

TERMS AND CONDITIONS OF SALE

1. Definitions. As used in this agreement, the following terms have the following meanings:
 - a) "Acceptance" of "Sign Off" means that the equipment is running according to CLC's specifications at the Buyer's site.
 - b) The term "Agreement" means all of the terms and conditions contained herein and
 - (i) Any CLC proposal, bid or similar document setting forth the prices of any Goods, and
 - (ii) The Sales Order and Confirmation of Sales Order and any other documents or forms provided by CLC relating to the Goods, and (iii) Any document evidencing or relating to the purchase of the Goods.
 - c) The term "Buyer" means the person or corporation or other entity purchasing as indicated on the Sales Order.
 - d) The term "Buyer's Site" shall mean the Buyer's address as set forth on the Sales Order unless otherwise agreed upon by the parties.
 - e) The term "CLC" means Control Laser Corporation and all of its affiliated or related companies.
 - f) "Commissioning" or "Start-Up" means the commencement of the operation of the Goods.
 - g) "Delivery" means the arrival of the Goods at the Buyer's Site, as designated herein.
 - h) The term "Goods" means CLC machine tools or related equipment, parts or accessories or combinations or components thereof specified on the Sales Order or otherwise. i) "Installation" means the assembling of the Goods at the Buyer's Site, as designated herein.
 - j) The term "Security Agreement" shall mean a Security Agreement as defined by the UCC.
 - k) The term "UCC" means the Uniform Commercial Code as presently enacted in the State of Florida and any subsequent amendments thereof.
2. General. The execution and submission of the Sales Order by buyer constitutes an offer to purchase the Goods specified herein. As such, it is subject to acceptance by CLC at its home office in Orlando, Florida. Such acceptance will be given by CLC to buyer in the form of the "Confirmation of Order".

ACCEPTANCE BY CLC OF BUYER'S ORDER OR BUYER'S ACCEPTANCE OF CLC'S PROPOSAL, IS LIMITED TO AND CONDITIONED UPON BUYER'S ACCEPTANCE OF AND ASSENT TO, THE TERMS AND CONDITIONS OF THE CONFIRMATION OF ORDER AND THOSE CONTAINED HEREIN. ANY ADDITIONAL, INCONSISTENT OR DIFFERING TERMS AND CONDITIONS CONTAINED IN THE PURCHASE ORDER OR OTHER DOCUMENTS SUBMITTED BY BUYER TO CLC AT ANY TIME, WHETHER BEFORE OR AFTER THE DATE HEREOF, ARE HEREBY EXPRESSLY REJECTED BY CLC. BUYER ACKNOWLEDGES THAT NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN ITS PURCHASE ORDER OR OTHER DOCUMENTS, RECEIPT AND ACCEPTANCE BY BUYER OF THE GOODS SHALL CONSTITUTE ACCEPTANCE BY BUYER OF THESE TERMS AND CONDITIONS. ALL ORDERS ARE SUBJECT TO ACCEPTANCE BY AN OFFICER OF CLC. CLC SALES PERSONNEL, SALES REPRESENTATIVE AND DISTRIBUTORS ARE NOT AUTHORIZED TO ACCEPT ORDERS ON BEHALF OF CLC.
3. Prices. All prices are stated in USD. All prices are Ex Work at CLC's shipping dock unless otherwise agreed to and stated on the Confirmation of Order. All Prices are exclusive of city, state, federal taxes and foreign country customs duties and fees, which are paid by Buyer. All applicable US-Customs duties, installation, and commissioning are included in the Price, unless otherwise stated in the Confirmation of Order.
4. Production Estimates. Production date, when given, is estimated only based upon the Goods being maintained and operated under normal working conditions with competent, trained operators and maintenance personnel.

