

Terms and Conditions of Sale

The following Terms and Conditions of Sale (the »Agreement«) constitute the complete understanding of LASER COMPONENTS USA, Inc. (»Seller«) and the buyer (»Buyer«) with respect to the matters addressed herein and constitute the entire agreement of the Parties. Seller and Buyer are collectively referred to herein as the »Parties«. The Parties agree as follows:

1. Agreement. All sales of products by Seller shall be subject to the terms and conditions set forth herein, and ALL SALES ARE MADE ONLY ON THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT. If any other terms and conditions have been submitted by the Buyer, they are rejected and these terms and conditions are proposed as a counteroffer. Acceptance of this offer, whether express or by action indicating intent to purchase products ordered, is limited to the terms and conditions stated herein. All subsequent actions shall be pursuant to these terms and conditions and any additional or different terms are hereby objected to and shall not be binding upon the Parties unless agreed to in writing by Seller.

2. Delivery; Risk of Loss; Shipment Date Changes. All deliveries shall be F.O.B. Seller's facility and risk of loss will pass to Buyer upon delivery at Seller's facility. Seller will, as an accommodation to Buyer and at Buyer's cost, unless otherwise directed in writing, ship the products to Buyer at its address shown on the face of this form, freight prepaid and insured at Buyer's risk and expense. Any changes to the scheduled date of shipment of products requested by Buyer shall be limited to the current calendar year in which the shipment was originally scheduled, absent Seller's express written consent to extend the shipment date beyond the current calendar year.

3. Title to Products. Title to and right of possession of the products sold hereunder shall remain with Seller until all payments provided hereunder shall have been made in full, and Buyer agrees to take all actions necessary to protect and maintain such right and title in Seller. Failure of Buyer to pay the purchase price for any product when due shall give Seller the right, without liability, to peaceably repossess such product with or without notice and to avail itself of any other remedy provided by law.

4. Terms of Payment. Unless otherwise stated, terms of payment are net thirty (30) calendar days from the date appearing on Seller's invoice. A service charge of 1.5% per month will be added to all invoices on overdue accounts. In the event of delinquency, Buyer shall be liable for all collection costs including reasonable attorneys' fees.

5. Credit Approval. All shipments and deliveries shall at all times be subject to the approval of Seller's Credit Department. Seller may, at any time, decline to make any shipment or delivery except upon receipt of payment or upon terms regarding credit or security satisfactory to Seller.

6. Prices. Prices are subject to change without notice. Prices quoted are valid for thirty (30) days or such other length of time as set forth in a written quotation form from authorized personnel of Seller. Except as expressly stated, prices are in U.S. Dollars and do not include state or local sales or use taxes or any other taxes that may be applicable to the sale of the product.

7. Taxes. Any taxes which Seller will be required to pay or collect with respect to the sale of the product shall be for the account of Buyer, and such taxes shall be added to the quoted price as shown in each invoice unless Buyer provides Seller with a certificate of exemption therefrom.

8. Termination/Cancellation of Orders. Seller may terminate any orders accepted hereunder if Buyer fails to pay any charge when due or fails to perform or observe any term or condition of this Agreement. Cancellation requests or changes to purchase orders must be submitted by Buyer in writing at least 10 business days prior to scheduled product shipment. Cancelled or reduced-quantity purchase orders are subject to a 20% restocking fee. Custom or special order products cannot be cancelled, modified, or returned.

9. Inspection and Acceptance. Buyer shall have ten (10) calendar days after date of shipment of products to inspect the same and to notify Seller of any deficiency. If there is no such notice given within ten (10) calendar days after date of shipment of products, then the products will be deemed accepted.

