

Terms and Conditions F-RAMS, INC. – TERMS AND CONDITIONS OF SALE

All quotations and sales by F-Rams, Inc. are subject to these terms and conditions. This document and not any purchase order or other customer document (which, if construed to be an offer is hereby rejected), will be deemed an offer or counter-offer and is a rejection of any other terms or conditions. Customer, by accepting any Products, making any payments, or ordering any Products having previously received these terms and conditions, will be deemed to have prior or later communication from customer and whether or not F-Rams, Inc. will specifically or expressly object to any of customer's terms. F-Rams, Inc. failure to object to any document, communication or act of customer will not be deemed a waiver of any of these terms and conditions. Any addition or change to these terms and conditions must be specifically agreed to in writing by a duly authorized officer of F-Rams, Inc. before becoming binding on F-Rams, Inc.

1. General:

1.1 Validity of sales agreement: F-Rams, Inc. quotations are non-binding unless otherwise expressly stipulated in writing. Orders are accepted as valid and binding only when confirmed by F-Rams, Inc. in writing. Orders cannot be canceled, rescheduled, or reconfigured without F-Rams, Inc. prior written authorization and in such event; customer will be liable to F-Rams, Inc. for any additional cost and expenses incurred by F-Rams, Inc. In such case, F-Rams, Inc. may claim compensation under section 3.2 below.

1.2 Intellectual property ownership of tender materials:

F-Rams, Inc. retains title and full intellectual property ownership of all tender documents and materials, including without limitation, calculations, drawings, models, plans, sets of tools, etc. All such documents and materials are considered confidential and Buyer shall not copy such documentation or materials or disclose them to third parties without F-Rams, Inc. prior written consent.

1.3 Basic Order Terms – Fixed:

All Purchase Orders for Products shall include the following information: (i) Products in quantities, (ii) prices, (iii) shipping instructions, and (iv) the F-Rams, Inc. part number, (collectively, Basic Order Terms). All basic order terms are fixed and final upon F-Rams, Inc. acceptance of the order. F-Rams, Inc. obligation to Buyer is limited to the contract terms.

1.4 Software License:

Any software not developed by F-Rams, Inc. included in or relating to Products is supplied by the software manufacturer. F-Rams, Inc. makes no representation or warranty with respect thereto and will have no liability in connection therewith. Customer agrees to comply with the manufacturers or other requirements with regard to proprietary and similar rights in and to such software (including any requirement to enter into a separate license agreement and prohibitions against duplicating or disclosing the same), even if the seal on any "shrink wrapped" software has been broken by F-Rams, Inc., and will indemnify F-Rams, Inc. against and hold it harmless from any and all liability, cost or expense arising from a breach or purported breach of such requirements. One registered copy of an F-

Rams, Inc. package can be installed on a single computer and used by one or more people at that computer.

2. Delivery of goods:

2.1 Delivery time:

Delivery times are established when the order is received and accepted in writing by F-Rams, Inc. F-Rams, Inc. will use commercially reasonable efforts to meet Buyers requested delivery dates, unless Buyer is in default under the contract or F-Rams, Inc. performance is otherwise excused. F-Rams, Inc. shall not be liable for late or delayed shipment. Late or delayed shipment shall not be a basis for Buyers cancellation of any order.

