

GENERAL TERMS AND CONDITIONS OF SALE

1. General. The acceptance of any offer, proposal or bid presented by L.E.M. Systems , Inc. (“L.E.M. Systems LLC”) to the customer (“Buyer”) and any transactions between L.E.M. Systems LLC and Buyer concerning good and services sold by L.E.M. Systems LLC (which collectively may be referred to as the “Products”) shall be subject to and be governed exclusively by the following General Terms and Conditions of Sale (along with any directly associated written specifications, quotations or order acknowledgments executed by an authorized representative of L.E.M. Systems LLC), notwithstanding anything to the contrary, including, without limitation, Buyer’s purchase order, which may be set forth in any documents submitted by Buyer. No addition or modification to these terms and conditions will be binding upon L.E.M. Systems LLC unless and until specifically agreed to in writing signed by an authorized representative L.E.M. Systems ’s headquarters.

2. Agreement. There will be no contract between L.E.M. Systems LLC and Buyer unless and until L.E.M. Systems , in writing, confirms and accepts Buyer’s purchase order. L.E.M. Systems ’s acceptance of Buyer’s order will not be deemed to constitute an acceptance of any printed provisions on Buyer’s order form which are inconsistent with, modify or in any way supplement these terms and conditions unless any such provisions are approved in writing by L.E.M. Systems LLC as a modification of these General Terms and Conditions of Sale. No supplementary agreement between the parties will be binding on or enforceable against L.E.M. Systems LLC unless said agreement is accepted in writing by L.E.M. Systems .

3. Quotations and Descriptions. All illustrations, drawings, specifications and other material as well as all data and information contained in L.E.M. Systems ’s general product documentation and price lists, whether in electronic or any other form, or otherwise furnished by L.E.M. Systems LLC , are given in good faith as being approximately correct, but are not binding in detail unless explicitly stated by L.E.M. Systems LLC to be so in writing. L.E.M. Systems LLC does not warrant the accuracy of any such information or its suitability for Buyer’s purposes.

All of the materials furnished to Buyer and all technical and commercial information relating to the Products or their manufacture submitted by L.E.M. Systems LLC to Buyer, prior to or subsequent to the formation of a contract as provided in Section 2 above, shall remain the property of L.E.M. Systems LLC and shall not be used by Buyer for any other purpose than for which they were provided. Buyer agrees that the material furnished to it by L.E.M. Systems LLC will not be copied, reproduced, transmitted or communicated by any person to a third person, without the prior written consent of L.E.M. Systems . If no contract is formed as provided in Section 2 above, all written material furnished to Buyer and all copies of the same will be returned promptly upon L.E.M. Systems ’s written request for the same.

4. Payment. The purchase price shall be payable in U.S. Dollars without deduction or setoff of any kind. Unless otherwise specifically set forth in L.E.M. Systems ’s proposal or acceptance of a purchase order, the payment terms will be 20 percent (20%) of the purchase price due upon acceptance of the purchase order and the remaining balance due 30 days from invoice date. L.E.M. Systems LLC may however require full payment in advance if it believes

the financial condition of Buyer does not justify shipment or subsequent deliveries on the payment terms originally specified. If Buyer becomes bankrupt or insolvent, or a proceeding is brought by or against Buyer under such laws, L.E.M. Systems LLC may cancel any outstanding order, and Buyer shall reimburse L.E.M. Systems LLC for its cancellation charges.

An additional 1.5% compounded monthly of the total amount due (or the maximum permitted by law) will be assessed as a service charge on all invoices more than thirty (60) days past due until full payment is received. All costs of collection, including, without limitation, attorney fees shall be paid by Buyer. Buyer hereby grants to L.E.M. Systems LLC a purchase money security interest in the Products and in the proceeds thereof to secure payment of the purchase price. L.E.M. Systems LLC shall have the right to file financial statements with the appropriate public office. In the event of Buyer's default, L.E.M. Systems LLC may take any one or more actions permitted by law without prejudice to any other remedies L.E.M. Systems LLC might have, including, without limitation, (i) suspending all further performance under these General Terms and Conditions of Sale, and (ii) availing itself of any remedies granted to a secured party under applicable law.

