

Product Sales and Service Terms and Conditions

The following terms and conditions apply to the sale of all Products or Services by Gelu Systems Inc. ("Gelu") directly, through distribution, or a reseller to a customer ("Purchaser"). If Gelu and Purchaser have entered into a prior written agreement executed by both parties, then all terms of such agreement that conflict with the terms set forth herein shall prevail. By accepting the Products or Services shipped or provided to the Purchaser, Purchaser agrees to be bound by these terms and conditions. Any other or conflicting terms in any document, including without limitation a Purchase Order, from or for the Purchaser are hereby void and do not apply to the sale of Products or Services by Gelu.

Purchaser shall issue to Gelu a binding Purchase Orders for each purchase. Purchase Orders are subject to credit approval prior to acceptance by Gelu. Delivery scheduling must be made and agreed upon at the time the order is placed with Gelu. Orders must be accepted with a written confirmation by Gelu or will be considered unaccepted. Accepted orders may not be rescheduled or cancelled without Gelu's prior written consent. Quotations and prices for products or services can be changed at any time upon prior written notice to purchaser. The quoted prices are exclusive of all taxes, freight, duties, and other third-party charges. The purchase price for payment for any Products shall be made within 30 days of invoice subject to prior credit approval. In addition to any other right or remedy it may have, Gelu is entitled to interest at a rate equal to the lesser of 1 1/2% per month and the maximum allowed by law on all overdue payments plus all costs and expenses of collection. Unless otherwise agreed to in writing, all payments shall be made in United States Dollars. Where Purchaser is in the business of reselling Products, Purchaser shall not pledge or otherwise encumber the Product until paid in full.

All sales and deliveries of Products shall be F.O.B. Gelu's factory or warehouse as specified in the Purchase Order confirmation. Gelu provides services, in accordance with a written and signed statement of work between Purchaser and Gelu. Purchaser is responsible for all transportation, insurance, duties, and other third-party charges, which will be added to Gelu's invoice to Purchaser if paid by Gelu. Title and all risk of loss shall pass to the Purchaser upon delivery of the Products to the carrier. Delivery date is a good faith estimate only. Gelu shall have no liability for, and Purchaser shall not be excused from payment for late shipments.

Purchaser acknowledges Gelu's ownership of all right, title and interest in all of Gelu's trade names, trademarks and service marks. Purchaser grants to Gelu a security interest in the Products until the invoice covering the Products has been

paid in full. Purchaser also irrevocably appoints Server as its lawful attorney-in-fact with full authority to execute any necessary documents to perfect and enforce its security interest. All firmware embedded into the Products is licensed, not sold. Purchaser will not directly or indirectly aid, support, or induce any others to, reverse engineer, recompile, modify, translate, or disassemble the firmware, except to the extent expressly authorized by applicable law. The Products may also deliver installed with other software that is licensed pursuant to the terms of an end user license agreement provided with the Products.

Purchaser agrees to take all actions necessary to comply with US export laws and regulations and all other applicable foreign laws regarding the Products shipped to it. Purchaser is responsible to make the determination of final destination of Products if it has reason to believe a Product may be re-exported or transferred to a location outside of the United States. Purchaser agrees that any export or re-export of Product shall be done in compliance with the United States Export Administration Regulations. Diversion contrary to U.S. Law is prohibited. Purchaser agrees not to export or re-export Products to countries subject to applicable embargoes or which have export restrictions, specially Designated Narcotics Traffickers or Specially Designated Terrorists based on anti-terrorism considerations or to any person or entity on the U.S. Department of Commerce Denied Persons List or on the U.S. Department of Treasury's lists of Specially Designated Nationals. Gelu shall not be deemed to waive any default of this Agreement unless Gelu executes a signed and written waiver.

Purchaser shall indemnify, defend, and hold Gelu harmless from all claims, damages, expenses, liabilities, and losses, including without limitation attorney's fees and costs, that arise out of or relate to the manner in which Purchaser or any of its customers or end users use or operate the Products, any personal injuries, property damages, or other losses resulting or occurring from the willful or negligent acts or omissions of Purchaser, its customers, defects or other problems with other component parts, equipment, or materials produced or supplied by anyone other than Gelu and that may be used with the Products.

In a dispute under this Agreement, the prevailing party shall be entitled to attorney's fees and costs incurred. Gelu shall not be liable for any failure to perform or other loss due to unforeseen circumstances or causes beyond its control, including without limitation acts of God, natural casualties, governmental regulations, war, fire, flood, disasters and civil unrest.

LIMITATION OF LIABILITY: IN NO EVENT SHALL GELU BE LIABLE FOR ANY INCIDENTAL, SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING WITHOUT LIMITATION COMPENSATION, REIMBURSEMENT OR DAMAGES ON ACCOUNT OF THE LOSS OF PRESENT OR PROSPECTIVE BUSINESS, PROFITS, EXPENDITURES, INVESTMENTS OR OTHER COMMITMENTS, WHETHER MADE IN THE ESTABLISHMENT, DEVELOPMENT OR MAINTENANCE OF BUSINESS REPUTATION OR GOODWILL, FOR LOSS OF DATA, COST OF SUBSTITUTE

PRODUCTS, COST OF CAPITAL, OR FOR THE CLAIMS OF ANY THIRD PARTY, FAILURE TO REALIZE EXPECTED SAVINGS, LOSS OR UNAVAILABILITY OF OR DAMAGE TO DATA OR SOFTWARE RESTORATION, REGARDLESS OF THE BASIS OF LIABILITY, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, MISREPRESENTATION, BREACH OF ANY KIND OR ANY OTHER CLAIMS IN CONTRACT, TORT OR OTHERWISE, EVEN IF GELU HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. OR FOR ANY OTHER REASON WHATSOEVER, EVEN IF GULU HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.

ANY DAMAGES THAT GELU IS REQUIRED TO PAY FOR ANY AND ALL CAUSES, AND REGARDLESS OF THE FORM OF THE ACTION IN AGGREGATE, SHALL BE LIMITED IN AMOUNT TO THE PAYMENTS MADE BY THE PURCHASER TO GELU FOR THE SPECIFIC PRODUCTS TO WHICH GELU'S LIABILITY RELATES, OR THE AMOUNT PAID FOR THE SERVICES UP TO A MAXIMUM OF TWELVE (12) MONTHS PRIOR TO THE DATE CLAIM ARISES..

This Warranty Agreement is the sole and entire agreement between the parties (except for the price or the shipment schedule for the Products contained in either Gelu's quotation or Purchaser's purchase order accepted by Gelu and shall not be amended except by a subsequent written document executed by Gelu.