

TERMS AND CONDITIONS OF SALE

The following terms and conditions will apply to all merchandise sales provided to the Buyer by Compucycle, unless otherwise expressly stated by Compucycle in writing to the Buyer. Any maintenance or other services provided by Compucycle with respect to any merchandise will be governed by a separate written agreement between Compucycle and the Buyer.

Orders. Orders submitted on Buyer's purchase order containing terms and conditions inconsistent with or additional to the terms and conditions contained herein will be accepted by Compucycle only if Compucycle expressly agrees to such terms in writing. By placing an order subject to confirmation or accepting delivery of any of the Compucycle merchandise, Buyer shall be deemed to have accepted the terms and conditions contained herein.

Payment. Payment for merchandise may be made through either one or a combination of the following methods: Cash, Credit Card (Visa/MasterCard/American Express/Discover), certified funds, wire transfer, company check and C.O.D. bank certified check. Compucycle shall not be obligated to ship the merchandise to be delivered unless and until adequate means of payment, as determined by Compucycle, shall have been established. Each shipment will be considered a separate and independent transaction and payment must be made accordingly. Payment shall be made for the merchandise without regard to whether the Buyer has made or will make any inspection of the items. Prices quoted and confirmed may not include federal, state or local taxes, duties, or other levies, as applicable, which taxes, duties, or other levies will be added to the sales price when Compucycle is legally obligated to collect them unless the Buyer provides Compucycle with the proper exemption certificate.

Packaging. Reasonable care is exercised in packaging items for shipment and Compucycle assumes no responsibility for delay, breakage, or damage after having made delivery to the carrier. All claims for breakage or damage shall be made to the carrier.

Shipping. The merchandise shall be delivered F.O.B. point of shipment and title thereto shall pass to the Buyer upon Compucycle's delivery of the merchandise to a common carrier for shipment to the Buyer.

Inspection. Upon arrival of the merchandise at the place to which the Buyer has ordered the merchandise to be shipped, the Buyer shall immediately inspect the merchandise at its expense and, if the merchandise is found not to conform to this contract, shall give written notice to Compucycle within three (3) days after arrival of any claim to that effect, specifically setting forth the manner in which the merchandise does not conform. Rejected merchandise may be returned to Compucycle, transportation charges prepaid by the Buyer, in accordance with RMA instructions set forth herein, upon receiving authorization and shipping instructions from authorized personnel of Compucycle. If the Buyer retains the merchandise after their arrival without giving Compucycle such notice as required, such failure shall constitute an irrevocable acceptance of the items by the Buyer. The Buyer's inspection and/or acceptance tests shall not exceed the inspection and/or test procedures customary in the industry for the merchandise furnished hereunder and shall be at the Buyer's expense. Compucycle reserves the right to charge to the Buyer any costs resulting from the testing, handling and disposition of any merchandise returned by the Buyer which are found by Compucycle to conform to this contract. Acceptance of merchandise shipped is a warranty by the Buyer that the Buyer is solvent as of the date of shipment.

Return of Product. A Return Merchandise Authorization Number (RMA#) must accompany all products being returned to Compucycle for warranty repairs. An RMA# may be obtained from the Compucycle website at www.compucycle.net and/or Tech Support Department (713) 866-8028 between Monday - Friday from 9A.M. to 5P.M. (C.S.T.) This RMA# remains valid for a period of

fifteen (15) calendar days from the date of issue and is considered null and void thereafter. When completing the RMA form, please be prepared to provide the following information: (1) Company Name and Address; (2) Invoice Number and Date; (3) Item Description, Quantity, & Serial Number(s); and (4) Statement regarding the Problem/Reason for Return. All merchandise being returned for warranty repair must be shipped in the original box and packing materials, accompanied with all accessories, software, and literature, unless otherwise agreed in writing by authorized Compucycle personnel. The RMA# must be prominently displayed on the packing slip and shipping label of each box with a copy of the invoice for said merchandise enclosed in each box. Compucycle will not be responsible for the damage to or loss of any merchandise improperly returned for warranty repair. Any merchandise returned under the warranty which is found not to be defective, will incur a 20% restocking fee. The Buyer is responsible for all shipping charges related to the return of products being returned under the warranty unless otherwise stated in writing by authorized Compucycle personnel. Compucycle will not be responsible for the damage to or loss of any merchandise during shipment. Any damage to merchandise due to shipping must be reported to Compucycle within twenty-four (24) hours of receipt of said merchandise. If any merchandise is received D.O.A. by the Buyer, Buyer must notify Compucycle within three (3) days of receipt of said merchandise. In such D.O.A. cases, Compucycle will take full responsibility for the charges related to the return shipment of said merchandise. Correction of defects, as described herein, shall constitute complete fulfillment of all liabilities and responsibilities of Compucycle to Buyer with respect to merchandise and shall constitute full satisfaction of all claims. The return of all merchandise not defective under the warranty shall incur a restocking charge of 20% of the sale price of said merchandise with the Buyer responsible for all shipping charges. No refund shall be granted until all said merchandise has been returned and inspected by authorized Compucycle personnel.

Changes to Price, Specifications and Products. Compucycle reserves the right to change the price and specifications of any merchandise (including all statements and data appearing in Compucycle's catalogs, data sheets, advertisements and web sites) and to discontinue the sale of any product without notice. If changes to specifications are made, Compucycle assumes no obligation to provide the change on merchandise previously purchased or to continue to supply discontinued items. Compucycle may substitute merchandise manufactured to such modified specifications for those specified herein provided such merchandise substantially conforms to these terms and conditions.

Arbitration. Any dispute, controversy or claim arising out of or relating to this contract or to a breach hereof, including its interpretation, performance or termination, shall be finally resolved by arbitration. The arbitration shall be conducted by three (3) arbitrators, one to be appointed by Compucycle, one to be appointed by the Buyer and a third being nominated by the two arbitrators so selected or, if they cannot agree on a third arbitrator, by the President of the American Arbitration Association; provided, however, in the event any such dispute, controversy or claim involves a claim of damages for US\$50,000 or less, the arbitration shall be conducted by one (1) arbitrator appointed by Compucycle and the Buyer or, if they cannot agree on an arbitrator, by the President of the American Arbitration Association. The arbitration shall be conducted in English and in accordance with the rules of the American Arbitration Association, which shall administer the arbitration and act as appointing authority. The arbitration, including the rendering of the award, shall take place in Houston, Harris County, Texas, United States, and shall be the exclusive forum for resolving such dispute, controversy or claim. For the purposes of this arbitration, the provisions of this contract and all rights and obligations thereunder shall be governed and construed in accordance with the laws of the State of Texas. The decision of the arbitrators shall be in writing, state the reasons for the award, and be final and binding upon the parties hereto. The expense of the arbitration (including without limitation the award of attorneys' fees to the prevailing party) shall be paid as the arbitrators determine. The decision of the arbitrators shall be executory, and any court of competent jurisdiction or having jurisdiction thereon may enter judgment over the relevant party or its assets.