2.2 Delivery terms:

Delivery of the Products will be made on an FCA (Incoterms 2000) F-Rams, Inc. facility basis; except that delivery of Products sold by F-Rams, Inc. and delivered to Customer outside the United States will be made on an FCA (Incoterms 2000) destination basis. Title and risk of loss or damage to the Products covered by these Terms and Conditions shall pass to Customer upon delivery (except for title to software Products, in which case only title to the media shall pass). Unless otherwise agreed, F-Rams, Inc. will deliver the Product freight prepaid; provided that Buyer will pay or reimburse F-Rams, Inc. for all costs of carriage, freight insurance (if applicable), taxes, duty and other related shipping charges in connection with shipment hereunder. Buyer shall make such payment to F-Rams, Inc. within thirty (30) days after date of F-Rams, Inc. invoice. F-Rams, Inc. has the right to make partial deliveries. In the absence of prior agreement as to shipping, F-Rams, Inc. may select a carrier. F-Rams, Inc. responsibility for any loss or damage ends, and title passes, when Products are delivered to the carrier, to customer, or to customer's agent, whichever occurs first. Customer will pay for storage charges if Products are held by F-Rams, Inc. at customer's request pending instructions or rescheduled delivery. Freight and Handling charges are NON-REFUNDABLE under any circumstance. Shipments will be made via US Mail, UPS or Fed Ex. Standard method of shipping for F-Rams, Inc. is Ground. All next day shipments will have a \$25.00 rush order charge attached without exception. This applies to part orders, repairs or any service F-Rams, Inc. offers. The Buyer agrees that it will not hold F-Rams, Inc. accountable for delays in delivery occasioned by weather or other circumstances over which we have no direct control.

3. Acceptance, Inspection, Notice of Nonconformance:

3.1 Buyers acceptance of ordered Products shall be deemed to occur at delivery to the FCA point. It is Buyers responsibility to give prompt written notice of identified damage or nonconformance of goods. Upon receipt, Buyer shall inspect the condition of the packaging and the Products and indicate any damage to the carrier on the delivery note, have the carrier's agent sign the document and within two (2) days thereof, send all documents by e-mail or fax to F-Rams, Inc., Georgetown, Texas from which shipment took place, together with the carrier's references. F-Rams, Inc. must be notified within (10) days of delivery of incorrect materials, and concealed loss or damage claims must be made by Buyer to

the carrier by requesting an inspection and filing a claim with the carrier, with written notice, which shall also be given to F-Rams, Inc. within (10) days of delivery. If Buyer retains the Product without giving notice within the designated period, Buyer will be deemed to have waived its right to reject the order.

3.2 If Buyer rejects conforming Products under an accepted order, F-Rams, Inc. shall be entitled to claim reasonable compensation for restocking and other expenses it has actually incurred. All returns are subject to a 30% restocking fee if accepted by F-Rams, Inc. without exception. Returned equipment will be retrofitted to new condition at customer's expense. The risk of accidental loss or destruction of sold Products shall pass to the Buyer at the time Buyer rejects conforming Products.

4. Return of Product:

4.1 Any return of Product will be subject to F-Rams, Inc. prior written consent and must be made pursuant to F-Rams, Inc. Product return procedures then in effect. Products must be returned, transport prepaid, to F-Rams, Inc., Georgetown, TX (no C.O.D. or Collect Freight accepted) in original boxes and packing material, unless otherwise agreed by F-Rams, Inc. The Products travel at the risk and responsibility of Buyer. Product not eligible for return shall be returned to Buyer by F-Rams, Inc., freight collect. For approved returns, Buyer will receive credit equal to the lesser of the Products invoice price or current replacement value, less any applicable charges or fees.

4.2 Customer shall have 30 days after the date of shipment to inspect the F-Rams, Inc. Products and to notify F-Rams, Inc. in writing of any defect or deficiency. If no such notice is given within that time, then the Products shall be deemed accepted and thereafter are only returnable for warranty repair. Prior to returning any F-Rams, Inc. Products, Customer must have been issued a return authorization number by F-Rams, Inc. The RMA (Returned Material Authorization) number assigned is to be placed on the package or packing slip that is being shipped back to F-Rams, Inc. Products returned shall be packaged in the original shipping containers or equivalent. If not so packed, F-Rams, Inc. may refuse to accept return of the Products. In order to receive a refund on a Product for the purchase price, the Product must not have been damaged by the Buyer or by the carrier chosen by the buyer to return the goods. The Product must be returned in complete condition, meaning that all cables, manuals, software, etc., are included. The Product must be in as-new or resalable condition to qualify for refund. Refunds are not issued for shipping charges, installations, travel expense, etc. Items returned in as-new or resalable condition within 30 days of shipment qualify for a full purchase price refund less 30% restocking charge. Items returned after 30 days and before 60 days of original shipment will be subject to a minimum 30% restocking charge. Additional charges may apply for damaged or missing parts. Products returned after 60 days from the date of purchase, or Products that are not returned in as-new or re-salable condition, do not qualify for refund or credit and will be returned to the Buyer.