10. Limited Warranty.

a. Seller warrants that for a period of twelve (12) months after delivery of the product to Buyer that the product will be free from defects in material and workmanship and will conform to their published specifications. This warranty extends only to Buyer and does not extend to any persons obtaining the product from the Buyer. This warranty does not apply to products that have been subject to negligence, accidents, misuse, tampered with, altered, or repaired other than by Seller's authorized personnel and agents.

b. THIS WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, WHETHER EXPRESS OR IMPLIED. Seller shall have no other obligation or liability of any kind and it is further agreed and understood that the price stated for the goods sold is consideration for the limitation of Seller's liability hereunder.

c. All warranty claims shall be in accordance with the terms set forth in this Section 10. Buyer must notify Seller of all breaches of the product warranty. In order to make warranty claim, Buyer shall notify Seller of the warranty claim. Seller will evaluate the warranty claim request and if it determines that warranty coverage is appropriate, Seller will issue a return authorization to Buyer. Upon receipt of the return authorization, Buyer may return the defective product to Seller, at Buyer's cost and to the location designated by Seller in the return authorization. Upon receipt of the returned product, if Seller determines that the product does not conform to the warranty, Seller, in its sole and absolute discretion, will repair the product or replace the product at Seller's cost, or the Seller may refund the purchase price to Buyer.

11. Limitations of Liability.

a. IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM SELLER'S PERFORMANCE OR FAILURE TO PERFORM PURSUANT TO ANY CONTRACT FOR THE SALE OF ANY PRODUCTS, OR THE FURNISHING, PERFORMANCE OR USE OF ANY PRODUCT SOLD PURSUANT HERETO, WHETHER DUE TO A BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE OF SELLER, STRICT LIABILITY OR OTHERWISE. THE MAXIMUM LIABILITY, IF ANY, OF SELLER FOR ALL DIRECT DAMAGES TO ANYONE, IN CONTRACT OR IN TORT, IS LIMITED TO THE LESSER OF THE FOLLOWING: (i) THE AMOUNT OF ACTUAL DAMAGES WHICH ARE PROVEN; OR (ii) THE PURCHASE PRICE OF THE PRODUCT. THE RIGHT TO RECOVER DAMAGES WITHIN THE LIMITATION SPECIFIED IS BUYER'S EXCLUSIVE REMEDY.

b. IN NO EVENT SHALL SELLER BE LIABLE FOR DELAY, FAILURE IN PERFORMANCE, LOSS OR DAMAGE DUE TO ANY FORCE MAJEURE CONDITION INCLUDING, BUT NOT LIMITED TO,

FIRE, STRIKE, EMBARGO, EXPLOSION, POWER BLACK OUT, EARTHQUAKE, VOLCANIC ACTION, FLOOD, WAR, WATER, THE ELEMENTS, LABOR DISPUTES, CIVIL OR MILITARY AUTHORITY, ACTS OF GOD, PUBLIC ENEMY, INABILITY TO SECURE RAW MATERIALS, INABILITY TO SECURE PRODUCTS, INABILITY TO SECURE FUEL, TRANSPORTATION FACILITIES, ACTS OR OMISSIONS OF CARRIERS, PANDEMICS, EPIDEMICS, OR OUTBREAKS, OR OTHER CAUSES BEYOND SELLER'S REASONABLE CONTROL. SELLER SHALL USE DILIGENT EFFORTS TO END THE FAILURE OR DELAY AND/OR MINIMIZE THE EFFECTS OF SUCH FORCE MAJEURE EVENT. SELLER SHALL RESUME THE PERFORMANCE OF ITS OBLIGATIONS AS SOON AS REASONABLY PRACTICABLE AFTER THE REMOVAL OF THE CAUSE. IN THE EVENT THAT SELLER'S FAILURE OR DELAY REMAINS UNCURED FOR A PERIOD OF THIRTY (30) CONSECUTIVE DAYS FOLLOWING WRITTEN NOTICE GIVEN BY IT UNDER SECTION 20, BUYER MAY THEREAFTER TERMINATE THIS AGREEMENT UPON THIRTY (30) DAYS' WRITTEN NOTICE. SELLER MAY ALLOCATE AVAILABLE PRODUCTS AMONG ITS BUYERS ON ANY REASONABLE AND EQUITABLE BASIS. THE DELIVERY DATES OR PERFORMANCE DATES SET FORTH IN ANY QUOTATION ARE APPROXIMATE ONLY AND SELLER SHALL NOT BE LIABLE FOR A BREACH OF CONTRACT IF SELLER DELIVERS PRODUCTS OR PROVIDES SERVICES WITHIN A REASONABLE TIME AFTER SUCH DATES.

c. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY DELAY, LOSS, DAMAGE OR PRODUCT FAILURE ATTRIBUTABLE TO ANY SERVICE, PRODUCT OR ACTIONS OF ANY PERSON OTHER THAN SELLER, ITS EMPLOYEES AND DULY AUTHORIZED AGENTS. SELLER SHALL NOT BE LIABLE FOR AND BUYER SHALL INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS FROM ANY CLAIMS BASED ON BUYER'S SPECIFICATIONS OR INSTRUCTIONS

OR MODIFICATION OF ANY PRODUCTS BY PARTIES OTHER THAN SELLER, OR USE IN COMBINATION WITH OTHER PRODUCTS.

