

STANDARD TERMS AND CONDITIONS OF SALE FOR BLOCK IMAGING INTERNATIONAL, INC

PURCHASE PRICE; PAYMENT. The Purchase Price shall be paid in United States Dollars (USD). The Purchase Price quoted in the Agreement does not include any taxes or any regulatory, permit, duties, tariffs, customs entry service fees, terminal service charges or other fees that become owing to carry out or as the result of this Agreement. Any such amounts not expressly Seller's responsibility under the Agreement shall be the sole responsibility of Buyer. Unless otherwise agreed, no Equipment will be released until full payment of the Purchase Price is actually received at Seller's bank account, and accessible to Seller with out conditions. Delinquent payments will be assessed a late fee of 1% per calendar month, straight interest (or the maximum rate permitted by applicable law, if less), from the due date thereof and continuing until such delinquent payments are paid in full. Notwithstanding, if Buyer fails to make a required payment when the same is due, such failure shall be a default in the performance of Buyer's obligations under this Agreement and Seller may, in its discretion and without limiting its remedies, terminate the Agreement and retain all deposits or other payments theretofore made by Buyer. The due dates of payments required to be made by Buyer may not be excused or delayed, except by written Change Order signed by Seller's authorized representative. If at any time Seller, in its sole judgment, deems itself to be insecure under the Agreement, Seller may require adequate assurances from Buyer, in a form and manner acceptable to Seller, and Seller may suspend its performance under this Agreement, until such adequate assurances have been provided. Failure to furnish such adequate assurances within ten (10) days of demand shall constitute repudiation of the contract by Buyer, entitling Seller to all of its rights and remedies therefor. Payments may be made by wire transfer, with ALL BANK FEES TO BE PAID BY SENDER. Wire transfer instructions shall be provided by Seller.

DE-INSTALLATION AND SHIPPING. Buyer will coordinate only with Seller with respect to de-installation of the Equipment, including without limitation, the date and time of de-installation, and shipping of the Equipment. Buyer will immediately reimburse Seller for any additional costs incurred by Seller, plus a factor of fifteen percent (15%) for overhead and administration, resulting from delays in de-installation or shipping requested or caused by Buyer. Where Buyer or its agent performs any part of the de-installation, Buyer will cause such de-

installation to be performed in a timely and workmanlike manner, subject to the instructions and rules of the facility at which the de-installation is performed. Buyer will indemnify and hold Seller harmless from and against any and all liabilities, judgments, settlements, losses, damages, penalties, obligations, and expenses, including attorneys' fees, incurred by Seller, arising out of any loss, damage or injury that occurs during a de-installation performed by Buyer or its agent. The existence of insurance shall not release Buyer from any of its obligations or liabilities under the Agreement.

DELAY. If BUYER fails or refuses to take possession of the equipment for more than ten (10) days after the date such equipment is made available to BUYER, such failure is a fundamental breach of contract by BUYER and SELLER may, at Seller's option, terminate the SALES AGREEMENT, and retain all deposits or other payments theretofore made by BUYER to compensate SELLER for cost associated with Buyer's breach. Further, Seller may, but is not required to, sell any equipment identified to the SALES AGREEMENT to another party to mitigate its damages resulting from Buyer's breach. Any amounts in excess of the Purchase Price realized by SELLER upon sale of such equipment will remain the sole property of the Seller. Nothing herein is intended to limit any other remedies available to SELLER under applicable law as the result of BUYER'S breach of contract.

DELIVERY. Delivery dates listed on in the Agreement are approximate and dependent on numerous factors, some of which are outside of Seller's control. Seller will use its commercially reasonable efforts to meet quoted delivery dates but will not be responsible for any delays, damages, or losses due to (but not limited to): fires, floods, earthquakes or other acts of God, accidents, riots, wars, acts of terrorism, operation of law, government regulations or requirements, strikes, labor difficulties, shortages of fuel, power, materials or supplies, unavailability of transportation, or other acts or circumstances that are not within reasonable control of Seller. The Buyer is responsible for Network connections to the equipment. If Buyer wants the equipment to send images to a network, Seller will make time available on the date of delivery or first arrival of installation engineer to help facilitate this task. Buyer must provide a qualified person familiar with configuration for the facility to work in person

with the service engineer. Network will be tested by transmitting images over the Buyer's Network. Subsequent service calls pertaining to network issues are the responsibility of the Buyer. If such delay occurs, Buyer agrees that Seller may extend the delivery date for a reasonable period of time. Unless Seller has agreed otherwise in writing, Seller shall have no responsibility whatsoever for the performance of, or the cost of, the installation of the Equipment.