PRODUCTION ESTIMATES ARE APPROXIMATE AND ARE NOT GUARANTEED OR WARRANTED unless otherwise expressly provided in the Agreement. Unless expressly provided by the Agreement, CLC makes no warranty or representation regarding part accuracies, which are the responsibility of BUYER.
5. Shipment. Unless otherwise mutually agreed upon in writing, Goods shall be shipped F.O.B Destination with the cost of freight prepaid and added to the BUYER'S invoice. Where the scheduled delivery of Goods is delayed by the BUYER, CLC may deliver such Goods by moving them to storage and BUYER shall be liable for any storage charges in effect at the date of shipment to BUYER. Should the carrier designated by BUYER fail to pick up the Goods within two (2) days after being given notice, CLC reserves the right to select and make shipment by an alternate carrier and charge buyer for such shipment.
6. Risk of Loss; Title; Security Interest. Notwithstanding the provisions of Section 4 hereof, all risk of loss or damage shall pass to the BUYER, and delivery shall be deemed to be completed, upon delivery of the Goods to the BUYER'S dock or upon moving the Goods into storage, whichever shall occur first. Title of the Goods shall remain with CLC until BUYER pays all amounts due to CLC. CLC reserves and BUYER hereby expressly grants to CLC, a purchase money security interest in the Goods until the purchase price has been fully paid. BUYER agrees to execute, and hereby appoints CLC as its attorney-in-fact to execute on BUYER'S behalf, any documents requested by CLC which are necessary for attachment and perfection of its security interest. If BUYER defaults, CLC will have all the rights of a secured creditor under the UCC. If any Goods are placed in any real property subject to any mortgage, lien, or any encumbrance, BUYER shall provide CLC with all necessary documentation as may be required by CLC to ensure that the Goods are not subject to any lien imposed by such mortgage, lien or other encumbrance.
7. Insurance. The Buyer will insure, with an insurer having a Best's Property and Casualty Rating of A plus, the Goods, from delivery to payment to CLC of all sums due CLC for the Goods. The insurance shall insure against such risks and casualties and be in such form and amounts as is customary for business of substantially the same type and operating in substantially the same markets as CLC. All insurance policies shall be written for the benefit of CLC and provide that CLC be the loss payee to the extent of its interest in the Goods. All such policies, certificates, and renewals evidencing the same shall be furnished to CLC. If the Buyer fails to pay the premium of any such insurance, CLC may do so for the Buyer's account adding the amount thereof to the balance of the purchase price for the Goods. All policies of insurance shall provide thirty (30) day minimum cancellation notice to CLC. CLC is hereby appointed the Buyer's attorney-in-fact to endorse any draft or check which may be payable to the Buyer in order to collect the proceeds of such insurance. Any balance of insurance proceeds after payment in full of all amounts due hereunder shall be paid to the Buyer.
8. Delays. The shipping date, as set forth in the Confirmation of Order, is estimated upon the basis of immediate receipt by CLC of the Sales Order, payments as due, and all information required to be furnished by BUYER. CLC shall in good faith, endeavor to ship by the estimated shipping date but reserves the right to vary such date free of any liability to BUYER, notwithstanding any commitment or representation to the contrary.
9. Installation, Start-Up and Commissioning. Supervision of installation, start-up and commissioning of the Goods, and specialized technical aspects of such installation, start-up and commissioning must be carried out by CLC's personnel. Buyer is responsible for assistance to the installation personnel including but not limited to physical support as needed and rigging of the equipment as necessary.
10. Confidentiality. CLC may provide Buyer with information in the form of copies of certain prints, drawings, documentation and diagrams (said information and items being referred to as "Material") relating to the Goods. Buyer agrees that it will only use the Material for the purpose of assisting its personnel making repairs to the Goods and to make the Goods function properly. Buyer shall not in any way utilize or attempt to utilize the Material to duplicate, or simulate, in any manner, the Goods except as required for such repairs.

Without limitation to the foregoing, Buyer shall not in any way utilize or attempt to utilize the Material to manufacture, design or develop for any purpose or to utilize or attempt to utilize the Material for any commercial business, or technical purpose other than repairs to the Goods.

Buyer acknowledges that the information contained in the Material constitutes proprietary information of CLC. Buyer agrees that the Material shall not be disclosed to any other person or entity without the prior written consent of CLC. Buyer will take all necessary steps to assure that the Material is kept secure from unauthorized disclosure to third parties or employees of Buyer. Buyer shall not make copies of the Material without the prior written consent of the CLC.
11. Warranty. If not otherwise agreed upon by CLC, all component parts of the Goods manufactured by CLC shall be warranted against material defects in materials and workmanship for a period of twelve (12) months from Delivery. The warranty does not cover any defect not related to Material or workmanship, incorrect or lack of maintenance, not following operating instructions, abuse, and repair or maintenance work performed on the goods by other than CLC certified personnel. Any such component parts proved to be defective due to faulty material or workmanship will be replaced free of charge at Buyer's Site. CLC shall not be liable for delays, loss, or damage caused by such defective material. Excluded from this warranty are short lived items which due to severity of usage or environment are considered consumables.