12. U.S. Export Controls Compliance. Products manufactured and/or sold by Seller are of U.S. origin. As such, Buyer acknowledges that the products are subject to regulation by United States government agencies, which prohibit the export or diversion of the products, information about the products, and derivatives of the products to certain countries and certain persons (collectively, the »U.S. Export Control Laws«). Buyer further acknowledges that the U.S. Export Control Laws prohibit the use of the products or derivatives of the products in the design, development or production of nuclear, chemical or biological weapons or missile delivery systems. Buyer represents, warrants and agrees that Buyer shall abide by, be bound by, and strictly comply with all U.S. Export Control Laws as currently in effect and promulgated from time to time hereafter, including, but not limited to, the provisions of the Export Administration Act of 1979, 50 U.S.C. Appx. §§ 2401 et seq., the Trading with the Enemy Act, 50 U.S.C. § 1 et seq., the Arms Export Control Act, 22 U.S.C. §§ 2778(a) and 2794(7), and the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq., and all regulations promulgated from time to time thereunder, in connection with Buyer's use, transfer, export, reexport or other disposition of the products or derivatives of the products. Seller reserves the right to immediately terminate transactions with Buyer (without liability to Buyer of any kind) if, in the opinion of Seller, any action taken or to be taken by Buyer may constitute a violation of the U.S. Export Control Laws or may subject Seller or any affiliated company of Seller to legal liability or loss of benefits under such laws. All sales of the products by Seller that require Seller to export from the U.S. are expressly conditioned upon Seller obtaining any and all necessary U.S. Government licenses and for approvals required in order to legally export the products. Seller shall

have no liability to Buyer or any other party on account of Seller's inability or failure to obtain any such licenses and/or approvals.

13. Applicable Law. This Agreement shall be governed by the laws of the State of New Hampshire, excluding the conflict of laws principals of that or any other jurisdiction. Application of the U.N. Convention on the International Sale of Goods is expressly disclaimed. Each of the Parties agrees that any suit, action or other proceeding arising out of or relating to this Agreement shall be adjudicated in the State of New Hampshire. Each of the Parties hereto irrevocably consents to the jurisdiction of the courts of the State of New Hampshire and the United States District Court for the District of New Hampshire, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, and expressly waive any and all objections they may have to venue in such courts.

14. Assignment. This Agreement may not be assigned by Buyer without Seller's prior, written consent. Seller may, without Buyer's consent, assign this Agreement.

15. Modification. Any modification or waiver of any provision of these terms and conditions must be made in writing and be signed by authorized representatives of both Parties; except that Seller may, upon sixty (60) calendar days prior written notice to Buyer, modify this Agreement, which modifications shall be effective only as to renewals and new orders placed by Buyer and accepted by Seller after the effective date of such modification.

16. Severability. If any term or provision of these terms and conditions shall be held invalid or unenforceable, the remainder of such terms and conditions shall not be affected thereby and each term and condition hereof shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. A waiver by either of the Parties of any breach of these terms and conditions by the other party in a particular instance shall not operate as a waiver of subsequent breaches of the same or different kind. The failure of either of the Parties to exercise any rights under these terms and conditions in a particular instance shall not operate as a waiver of the party's right to exercise the same or different rights in subsequent instances.

18. Entire Agreement. This Agreement constitutes the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous written or oral agreements, conditions, understandings or representations.

19. Succession. These terms and conditions shall be binding upon and shall inure to the benefit of Seller and Buyer and their respective heirs, successors and permitted assigns.

20. Notices. All notices provided for by these terms and conditions shall be given in writing either by actual delivery or by registered or certified mail, return receipt requested, and shall be deemed to be received on the date personally delivered or deposited in the mail (registered or certified mail, return receipt requested).