The price stated in L.E.M. Systems 's quotation and/or acknowledgment includes the cost of such packing, which, in the sole opinion of L.E.M. Systems , will provide adequate protection for the Products during shipment. The cost of packing will not be refunded, if, for any reason, the packing is returned.

Any present or future government tax, fee, duty or charge on the sale, purchase, delivery or use of the Products sold hereunder shall be paid by Buyer, in addition to the purchase price, unless otherwise agreed.

The purchase price is subject to change at any time, without prior notice, if any federal, state or local governmental action taking effect between the date of L.E.M. Systems's acknowledgment of the purchase order and the date of delivery affects the cost of producing or providing the Products.

5. Shipment and Delivery. Unless otherwise stated in L.E.M. Systems 's quotation and/or acknowledgment, all Products will be delivered EX WORKS on and by the date mutually agreed upon by the parties. Partial delivery is permitted. Unless otherwise agreed in writing, delivery will be deemed complete and the risk of loss passes to Buyer when the Products are delivered to the carrier at the place(s) of business stated in L.E.M. Systems 's quotation and/or acknowledgment. Where the risk of loss has passed to Buyer, Buyer must obtain redress for freight losses, shortages or damages from the carrier or its insurer. L.E.M. Systems LLC is not responsible for any such losses.

If delivery to a carrier is delayed due to the actions of Buyer, Buyer will be charged with all costs which L.E.M. Systems LLC incurs as a result of the delay including a reasonable profit on all such costs. In addition, Buyer shall make any such payments at such times that they would have become due had Buyer not caused the delay in performance or delivery.

If delivery to a carrier is at any time delayed more than thirty (30) days due to circumstances for which L.E.M. Systems LLC is solely responsible, then Buyer is entitled to liquidated damages from the date on which delivery to the carrier should have taken place, unless the circumstances prove that Buyer has not suffered any loss. The liquidated damages shall be payable for each completed week of delay at a rate of 0.5% of the value of the Products which cannot be used timely as a result of such delay but shall not in any event exceed 5% of the total purchase price.

The above stipulated liquidated damages are the only remedies available to Buyer in case of delay caused by the sole fault of L.E.M. Systems . All other claims against L.E.M. Systems LLC based on such delay are hereby waived and released. Buyer shall not be entitled to cancel the order as a result of any delay in delivery of the Products.

6. Limitation of Warranty and Liability. L.E.M. Systems LLC warrants that the Products sold hereunder, under normal use for which the Products are intended, shall be free from defects in workmanship and material for twelve (12) months from the date of shipment (“Warranty Period”). This Warranty Period is inclusive of any statutory warranty.

This limited warranty is subject to the following exclusions:

a. Parts repaired or replaced as a result of repair services are warranted to be free from defects in workmanship and material under normal use for twelve (12) months from the date of shipment.

b. Parts sold as “Over the Counter” and are not installed or serviced by L.E.M. Systems LLC will not be warrantied in any way.

c. L.E.M. Systems LLC ’ warranty does not extend to defects originating after the transfer of risk to Buyer; in particular, it does not cover defects that are caused by faulty operation, maintenance and storage, incorrect or faulty repair by Buyer, normal wear and tear or deterioration, overloading, accidents, unsuitable requisites for operation, defective foundation or unsuitable foundation, walls, or other structures, concealed piping, wiring, fixtures or other equipment or conditions that may induce defect, effects of climatic and other natural phenomena.

d. L.E.M. Systems LLC does not provide any warranty on substitute equipment and components specified by Buyer or to products not manufactured by companies contracted with L.E.M. Systems LLC which are peripheral or not integrated into products manufactured by companies contracted with L.E.M. Systems LLC . As to such products, L.E.M. Systems LLC will transfer to Buyer the warranty, if any, of L.E.M. Systems supplier.

e. Unless specifically authorized in a separate writing by L.E.M. Systems , L.E.M. Systems LLC makes no warranty with respect to, and shall have no liability in connection with, Products which are incorporated into other products or equipment, or which are modified by any person other than L.E.M. Systems LLC.

