seller's Quotation and Response to Specifications.** Seller's quotation and the specifications, if applicable, shall be deemed to be incorporated herein by reference.

16.4. **Force Majeure.** Seller shall not be responsible, in any manner, for any failure or delay in the performance of any of its obligations hereunder caused by a strike, lockout or other industrial disturbance, act of public enemies, any government action, any civil or military action, insurrection, riot, landslide, hurricane, drought, fire, earthquake, explosion, flood, storm, act of God, or any other cause or event not reasonably within Seller's control.

16.5. **Objection to Arbitration.** Seller hereby objects to the submission to arbitration of any claims or disputes concerning this agreement.

16.6. **Notices.** Any required notices shall be given in writing at the address of each party, or to such other address as either party may substitute by notice to the other.

16.7. **Assignment.** Neither party may assign or transfer any of the rights, duties or obligations herein without the prior written consent of the other, and any purported attempt to do so shall be null and void. Any change in control of the Buyer shall be deemed to be an assignment subject to the preceding sentence.

16.8. **Waiver.** No waiver of any provision of this contract shall be effective unless made in writing. No waiver of any breach of any provision of this contract shall constitute a waiver of any subsequent breach of the same or any other provision of this contract.

16.9. **Regulations Not Incorporated.** No U.S. Government Procurement Regulations shall be included hereunder and binding on either party unless specifically agreed to in writing prior to incorporation herein.

16.10. **Compliance with Export Laws.** Buyer shall comply with any U.S. Export Administration Regulations ("EAR") applicable to the purchase of the products hereunder, including, but not limited to, any re-export prohibitions or license requirements applicable to any item that may be controlled under the EAR. Buyer shall not release, export or re-export technology or software supplied by Seller under a TSR exception in contravention of Part 740.6 of the EAR (and any associated or successor sections of the EAR) unless pursuant to an appropriate license or exception under the EAR.

16.11. **Documentation.** Any documentation provided in connection with the products sold hereunder shall be in English only, unless otherwise agreed by Seller.

16.12. **Governing Law.** This agreement shall be interpreted and governed by the substantive laws of the State of Georgia (USA). Buyer consents to the non-exclusive jurisdiction of any court in which the presence of its assets and/or business activities would subject it to the jurisdiction of such court. The parties agree to exclude the United Nations Convention on Contracts for the International Sale of Goods from this agreement and any agreement that may be executed or performed to implement this agreement.

16.13. **Attorney's Fees.** The prevailing party in any collection legal action brought hereunder shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses incurred thereby, including court costs and reasonable attorney's fees.