Purchased components furnished with the Goods, or material purchased in accordance with Buyer's instructions and supplied with the Goods, are warranted by the CLC only to the extent of the original manufacturer's warranty.

NOTE: BUYER'S FAILURE TO COMPLY IN ALL RESPECTS TO THE AGREED PAYMENT TERMS AS SET FORTH ON THE SALES ORDER WILL VOID ANY WARRANTY CONTAINED IN THE AGREEMENT.

CLC AND ITS RELATED AND/OR AFFILIATED COMPANIES, MAKE NO WARRANTIES OR REPRESENTATIONS WHICH EXTEND BEYOND THOSE EXPRESSLY SET FORTH HEREIN AND DISCLAIM ALL LIABILITY FOR ANY LOSS OR DAMAGE, DIRECTLY OR INDIRECTLY, ARISING FROM THE USE OF SUCH GOODS OR FOR CONSEQUENTIAL DAMAGES. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, ARE EXPRESSLY EXCLUDED.
12. Cancellation by CLC; Remedies for Breach. CLC may, by written notice to BUYER and without any liability, cancel the Buyer's purchase of the Goods in the event Buyer:
 - (i) Fails to perform any of the terms and conditions of the agreement and does not cure such failure within a period of ten (10) days after receipt of written notice from CLC specifying such failure, provided, that, no such cure period shall apply to BUYER'S failure to pay any sums due CLC for the goods in a timely manner;
 - (ii) In CLC's opinion, has not established or maintained credit to meet promptly the payment terms of CLC's Standard Terms of Payment or has defaulted on the payment terms of any other transaction with CLC; (iii) becomes insolvent, makes an assignment in favor of creditors, or becomes subject to any bankruptcy, dissolution or similar proceedings; (iv) Is merged into, or all or a substantial part of its assets are sold to, another party.

Upon any such cancellation, BUYER shall be liable to CLC for a cancellation charge in accordance with Section 11 below.

As a nonexclusive alternative to cancellation, CLC may, for any reason referenced in subsections (i)-(iv) of this Section 10, without any liability

 - a) Suspend any of its obligations hereunder (including CLC's warranty obligations),
 - b) Physically render the Goods unusable, and/or
 - c) Exercise any and all of its rights as a secured creditor under the Uniform Commercial Code.
13. Cancellation by Buyer.
 - A) GOODS CURRENTLY IN STOCK IN THE USA AND NOT BUILT SPECIFICALLY TO BUYER SALES ORDER. BUYER may by prior written notice to CLC cancel this order subject to a cancellation charge to be paid to CLC equal to ten percent (10%) of the amount set forth in the Sales Order; or
 - B) GOODS BUILT SPECIFICALLY TO BUYER SALES ORDER. BUYER will not be permitted to cancel any Sales Order with CLC for goods built specifically to Buyer's Sales Order without CLC's prior written consent. If CLC authorizes the cancellation of any such Sales Order, then BUYER shall be liable to CLC as follows:
 - (i) For cancellation of an Sales Order for such Goods for which CLC's production is within forty five (45) days of the scheduled completion date, CLC shall complete such production and hold such Goods for BUYER'S disposition, with BUYER liable to CLC for full payment within forty five (45) days after completion, or
 - (ii) For cancellation of an Sales Order for such Goods for which CLC's production is not within forty five (45) days of the scheduled completion date, BUYER shall pay CLC.
 - a) The actual costs and overhead expenses, determined in accordance with generally accepted accounting principles, for work in progress, Sales Order entry expenses, engineering process and costs of materials and supplies procured or for which definite commitments have been made by CLC in connection with BUYER'S Sales Order and
 - b) Thirty percent (30%) of the amount set forth in the Sales Order.

Unless otherwise agreed by CLC in writing, under no circumstances shall BUYER have the right to delay shipment, delivery or acceptance of Goods hereunder.
 14. Limitation of liability. The remedies of the Buyer set forth herein are exclusive, and the total liability of CLC with respect to the Agreement or the Goods and services furnished hereunder, in connection with the performance or breach thereof, or from the manufacture, sale, delivery, installation, repair or technical direction covered by or furnished under the Agreement, whether based on contract, warranty, negligence indemnity, strict liability or otherwise, shall not exceed the purchase price of the unit of the Goods upon which such liability is based.