The foregoing is IN LIEU OF all other warranties and is subject to the LIMITATIONS stated herein. L.E.M. SYSTEMS LLC MAKES NO OTHER EXPRESS, STATUTORY OR IMPLIED WARRANTY, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

TO THE EXTENT PERMITTED BY LAW, THE EXCLUSIVE REMEDY OF BUYER, AND THE LIMIT OF L.E.M. SYSTEMS LLC ' LIABILITY FOR ANY AND ALL LOSSES, INJURIES, OR DAMAGES CONCERNING THE PRODUCTS (INCLUDING CLAIMS BASED ON CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHERWISE) SHALL BE, AT THE OPTION OF L.E.M. SYSTEMS LLC , THE REPAIR OR REPLACEMENT OF THE PRODUCTS OR THE RETURN OF THE DEFECTIVE PART TO L.E.M. SYSTEMS LLC AND THE REFUND OF A RATABLE PORTION OF THE PURCHASE PRICE. IN NO EVENT SHALL L.E.M. SYSTEMS LLC BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES. L.E.M. SYSTEMS LLC SHALL NOT BE RESPONSIBLE FOR INSTALLATION, DISMANTLING OR REINSTALLATION COSTS ORHARGES. In no event shall any recovery of any kind against L.E.M. Systems LLC be greater in amount than the purchase price of the specific Products sold.

No action, regardless of form, may be brought against L.E.M. Systems LLC more than twelve (12) months after a cause of action has accrued. Any Products returned under warranty to L.E.M. Systems LLC shall be at Buyer's risk of loss, and, in the event warranty work is required, will be returned, if at all, at L.E.M. Systems 's risk of loss.

Buyer and all users are deemed to have accepted this LIMITATION OF WARRANTY AND LIABILITY, which contains the complete and exclusive limited warranty of L.E.M. Systems . This LIMITATION OF WARRANTY AND LIABILITY may not be amended, modified or its terms waived, except by writing signed by an Officer of L.E.M. Systems .

Buyer shall inspect the Products delivered within fifteen (15) business days from the date of receipt of the Products. Within that time, Buyer shall send L.E.M. Systems LLC a written notice specifying any respects in which the Products or repairs are nonconforming. Failure to send a written notice shall constitute a waiver of Buyer's claims for any nonconformity that an inspection, whether or not in fact carried out, would have discovered. Buyer is deemed to have accepted delivered Products on the terms set forth herein, unless within fifteen (15) business days of receipt of the Products Buyer sends a written notice of rejection that provides detailed grounds for rejection.

Buyer shall without undue delay notify L.E.M. Systems LLC in writing of any defect of products which appears within the Warranty Period, specifying the nature thereof. If Buyer fails to notify L.E.M. Systems LLC in writing within the Warranty Period, Buyer shall have no claim based upon warranty.

Buyer shall return, where applicable, all Products claimed to be defective to L.E.M. Systems LLC with transportation prepaid. If, upon examination by L.E.M. Systems , the defect is covered by this limited warranty, L.E.M. Systems LLC shall, in addition to repair or replacement, pay transportation charges both ways. Labor and travel expenses incurred in responding to a warranty claim will be paid by Buyer in accordance with L.E.M. Systems 's then current rates.

7. Change Order. Changes to purchase orders requested by Buyer, including those affecting the identity, scope and delivery time of the Products, must be submitted in writing and are subject to L.E.M. Systems 's review for adjustment to price, scheduling and other affected terms and conditions. Upon mutual agreement, as to any price or delivery change, Buyer shall issue a written change order, which shall not be binding on L.E.M. Systems LLC until signed by L.E.M. Systems .

8. Order Cancellation. No order may be canceled or altered by Buyer except on terms and conditions accepted in writing by L.E.M. Systems . L.E.M. Systems LLC may impose reasonable cancellation charges. Products may not be returned for credit unless approved in writing in advance by L.E.M. Systems . A restocking charge will be applied, including reimbursement for direct costs and allowances for disruption as may be determined by L.E.M. Systems . Cancellation charges associated with orders for Products specifically manufactured to Buyer's specification may equal the actual selling price of the Products.

