

TERMS & CONDITIONS OF SALE

The following "Terms and Conditions of Sale" become part of the attached proposal or part of the acknowledgment of customer's order and take precedence over any other outstanding contract. Any deviation from the following terms and conditions must be agreed to in writing by both parties before order is processed.

PRICES:

1. F.O.B. Origin from our facility located in Pittsboro, Indiana.
2. Prices are subject to change without notice and may be withdrawn at any time by an executive of American Laser Enterprises LLC prior to the acceptance of customer's order. In any event, prices quoted become invalid thirty (30) days from the date of proposal unless indicated in writing on the proposal.
3. Prices quoted do not include excise, sales, use, or transportation taxes by any taxing authority. If not included on the equipment invoice, any applicable taxes presented to American Laser Enterprises, LLC will be the customer's responsibility. An invoice will be issued and due upon receipt.
 - a. Customer must furnish American Laser Enterprises, LLC with their tax identification number and supply a sales tax withholding certificate from a state taxing authority.

CANCELLATION:

1. The buyer may terminate the purchase order contract after executed to the seller only with the consent of the seller. An officer of the company can only give this consent.
2. Cancellation charges, if any, will be promptly invoiced by the seller and the buyer must pay the same, or it will void any prior agreement by American Laser Enterprises LLC, with the seller, to cancel.
3. In the event of a request to stop work or to cancel any part of the order, liquidated damages will be billed and paid for as follows:
 - A. Any work scheduled for completion within thirty (30) days will be paid for in full and shipment of the equipment will be accepted.
 - B. All work in process and any raw materials of supplies used, or for which commitments have been made by us in connection with the order(s) involved, will be paid for based on American Laser Enterprises LLC full costs, plus 25%.

DELIVERY:

1. F.O.B. Origin from our factory located in Pittsboro, Indiana, unless otherwise agreed to in writing.
2. The delivery is predicated on prior order commitments, at time of quote, receipt of the written order, and complete information from the buyer, as requested by the seller, American Laser Enterprises LLC.
3. The delivery is subject to delays, and we shall not be held responsible nor accept any liability of penalty for a delay in shipment because of strikes, fire, accident, explosion, or an act of God, outside supplier delays, or because of any priority system established by the United States Government, any of its agents, or any other authority having jurisdiction. (Any applicable priority rating must be clearly indicated on each purchase order.)

RE-NEGOTIATION:

1. American Laser Enterprises LLC will only agree to any re-negotiation when or if it should prove to be necessary and to the extent and in the manner required by Federal Law. All quotes are based on American Laser Enterprises LLC Equipment Standards unless the customer machine equipment standard has been issued to American Laser Enterprises LLC.
2. If no machine equipment standard was issued before the purchase order, the customer will then be responsible for any expenses incurred to American Laser Enterprises LLC for any equipment variation.

Appendix page 1
TERMS & CONDITIONS OF SALE...continued

TERMS OF PAYMENT - FINAL PAYMENT:

1. Unless otherwise specified, payment terms are net thirty (30) days from the date of shipment. Any amounts not paid within the thirty (30) days shall be charged an interest fee of 1-1/2% for each month (or portion thereof) any such payment is late.
 - a. Customers located outside the United States of America will be required to pay 50% down with the order and final payment will be made prior to shipment.
 - b. Customers located outside of the United States of America will be required to furnish an active credit card for ALL CONSUMABLE ITEMS, regardless of sales amount.
2. On all orders over \$20,000.00, progress payments may be requested and negotiated. The account must be current before shipment of the equipment will be authorized.
3. In the event that American Laser Enterprises LLC incurs any expenses in collecting sums due, (including, but not limited to, reasonable attorney fees, court costs, expert fees, collection agency fees, travel costs, bonds, or otherwise) all such expenses will be paid by customer to American Laser Enterprises LLC upon demand and shall be secured by all other terms and conditions hereof.
4. In the event American Laser Enterprises LLC must bring legal action to enforce collection of any amounts owed to it, Customer consents that such legal action may be brought in the appropriate court of Hendricks County, Indiana, and the customer consents to the authority of said court and venue therein. For all purposes hereunder, this Agreement shall be construed under the laws of the State of Indiana.

SECURITY INTEREST:

Customer agrees that until full and final payment is made, American Laser Enterprises LLC, is granted and retains a security interest in the machine(s) or equipment in an amount equal to payments owed and Customer further agrees and consents that should payments not be made in accordance with these Conditions of Sale or the schedule of payments agreed to by Customer in any subsequent Release to Ship, that American Laser Enterprises LLC, is authorized to file any and all appropriate UCC Financing Statements or Documents necessary to perfect its Security Interest in the machine(s) or equipment.

WARRANTY FOR LASER AND CONSUMABLES:

All American Laser Enterprises machines are guaranteed to the original purchaser, at the original place of shipment, for one full year from date of installation, but no longer than thirteen (13) months from date of completion of build at our facility. Any part that fails through normal use will be replaced free of charge during this period by a qualified field engineer. Travel and Living expenses will be invoiced as incurred. A Purchase Order will be required for each warranty and/or service call.