DEFAULT. In the event Buyer defaults in the performance of its obligations under this Agreement, in addition to all other remedies available to Seller under the Agreement and under applicable law, Buyer shall pay Seller, within ten (10) business days upon receipt of Seller's invoice: (1) all costs, including overhead cost and normal markup of purchased materials and services, of all partially completed items; (2) all costs, including normal markup, incurred by Seller to outside suppliers and contractors in respect of the Agreement; and, (3) all other costs incurred by Seller as a result of default.

INSPECTION. Buyer may, in its discretion and at its sole cost, conduct a complete inspection of the Equipment to confirm that the system configuration, components, software, function, acceptability, etc., conform to the descriptions in the Agreement. The Inspection shall be completed at a time and place arranged through Seller, within the time period specified in the Agreement. Failure of Buyer for any reason to conduct an inspection during the time period set forth in the Agreement for inspection shall be deemed a waiver of the Buyer's right of inspection, and an acknowledgment that the Equipment conforms to this Agreement. If upon inspection Buyer determines that the Equipment materially fails to conform to the Agreement, then within two (2) days after its inspection, Buyer shall notify Seller in writing, specifying the material non-conformity. Thereupon, Seller shall have the option, at its sole expense, to: (1) take commercially reasonable steps to bring the Equipment into conformity with the description in the Agreement; (2) offer an adjustment to the Purchase Price to Buyer with respect to such Equipment; or (3) terminate the Agreement and refund all amounts theretofore paid by Buyer under the Agreement. If Seller elects to terminate and refund under clause (3), no further obligations or liabilities will exist between the parties under the Agreement. If Buyer inspects the Equipment and does not notify Seller of any material non-conformity, then the Equipment will be conclusively deemed to conform to the Agreement in all respects and to be acceptable to Buyer.

PASSAGE OF TITLE. Title to the Equipment listed in the Agreement will pass to Buyer upon the later to occur of (1) Seller acquiring adequate title to the Equipment so as to be able to transfer title to Buyer and, (2) Seller receiving payment in full from the Buyer of the Purchase Price.

DISCLAIMER OF WARRANTIES. Unless otherwise stated in this Agreement, the Equipment is sold "AS IS," with no warranties and with all faults, obvious and latent, that may be discovered before or after Buyer's purchase. Seller did not inspect, recondition, alter, modify, or manufacture the Equipment unless otherwise stated in this Agreement. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY REGARDING THE ACCURACY OF EQUIPMENT SPECIFICATIONS OR OPERABILITY, NOR ARE THERE ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

LIMITATIONS OF LIABILITY. In no event, shall Seller be liable for any special, consequential, incidental or penal damages including, but not limited to loss of profit or revenue, loss of use of the products, or any associated equipment, damage to associated equipment, cost of capital, cost of substitute products, facilities, services or replacement power, down time cost, or claims of Buyer or Buyer's customer for such damages. In no event shall Seller's liability to Buyer for any loss of damage arising out of, or resulting from this Agreement, or from its performance of breach, or from the Equipment or services furnished hereunder, exceed the Purchase Price of the specific Equipment which give rise to the claim. If Seller furnished Buyer with advice or other assistance which concerns any Equipment supplied hereunder or any system or equipment in which any such Equipment may be installed and which is not required pursuant to this Agreement, the furnishing of such advice or assistance will not subject Seller to any liability, whether in contract, warranty, tort (including negligence and strict liability) or otherwise. The parties agree that any claim, lawsuit, or arbitral proceeding relating to the Agreement must be commenced no more than six (6) months after the earlier to occur of: (1) delivery of the Equipment to Buyer substantially conforming to the Agreement; or (2) the accrual of the cause of action that is the subject of the proceeding. Each of the parties waives any statute of limitations to the contrary. Buyer will indemnify and hold Seller harmless from and against any and all liabilities, judgments, settlements, losses,

damages, penalties, obligations, and expenses, including attorneys' fees, incurred by Seller, arising out of any loss, damage or injury that occurs from the subsequent use and operation of the Equipment.