5. Pricing, Terms of Payment:

5.1 Unless otherwise stated by F-Rams, Inc. in writing, payment terms shall be net (30) days from date of F-Rams, Inc. invoice. No discount will be granted for advance payment. Down payment of 1/3 is due at the time of all orders and or complete system orders, with balance due in full upon delivery. Acceptable forms of payment include check, money order or bank transfer. All payments must be made in US dollars and are subject to change without prior notice. Checks returned to F-Rams, Inc. due to Non-Sufficient Funds are subject to a \$25.00 service charge. Terms of Sale are COD UNTIL SUCH TIME AS CREDIT IS APPROVED. Upon approved credit, terms of sale are Net 30 days. When credit is extended, payments will be made within 30 days from the date of shipment. Each invoice will be subject to a 5% charge per month if not paid within 30 days. Should applicant default in payment, F-Rams, Inc. shall be entitled to add incurred collection costs and Attorney's fees to the unpaid balance. Prices stated on the invoice are NET F.O.B. shipping point (Georgetown, TX USA) and do not include federal, state or local taxes. F-Rams, Inc. shall be entitled to offset payments against prior debt balances in Buyers account. Products or services purchased under F-Rams, Inc. schedules will be subject to all of the pricing and other terms, conditions described. Prices are subject to change without notice.

5.2 F-Rams, Inc. shall have the continuing right to review Buyers credit and change Buyer's payment terms and, without limiting the foregoing, may at any time demand advance payment satisfactory security (such as, but not limited to, a confirmed, irrevocable letter of credit acceptable to F-Rams, Inc.) or a guarantee of prompt payment, prior to shipment.

5.3 Interest shall be charged on all overdue sums owing to F-Rams, Inc. under these terms and conditions at the rate of five percent (5%) per month (or the highest legal limit, if lower than said amount), and shall be calculated from the date the sums in question were payable to the date on which payment is made in full.

5.4 Buyer grants F-Rams, Inc. a purchase money security interest in each Product shipped to Buyer until payment is made in full to F-Rams, Inc. for such Products. Customer agrees to execute any financing statements F-Rams, Inc., may request in order to protect F-Rams, Inc., security interest and hereby authorized F-Rams, Inc. to execute and irrevocably appoints F-Rams, Inc., its attorney in fact for the execution of such financing statement. Upon any breach by customer of these terms and condition, F-Rams, Inc., will have all rights and remedies of a secured party under the Uniform Commercial Code, which rights and remedies will be cumulative and not exclusive. Customer is responsible for all cost and expenses incurred by F-Rams, Inc. in collecting any sum owing by customer (which may include, but are not limited to, collection agency and reasonable attorneys' fees). If F-Rams, Inc. incurs cost collecting on any judgment arising out of customer's breach, customer will be responsible for them, and his provision will survive the entry of any such judgment. Upon request from F-Rams, Inc., Buyer will cooperate with F-Rams, Inc. in perfecting any such security interest.

5.5 Buyer shall be liable for any costs incurred by F-Rams, Inc. in the event of variation or suspension of any order by Buyer. And in case of international payment transaction, Buyer shall be liable for any additional costs incurred.

5.6 Stated Product prices do not include any applicable sales taxes. Value Added Tax, export or import charges, transportation or insurance charges, customs and duty fees, personal property or similar taxes; all of which shall be paid by Buyer. Any tax that F-Rams, Inc. may be required to collect or pay upon the sale or delivery of the Product shall be paid by Buyer to F-Rams, Inc. unless Buyer provides direct payment authority or an exemption certificate valid in the state and/or country to which the Product will be shipped.

5.7 F-Rams, Inc. is required by law to collect all applicable sales taxes for the state, counties and cities of Texas. Companies, individuals and organizations who are exempt from sales tax should provide us with their resale certificate by US Mail or by fax to 512-868-9115.