Internal laser optics and external beam delivery hardware are warranted for a period of thirty (30) days from date of installation not to exceed ninety (90) days from date of shipment from source manufacturer. **All consumable items are specifically excluded from this warranty.** The RF Tube warranty is limited to a maximum of 10,000 running hours.

Systems that are used to process metals or other highly reflective materials must have a back reflection optical isolator (ATFR) fitted in the laser or beam path. Failure to fit such a device may result in beam delivery optical damage or laser cavity failure. Damage because of back reflection will void this warranty. Use of laser gas not supplied by source manufacturer will void warranty.

Consumable items are not covered under this warranty. (Please refer to this letter for detailed information regarding the warranty of the equipment.) Any deviation from this policy must be agreed to by both parties in writing to alter it.

CONDITIONS OF SALE...continued

American Laser Enterprises LLC will not be held responsible for any claims of any kind based on down time, overhead, labor, damage to machinery, loss of production, or profit using our equipment. All equipment is to be operated and maintained by authorized personnel who have been trained on the equipment and holds a laser safety certificate, as well.

JIC, NEMA, & OSHA COMPLIANCE:

All American Laser Enterprises LLC machines are designed to meet or exceed the standards of the Regulatory Agencies. Provisions are made and no machine can be released for shipment unless it complies with the standards specified and as we interpret them to be required. To do otherwise will require a letter from the user (customer), stating they will accept full responsibility for non-compliance, because of a difference in interpretation of these rules. An officer of that corporation must sign this letter.

TITLE:

Title of ownership is deemed when American Laser Enterprises LLC is paid in full. Any damage claims or risks will be assumed by the buyer of the equipment when installation sign off is completed.

SERVICE & INSTALLATION:

All service work on standard and special machines, not covered by our warranty start-up agreement, or after warranty period has expired, shall be charged for at the prevailing rate outlined under "Standard additional on-site assistance rates" plus all expenses, transportation, material, and parts used.

ENGINEERING CHANGES:

On special machines, American Laser Enterprises LLC reserves the right to make changes deemed by our engineering department to be justified. Any change conflicting with customer specifications will be approved between the parties involved before it is done. All charges due to a change in the customer's specification by the customer will be negotiated and a price resulting in a supplemental purchase order will be approved before proceeding any further on the project.

DETAILED DRAWINGS:

Nothing in our proposal shall be interpreted as an understanding or agreement that detailed or shop working drawings will be furnished on any part of the equipment offered. Any deviation of this rule must be negotiated and agreed upon by both parties prior to the receipt of an order.

RIGHTS RESERVED:

American Laser Enterprises LLC reserves the right to use photographs of all equipment we manufacture for advertising purposes, unless agreed to otherwise.

TESTING:

All materials or parts necessary for evaluating the machine(s) at our facility will be furnished by the customer, without cost to us. The materials and parts must be to print tolerance and of the grade specified. If quantity-of -pieces are to run over an amount deemed reasonable, an extra charge will be submitted, and approval received before proceeding. Any special test equipment required to meet a specific specification not covered under JIC, UL, NEMA, CSA, etc., must be furnished or the rental paid in addition to the quoted price of the machine order.

Appendix Page 3

CONDITIONS OF SALE...continued

BUYOFF:

A Preliminary buyoff including safety, maintenance, and engineering, will be conducted at American Laser Enterprises LLC location in Pittsboro, Indiana. This buyoff is not to exceed ten working days past the time the customer has been notified that the said machine (s) is ready for Preliminary buyoff.

If in fact the Preliminary buyoff does exceed the ten working days, due to customer delays, the customer will be notified that any money that may be due under Preliminary buyoff on the submitted contract will be owed to American Laser Enterprises LLC no later than 30 days from the notification date. Any amount not paid within the thirty (30) days shall be charged an interest fee of 1-1/2% each month (or portion thereof) any such payment is late.

The said machine(s) will be released for shipment after receipt of preliminary payment and signed release to ship form is received. The customer may also be charged a storage fee on the equipment that remains on ALE floor past the ten working days, which would equal \$5.00 per square foot per day of floor space the equipment occupies, (this includes a reasonable amount of space required around the machine needed to operate it), to be charged per day, and paid before removal of equipment.

At this point:

1. All modifications will be discussed.
2. The machine will meet all customer expectations before shipment.
3. The final buyoff will be conducted on the customer's floor.
4. Any machine modifications requested on the customer floor will be charged at the regular shop rate of \$375.00/HR.