9. Installation. L.E.M. Systems LLC is not responsible for installing the Products unless L.E.M. Systems LLC and Buyer otherwise agree in writing. Should L.E.M. Systems LLC have agreed in writing to undertake installation of the Products, L.E.M. Systems 's obligation will be limited to installation in a workmanlike

manner. If L.E.M. Systems LLC furnishes Buyer with advice or other assistance which concerns any Products supplied hereunder or any system or equipment in which such Products may be installed and which is not required pursuant to this Agreement, such advice will be accepted by Buyer at its own risk and Buyer releases L.E.M. Systems LLC from any claim or liability arising from the provision or use of such advice, whether the claim or liability is based upon contract, warranty, tort (including negligence), or otherwise.

10. Insurance and Indemnity. L.E.M. Systems LLC shall maintain commercial general liability insurance and, if requested by Buyer, will provide a Certificate of Insurance confirming such coverage. To the extent L.E.M. Systems LLC recovers under the insurance policies maintained in accordance with the foregoing, L.E.M. Systems LLC will indemnify and hold harmless Buyer against claims or damages arising out of its performance hereunder. THIS

WILL BE THE FULL EXTENT OF L.E.M. SYSTEMS 'S LIABILITY FOR DIRECT DAMAGES.

If the Products sold are manufactured to Buyer's specifications, or if the Products are used in conjunction with products not supplied by L.E.M. Systems LLC , then Buyer shall indemnify and hold L.E.M. Systems LLC harmless from and against any suits, claims, losses, expenses, and other liabilities, including, without limitation, costs and attorney's fees, whether for loss, personal injury, infringement or otherwise, which result from Buyer's specifications or use of product not furnished by L.E.M. Systems LLC .

11. Force Majeure. In no event will L.E.M. Systems LLC be liable for any loss, damage or delay suffered by Buyer arising out of L.E.M. Systems LLC ' failure to perform its obligations hereunder, when such failure is directly or indirectly caused by or arises from causes beyond its reasonable control, including, but not limited to the following circumstances: industrial disputes, strikes and lockouts, riots, fires, floods, earthquakes, tempest or other acts of God, war, extensive military mobilization, insurrection, requisition, seizure, epidemics, embargo, civil commotion, terrorist attack, governmental regulation, shortage of labor, fuel, power, materials or supplies, defects and delays in deliveries by sub-contractors caused by any such circumstance referred to in this Section.

12. Miscellaneous. All permits, licenses or authorizations necessary for the installation or use of the Products will be obtained by Buyer at its sole cost and expense.

No right or obligation under these General Terms and Conditions of Sale will be assigned without prior written consent of L.E.M. Systems LLC which consent may be withheld in L.E.M. Systems 's sole discretion.

Should any single provision or subparagraph of these General Terms and Conditions of Sale be deemed invalid, the balance of these General Terms and Conditions of Sale will remain binding and enforceable in accordance with its terms and conditions.

13. Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, EXPRESS OR IMPLIED, IN ANY AGREEMENT OR THE PROVISIONS OF APPLICABLE LAW, IN NO EVENT, WHETHER AS A RESULT OF BREACH OF AGREEMENT, WARRANTY, INDEMNITY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, SHALL L.E.M. SYSTEMS LLC INC.'S BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR INJURIES OF ANY NATURE, INCLUDING BUT NOT LIMITED TO DOWN TIME, INCREASED COST OF PRODUCTION, LOSSES IN PRODUCTION, LOSS OF PROFITS, LOSS OF DATA, LOSS OF THE USE OF EQUIPMENT OR ANY OTHER COMMERCIAL LOSS.

14. Disputes and Applicable Law. L.E.M. Systems LLC may bring an action for nonpayment before

any judicial court of competent jurisdiction without need for arbitration. In addition, any controversy or claim arising out or relating to these General Terms and Conditions of Sale, or the breach thereof, which cannot be so resolved by negotiation or mediation, shall be finally settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time of the dispute by one or more arbitrators appointed in accordance with such rules. Venue for any arbitration proceedings shall lie exclusively in Bernalillo County, New Mexico and the award shall be enforceable in any court having jurisdiction in accordance with the laws of New Mexico. These procedures are the exclusive procedures for the resolution of all such disputes between the parties.

These General Terms and Conditions of Sale and all disputes arising thereunder will be governed by and interpreted in accordance with the internal laws of the State of New Mexico.