6. Warranty:

6.1 Product Limited Warranty:

Unless the limited warranty included with any Product covered by these terms and condition grants different rights to the Buyer. F-Rams, Inc. warrants to Buyer and only to Buyer that the F-Rams, Inc. Products furnished under the contract shall be designed and manufactured to conform to F-Rams, Inc. specifications and all parts are and will be free from defects in material and workmanship for a period of twelve (12) months from date of shipment. During the warranty period, F-Rams, Inc. liability is limited to replacing or repairing any Product that is returned to F-Rams, Inc. by the original purchaser freight prepaid and which upon inspection is determined by F-Rams, Inc. to be defective in materials or workmanship. F-Rams, Inc. repair or replacement of a defective Product as provided in this section is Buyers only and exclusive remedy for a defective Product, and is made subject to the terms of this warranty.

6.2 Warranty Exclusions:

The foregoing Product limited warranty shall only apply in the event and to the extent that (a) the Product is properly and correctly installed, configured, interfaced, maintained, stored, and operated in accordance with F-Rams, Inc. applicable operator's manual and specifications, and (b) the Product is not modified or misused. This Product limited warranty shall not apply to, and F-Rams, Inc. shall not be responsible for defects or performance problems resulting from (i) the combination or utilization of the Product with hardware or software Products, information, data, systems, interfaces or devices not made, supplied or specified by F-Rams, Inc.; (ii) the operation of the Product under any specification other than, or in addition to. F-Rams, Inc. standard specifications for its Products; (iii) the unauthorized, installation, modification, repair or use of the Product; (iv) damage caused by accident, lightning or other electrical discharge, fresh or salt water immersion or spray (outside Product specifications); or exposure to environmental conditions for which the Product is not intended; (v) normal wear and tear on consumable part (e.g. batteries) or (vi) cosmetic damage. F-Rams, Inc. does not warrant or guarantee the results obtained through the use of the Product. F-Rams, Inc. makes no warranties whatsoever with respect to services, which if provided hereunder are provided as-is.

6.3 Warranty Disclaimer:

The foregoing limited warranty terms state F-Rams, Inc. entire liability, and your exclusive remedies, relating to performance of the F-Rams, Inc. Product. Except as otherwise expressly provided herein, the Product, accompanying documentation and materials are provided "AS-IS" and without express or implied warranty of any kind, by either F-Rams, Inc. or anyone, who has been involved in its creation, Production, installation, or distribution, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose, title, and noninfringement. The state express warranties are in lieu of all obligations or liabilities on the part of F-Rams, Inc. arising out of, or in connection with, any Product. Some states and jurisdictions do not allow limitations on duration or the exclusion of an implied warranty, so the above limitation may not apply or fully apply to you. In no event may Buyer, if a Reseller of the Product(s), make or pass on to its own customers any warranty or representation on behalf of F-Rams, Inc. other than or inconsistent with, the applicable limited warranty provided to Buyer.

NOTE: THE ABOVE APPLIES ONLY TO F-RAMS, INC., GEORGETOWN, TEXAS MANUFACTURED PRODUCTS. PRIVATE LABEL, OEM AND PRODUCTS MANUFACTURED BY F-RAMS, INC. LICENSE FEES ARE SPECIFICALLY EXCLUDED FROM THE ABOVE MANUFACTURER WARRANTY. ELECTRONIC PRODUCTS REQUIRING INSTALLATION, START UP AND SERVICING BY F-RAMS, INC. TRAINED SERVICE REPRESENTATIVES. IN ABSENSE OF INSTALLATION, START UP AND SERVICING OF ELECTRONIC PRODUCTS BY SELLER TRAINED SERVICE REPRESENTATIVES, THIS WARRANTY IS NULL AND VOID. SELLERS OBLIGATIONS AS SET FORTH SHALL NOT APPLY TO ANY PRODUCTS OR ANY COMPONENT PART THEREOF, WHICH IS NOT PROPERLY INSTALLED, USED, MAINTAINED OR REPAIRED, OR WHICH IS MODIFIED OTHER THAN PURSUANT TO SELLERS INSTRUCTIONS OR APPROVAL. REPAIR OR REPLACEMENT SHALL BE THE SOLE REMEDY OF THE DEFECT AND SHALL BE MADE FREE OF CHARGE; EX-WORKS PROVIDED FACTORY INSPECTION BEFORE VALIDITY OF CUSTOMERS CLAIM. F-RAMS, INC. SHALL NOT BE LIABLE FOR CONSEQUENT DAMAGES WHETHER OR NOT ARISING OUT OF WARRANTY, NEGLIGENCE OR OTHERWISE.