STANDARD ADDITIONAL ON-SITE ASSISTANCE RATES:

Our standard services are provided on an eight-hour shift, one shift per day, first shift basis, with work taking place five days per week (Monday through Friday 8:00 am –5:00 pm). A minimum of 4 hrs. will be charged per occurrence. The pricing schedule is as follows:

Standard Labor in house	\$150HR
Standard Labor on site	\$250/HR
Standard Engineering Labor in house	\$275/HR
Standard Engineering Labor on site	\$375/HR
After 5:00 P.M. (Eastern Standard Time)	1.5 X Standard Rate
Over 8 hours per day and Saturday	1.5 X Standard Rate
Over 8 hours on Saturday, Sunday & Holidays	2.0 X Standard Rate
CNC Programming	\$165.00/HR
Manuals in Digital form	\$200.00 ea.
Manuals in paper forma	\$450.00 ea.

Travel and living expenses for American Laser Enterprises, LLC Field Installation Engineer will be charged to customer at .75 cents/mile plus \$90/hr. Depending on distance, overnight accommodations may be charged as incurred on a cost plus 10% basis.

The length of time required for equipment installation is dependent upon the installation schedule of American Laser Enterprises LLC customer, a properly sized and supervised labor force, and adequate access to the work area *with no production in process*.

Appendix Page 4

CUSTOMER RESPONSIBILITY

DESIGN MATERIAL

The customer is to supply all parts to ALE for processing with information on disc form, either SolidWorks format or a translation of.

TRYOUT PARTS

The customer is to furnish all tryout parts. These parts are to be in accordance with the engineering assembly and detail drawings furnished to us by the customer for equipment design purposes. In the event of a change in the customer part design or if after manufacturing, the parts deviate from the piece parts shown on the drawings submitted, charges will be billed to the customer for any necessary redesign, rework, or development of the equipment. Furthermore, there will be no guarantee the equipment can be made incorporating customer changes to accommodate anything other than the parts as stated in the written proposal and as shown on the customer drawings and outlined therein.

CUSTOMER APPROVAL

All equipment design layouts shall be reviewed with and approved by the customer before being released for manufacturing. The customer shall, when notified by American Laser Enterprises LLC send the same representative who approved these layouts to our factory to witness the testing and demonstration of the equipment, and to approve the equipment for shipment.

SAFETY

The equipment offered in this proposal includes normal safety features including guards for pinch points and moving members. Final interpretation of complete compliance with applicable sections of OSHA specifications will be determined by ALE personnel. This is because local requirements may vary. Also, there are specific exceptions for certain types of industry to consider in the requirements. Any protection equipment required to be installed by ALE in addition to that described above, which in the opinion of ALE personnel is of significant cost, shall be added at a negotiated price prior to shipment.

Customer's approval to ship this equipment shall constitute full acceptance and relieve American Laser Enterprises LLC of any further responsibility to comply with OSHA specifications as covered in the order contract between both parties.

SUPPLIED MATERIAL

All customer supplied material, unless otherwise specified in the quote, will be in proper working order when received at ALE Any ALE time lost on troubleshooting or repairing the material will be charged at the applicable rate. The rate is determined by when the work takes place (standard, O/T, weekend, holiday). This could also affect the completion date of the project, to which ALE will not be held responsible.

INSTALLATION

Supply all primary drops to the equipment.

EQUIPMENT SPECIFICATIONS

If machine equipment standards are available, they must be issued with the request for quote or American Laser Enterprises LLC will quote their machine equipment standards.

Appendix Page 5

WARRANTY POLICY –

American Laser Enterprises, LLC Beam Delivery Components

American Laser Enterprises LLC guarantees to the original purchaser that all beam delivery components manufactured by them will be free from defects in manufacture and workmanship for a period of one (1) year from date of shipment. If any component or part should fail through normal use during this period and it is returned to us prepaid, upon our inspection, credit, a new unit, or the repair of same shall be made. Any abuse, misapplication, or other misuse relieves us of our responsibility. This guarantee is nontransferable.

All items purchased by American Laser Enterprises LLC incorporated in our beam delivery systems will carry the manufacturer's warranty.

Consumable items are not covered by warranty.

American Laser Enterprises, LLC Machine Tool Integration on standard machines, for the first 30 days a qualified service engineer will be provided free of charge if a problem cannot be corrected in the normal manner. He will be available only when we determine we have exhausted all other avenues of repair. Should the problem prove not to be with the equipment, but with an external cause such as pneumatic, electrical, water, or operator-maintenance inefficiency, the time will be charged for at the daily rate shown in our Service Schedule.

Consumable components are not covered by warranty on any machine tool.

Start-up service is provided free of charge if the service engineer is not detained due to a lack of help or proper electrical, pneumatic, or water supplies, strikes, fires, or anywhere reason not associated with the normal performance of his duties.

Any other warranties, stated or implied, are voided by this guarantee unless they are in writing and approved by an authorized member of the American Laser Enterprises LLC company.

A purchase order is requested, whether the repair is covered by warranty or out of warranty, as this helps both parties keep track of the transaction.

American Laser Enterprises, LLC personnel must perform installation of the machine along with all machine modifications after buyoff has occurred to maintain warranty status. Warranty will be voided on accounts that are over 120 days.