CLC and its suppliers shall in no event be liable to the Buyer, any successors in interest or any beneficiary or assignee of this contract for any consequential, incidental, indirect, special or punitive damages arising out of this contract or any breach thereof, or any defect in, failure of, malfunction of the Goods hereunder, whether based upon loss of use, lost profit or revenue, interest, lost goodwill, work stoppage, impairment of other Goods, loss by reason of shutdown or non-operation, increased expenses of operation, cost of purchase of replacement power or claims of Buyer or Buyers of Buyer for service interruption whether or not such loss or damage is based on contract, warranty, negligence, indemnity, strict liability or otherwise.
 15. Indemnification. BUYER agrees to indemnify, defend and hold CLC harmless from and against all judgments and costs (including attorney's fees) resulting from BUYER'S use and/or resale of the Goods delivered hereunder.

Further, without limiting the generality of the foregoing, if the goods delivered hereunder are to be prepared for manufacture according to BUYER'S specifications, BUYER shall indemnify, defend and hold CLC harmless against any claims or liability for patent or trademark infringement on account of such preparation or manufacture.
 16. Force Majeure. Except with respect to the payment of monies due hereunder and BUYER'S obligations under Section 15 hereof, neither party hereto shall be responsible for failure to perform hereunder or for any loss or damage due to causes beyond its reasonable control, including but not limited to acts of God, fires, civil disobedience, war, acts of terrorism, riots, political unrest, strikes, work stoppage, floods, water/elements, epidemics, changes in governmental requirements, export control regulations, sanctions or inability to secure equipment, raw material or transport. Notice to this effect ("Notice of Force Majeure") shall be given at once to the other party. Performance shall be resumed as soon as practicable after the cessation of the cause of delay.
 17. Entire Agreement. The entire agreement between CLC and BUYER with respect to the Sales Order is embodied solely within the Agreement, which supersedes all prior agreements, understandings, representations or warranties, whether oral or written between CLC and BUYER relating to such order. No statement, recommendation or assistance made or offered by CLC through its representatives in connection with suitability, capacity, performance or compliance with BUYER'S specification of the Product sold shall be or constitute a waiver by CLC of any provision hereof. No statements subsequent to the acceptance of the Sales Order shall be binding upon CLC, nor shall the Agreement or such terms or conditions be amended or modified, unless consented to in writing by a duly authorized officer of CLC in a document referencing these terms and conditions. These terms and conditions of sale shall remain effective as between CLC and BUYER, regardless of any arrangements or agreement for financing of BUYER'S purchase of the Product.
 18. Attorney's Fee's. In the event of any litigation or collection action arising out of BUYER'S purchase of Goods, CLC shall be entitled to reimbursement from BUYER for its actual reasonable attorney's fees and costs.
 19. Non Waiver. Failure by CLC to enforce any rights under or to insist upon strict performance of any provision in the Agreement shall not constitute a waiver of any breach or a waiver of such provision, irrespective of the length of the time for which such failure continues.
 20. Survival; Severability; Assignment. Notwithstanding any expiration or cancellation of BUYER'S order, BUYER shall remain obligated under all those provisions of the Agreement which expressly or by their nature extend beyond and survive such expiration or cancellation. If any provision or any portion of any provision in the Agreement shall be held to be void or unenforceable hereof and the remaining portions of any provision of the Agreement held void or unenforceable in part shall continue in full force and effect. The Agreement shall not be assigned, subcontracted, or delegated, in whole or part, without CLC's prior written consent.
 21. Governing Law. This Agreement and all rights and obligations arising in connection herewith shall be governed by and interpreted under the law of the State of Florida, provided, however, that if a court determines that Florida Law shall not apply, then the validity and enforceability of this Agreement shall in no way be affected or impaired. CLC and Buyer agrees that any legal suit, action or proceeding arising out of or relating to the Agreement shall be instituted in an Florida State or Federal Court located in the County of Orange and State of Florida and that such is the convenient and appropriate forum. CLC and Buyer irrevocably submit to the jurisdiction of any such court in any such suit, action or proceeding, and agree to receive service of process by certified or registered mail or any other proper method and waive any objection which they may now or hereafter have to venue or to convenience of any such suit, action or proceeding.