7. Warranty Repair Service:

7.1 Warranty Repair Procedure:

F-Rams, Inc. reserves the right to refuse warranty services if the date of purchase of the Product cannot be proven or if a claim is made outside the warranty period. Claims for shipment damage (evident or concealed) must be filed with the carrier by Buyer in accordance with Section 3.1 above. No Product may be returned for repair, whether in warranty or out of warranty, without F-Rams, Inc. approval. No credit will be given nor repairs made to Products returned without such approval. Products must be returned, transport prepaid, to F-Rams, Inc. (no C.O.D. or Collect Freight accepted) in accordance with F-Rams, Inc. Product return procedures then in effect. The status of any Product returned later than (10) days after approval by F-Rams, Inc. will be subject to review.

7.2 Warranty Determination of Returned Products:

Following F-Rams, Inc. or its authorized representative's examination, warranty or out-of-warranty status will be determined. If upon examination a warranted defect exists, then the Product(s) will be

repaired at no charge and shipped, prepaid back to Buyer. Where F-Rams, Inc. elects to replace a Product or part, repair part and replacement Products will be provided on an exchange basis and will be either new, equivalent to new or reconditioned. All replaced parts and Products become the property of F-Rams, Inc. Warranty repairs do not extend the original warranty period.

7.3 Non-Warranty Determination of Returned Products:

Following F-Rams, Inc. examination, Buyer shall be notified of the repair cost of Products out-of-warranty. At such time, Buyer must issue a valid purchase order to cover the cost of the repair and freight, or authorize the Product(s) to be shipped back as is, at Buyers expense.

7.4 Non-responsibility for Lost Data. F-Rams, Inc. shall not be responsible for any modification or damage to, or loss of any programs, data, or other information stored on any media or any part of any Product serviced hereunder, or for the consequence of such damage or loss, e.g., business loss in the event of system, program or data failure. It is your responsibility, prior to servicing to backup data and remove all features, part, alterations, and attachments not covered by warranty prior to releasing the Product to F-Rams, Inc. The Product will be returned to you configured as originally purchased, subject to availability of software.

8. Limitation of Liability:

Without limiting the foregoing, F-Rams, Inc. entire liability to Buyer under or for breach of these terms and conditions shall be limited to the amounts actually paid by Buyer to F-Rams, Inc. under the contract. Further, neither F-Rams, Inc. nor its suppliers shall be liable for any incidental, consequential, punitive damages or other damages, personal injury, or loss of profits, loss of revenue, loss of data, loss of Product, loss of use of the Product or any associated equipment, downtime and user time or for the breach of any express or implied warranty, breach of contract, negligence, strict liability or any other legal theory related to the Product. Except to the extent prohibited by applicable law, any implied warranty of quality or fitness for a particular purpose on this Product is limited in duration to the duration of the foregoing warranty. Additionally, some jurisdictions do not allow the exclusion or limitation of incidental, consequential or specified other damages, or allow limitations on how long an implied warranty lasts, so the above limitations or exclusions may not apply, or may not fully apply.

F-Rams, Inc. will not be liable of any failure or delay in its performance or in the delivery or shipment of Product, or for any damages suffered by customer by reason of such failure or delay, when such failure or delay is caused by, or arise in connection with, any fire, flood, accident, riot, earthquake, severe weather, war, governmental interference or embargo, strike, shortage of labor, fuel, power, materials or supplies, delay in delivery by F-Rams, Inc. suppliers or any other cause or causes beyond F-Rams, Inc. reasonable control. F-Rams, Inc. reserves the right to cancel without liability any order, the shipment of which is or may be delayed for more that 30 days by reason of any such cause. F-Rams, Inc. reserves the right to allocate in its sole discretion among customers or potential customers, or defer or delay the shipment of any Product which is in short supply.