NON-CIRCUMVENTION. Some or all of the Equipment described in the Agreement may be previously used equipment that Seller has arranged to acquire from a third party (herein the "Source"). Buyer agrees that the identity of Seller's Source is confidential information of Seller which shall not be disclosed to Buyer, except as Seller deems necessary in its sole and absolute discretion to carry out this Agreement. Buyer, intending to be legally bound, with full individual and corporate responsibility, hereby and irrevocably agrees not to circumvent, avoid, or bypass Seller, either directly or indirectly, nor to avoid Buyer's obligations under this SALES AGREEMENT. Buyer agrees not to circumvent Seller, either directly or indirectly, nor to avoid Buyer's obligations under this Agreement. Therefore, during the two (2) year period after the date of this Agreement, if Buyer purchases all or part of the Equipment described in the Agreement from the Source, directly or indirectly, Buyer will pay Seller a finder's fee of 25% of the Purchase Price listed in this Agreement for the Equipment.

ASSIGNMENT. This Agreement shall not be assigned by either party without the other party's prior written consent, which consent will not be unreasonably delayed or withheld.

GOVERNING LAW; DISPUTE RESOLUTION; JURISDICTION. The Agreement shall be construed and governed according to the laws of the State of Michigan and the United States of America. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another choice of law, are excluded. In the event of any dispute arising from or relating to the Agreement, the parties hereto shall initially use their best efforts to amicably settle the dispute. To this effect, they shall consult and negotiate with each other in good faith and attempt to reach a mutually satisfactory solution. If they do not reach such a solution within a period of sixty (60) days, then, upon notice by either party to the other, all disputes, claims, questions, or differences regarding the Agreement, or any other matter between the parties, will be finally resolved by binding arbitration, conducted in the English language using a single arbitrator. Unless otherwise agreed by Seller: (1) if the arbitration involves only United States parties, it will be conducted under the Commercial Arbitration

Rules of the American Arbitration Association (AAA) in force as of the date of the request for arbitration, which rules are deemed to be incorporated by reference into this clause; (2) if the arbitration involves any parties not domiciled in the United States, it will be conducted under the International Arbitration Rules of the American Arbitration Association (AAA) in force as of the date of the request for arbitration, which rules are deemed to be incorporated by reference into this clause; (3) the arbitration shall be heard in a location agreed by the parties but, if the parties cannot agree on a location within thirty (30) days of the request for arbitration, the arbitration will be conducted at the AAA office having suitable facilities nearest Seller's main offices; (4) the arbitrator will be selected from a list using the recommended selection method under the rules applicable to the arbitration proceeding; (5) the arbitrator will issue written findings of fact and conclusions of law, and may award attorneys' fees and costs to the substantially prevailing party, but in no event will any party be awarded penal, punitive or exemplary damages; and (6) the award of the arbitrator will be enforceable in any court of competent jurisdiction.

ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof, and supersedes any and all statements, descriptions of Equipment, course of dealing, or usage of trade previously existing between the parties with respect to such subject matter. After the contract is formed, it may only be modified by written Change Order, in a form prescribed by Seller, which shall be signed and dated by Seller's and Buyer's authorized representatives. Neither Seller or Buyer hereto has entered into this agreement in reliance upon any representation, warranty, condition, or undertaking of any other party which is not set out in this Agreement.

SEVERABILITY. If any provision of this Agreement is determined to be invalid, in whole or part, it shall not affect the enforceability of any other provisions of the Agreement, which shall remain in effect, and unaffected by such invalidity.