9. Export Procedures:

Buyer is informed that sale and delivery of Products in an export situation may be subject to export regulations of the United States or other countries. Buyer warrants that it will not export or re-export directly or indirectly, any Product in violation of any law or regulation, (including, without limitation, any

law or regulation of the United States Government or any agency), or to embargoed or otherwise restricted countries, or sell Products to companies listed on the denied person lists published by the United States Department of Commerce. Buyer further warrants that it will not export or re-export any Product with knowledge that it will be used in the design, development Production or use of chemical, biological, nuclear or ballistic weapons. Laws and regulations change frequently. It is Buyer's responsibility to know the law pertaining to export/import procedures in the country of destination of the Product. Buyer will defend, indemnify and hold F-Rams, Inc. harmless against any liability (including attorneys fees) arising out of Buyers failure to comply with the terms of this paragraph.

10. Default:

F-Rams, Inc. reserves the right, by written notice of default, to cancel or indefinitely suspend an accepted Product order if: (i) Buyer defaults in the performance of its obligations hereunder, or otherwise breaches the contract, (ii) Buyer ceases business operations or enters into any bankruptcy, insolvency, receivership or like proceeding not dismissed within thirty (30) days, or assigns its assets for the benefit of creditors, or (iii) when obtaining third-party financing in connection with Buyers Product purchases(s) fails to do so in a timely manner on terms satisfactory to F-Rams, Inc..

11. Applicable Law – Settlement of Disputes:

If Buyer purchases the Products from F-Rams, Inc. then these terms and conditions will be governed by and construed in accordance with the laws of the State of Texas and applicable United States federal law, without reference to conflicts of laws provisions or principles. No dispute or legal action arising under this Agreement may be brought by either party more than one (1) year after such cause of action accrued, except that an action for nonpayment may be brought within two (2) years of the date of the last payment.

12. Fair Labor Standard Act:

F-Rams, Inc. certifies that it complies with all applicable requirement of Sections 6, 7 and 15 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof.

13. U. S. Government:

If customer's order is placed under a contract with the United States Government, F-Rams, Inc. agrees to comply with those contract provisions and regulations with which, pursuant to law, it must comply and of which customer has, at the time of order placement, placed F-Rams, Inc. on notice. In no event will United States Government Cost Accounting Standards apply. All rights in technical data and software owned or licensed by F-Rams, Inc. or the manufacturer are hereby reserved and deemed restricted or limited. No provision of customer's contract with the government will be binding on F-Rams, Inc. or the manufacturer except as expressly set forth in this paragraph.

Unless specifically otherwise agreed in writing by F-Rams, Inc., customer acknowledges that Products sold by F-Rams, Inc. are not intended for and will not be used in life support systems, human implantation, nuclear facilities or systems or any other application where Product failure could lead to loss of life or catastrophic Property damage. Customer will indemnify and hold F-Rams, Inc. harmless from any loss, cost or damage resulting from customer's breach of the provisions of this paragraph.

14. Severability:

These terms and conditions may be severable and the invalidity, illegality or unenforceability in whole or in part of any provision shall not affect the validity of other provisions.

15. Loaner:

Customer will evaluate/utilize/demonstrate the aforementioned system upon receipt of Product. This agreement will be valid for a period of 30 calendar days. At the end of this period, Customer will return the Product in the same condition as it was received, freight prepaid and RMA number referenced. All peripheral items shipped with Product (i.e. manuals, cables, adapters, power supplies, and any other equipment) must be returned at the end of this demonstration period. If damage is sustained to the Product due to negligence or mistreatment by the Customer or their agent(s), or if aforementioned Product or any peripheral items (i.e. manuals, cables, etc.) are not returned, Customer assumes full responsibility for the cost of repair/replacement of the Product. Any unit found to have been open during the demonstration period will be subject to a charge. There will be a monthly fee attached to the loaner equipment.