

1. Scope. Pursuant to the written offer (the "**Quote**") to sell certain hardware and/or software products (the "**Equipment**") which references these Equipment Sale Terms (the "**Sale Terms**"), 3Trace, a California corporation doing business as Trace3 ("**Trace3**"), hereby offers to sell to the client named therein ("**Client**") such Equipment referenced therein.
2. Acknowledgment. CLIENT ACKNOWLEDGES AND AGREES THAT: (A) THE QUOTE AND ANY WRITTEN ORDER TO PURCHASE THE EQUIPMENT (A "**PURCHASE ORDER**") PROVIDED BY CLIENT TO TRACE3 IN RESPONSE TO SUCH QUOTE IS MADE SUBJECT TO THESE SALE TERMS; (B) THESE SALE TERMS WILL GOVERN THE RELATIONSHIP BETWEEN TRACE3 AND CLIENT AND PREVAIL NOTWITHSTANDING ANY VARIANCE OR CONFLICT WITH ANY TERMS CONTAINED IN ANY PURCHASE ORDER, STATEMENT OF WORK OR OTHER AGREEMENT OR INSTRUMENT SUBMITTED BY CLIENT TO TRACE3; (C) ANY PRE-PRINTED OR OTHER TERMS OR CONDITIONS INCLUDED WITH OR IN ANY OF THE DOCUMENTS REFERENCED IN ITEM (B) WILL HAVE NO EFFECT WHATSOEVER; (D) TRACE3 RESERVES THE RIGHT TO REJECT OR ACCEPT ANY PURCHASE ORDER SUBMITTED BY CLIENT, IN ITS SOLE DISCRETION; AND (E) TRACE3'S ACCEPTANCE OF ANY PURCHASE ORDER IS MADE SUBJECT TO CLIENT'S ACCEPTANCE OF THESE SALE TERMS.
3. Delivery. Trace3 will accept Client's Purchase Orders under these Sale Terms for requested delivery of Equipment up to two months after the date of a Purchase Order.
4. Prices. Prices for Equipment will be stated in one or more invoices submitted by Trace3 to Client (the "**Invoices**") for payment. Prices for Equipment may be changed by Trace3 upon 30 days prior written notice to Client (the "**Notice Period**"). Purchase Orders received by Trace3 (a) before commencement of the Notice Period and which are not shipped prior to the expiration of the Notice Period, and (b) during the Notice Period which specify a delivery date within 30 days following the expiration of the Notice Period, will be invoiced at the previously existing lower price for such Equipment.
5. Payment Terms. After approval by Trace3's credit department, Client commits to make payments within 30 days of the date of issuance of the Invoice by Trace3 to Client. Trace3 reserves the right to charge Client interest on any delinquent balance. This interest is computed on a daily basis for each day the payment is delinquent at the lesser of (x) 18% per year, or (y) the maximum rate permitted by law. Trace3 reserves the right to refuse shipment of Equipment to Client if any delinquent Invoices are outstanding. Trace3 reserves the right to invoice Client upon the shipment of purchased Equipment to Client, including whole or partial orders and regardless of whether such Equipment is shipped to Client by Trace3 or an Equipment distributor or manufacturer, and payment will be due 30 days after the date of issuance of such Invoice. Trace3 may refuse to ship Equipment on credit for any reason or for no reason whatsoever. Trace3 further reserves the right to refuse payment terms if, in Trace3's sole discretion, such terms would create an unreasonable credit risk for Trace3. In such event, deliveries of Equipment to Client will be available only on a C.O.D. or cash-in-advance basis. No payment by Client or receipt by Trace3 of an amount lesser than the entire amount of an Invoice will be deemed to be other than on account of the earliest due amount, nor will any endorsement or statement on any check or letter accompanying any check or payment be deemed an accord and satisfaction, and Trace3 may accept such check or payment without prejudice to Trace3's right to recover the balance of any amount due or pursue any other remedy provided for in these Sale Terms. In connection with the foregoing, Trace3 will have the absolute right in its sole discretion to apply any payment received from Client to any account of Client then not current and due and delinquent.
6. Security Interest. Client hereby grants to Trace3 a security interest covering each shipment of Equipment made hereunder (and any proceeds thereof) in the full amount of the Invoice for such shipment, until payment on such Invoice is received in full by Trace3. Client agrees to sign and execute any and all documents as required by Trace3 to perfect such security interest in the purchased Equipment.
7. Standard Order Procedure. Equipment may only be ordered by Client by mailed, e-mailed or faxed Purchase Orders referencing these Sale Terms and stating the quantity, specific Equipment, applicable price, shipping instructions and requested delivery date. Client acknowledges and agrees that in the event any Purchase Order fails to reference these Sale Terms, these Sale Terms will nevertheless govern the relationship between Trace3 and Client. Purchase Orders will be subject to written acceptance by Trace3 and delivery schedules will be established in accordance with Equipment availability and Client's credit status.
8. Change Orders, Cancellation and Rescheduling. Any and all changes to previously submitted Purchase Orders sought to be made by Client must be provided by mail, e-mail or fax notice from Client and are subject to approval by Trace3. All changes made to previously submitted Purchase Orders within 10 days prior to the scheduled shipment date are subject to a restocking charge equal to 30% of the requested change. A request to move the ship date forward or increase quantities of ordered Equipment will be granted subject to Trace3's ability to satisfy such request. Client rescheduling requests made between 11 and 30 days prior to the scheduled shipment date are subject to Trace3's approval at its sole discretion. If Client cancels all or any portion of a Purchase Order within 30 days of the originally scheduled shipping date, it will be assessed a restocking charge equal to 30% of the net dollar reduction in the purchase price of the Purchase Order. If Trace3 is unable to meet the requested delivery schedule, it will provide notice to Client as soon as it is reasonably aware of such situation. No Equipment may be returned except in the event Client and Trace3 have mutually agreed in writing to a trade-in for different Equipment.
9. Delivery; Risk of Loss; Title. Delivery is F.O.B. Origin. Client is responsible for payment of all costs relating to the transportation, delivery and insurance of the Equipment. Trace3 will make reasonable efforts, but will not be obligated, to deliver the Equipment in accordance with Client's shipping instructions and choice of carrier. Trace3 will make reasonable efforts to expedite

- delivery of an "ASAP order" subject to Equipment availability, but is not obligated to make such delivery on an expedited basis. Risk of loss or damage with respect to the Equipment will pass to Client on delivery of Equipment by Trace3 or an Equipment distributor or manufacturer, as applicable, to Client's common carrier. Equipment is deemed accepted by Client upon delivery to Client's common carrier. Title with respect to the Equipment will pass to Client only once payment on the applicable Invoice is received in full by Trace3
10. Taxes and Duties. Client will assume all responsibility for taxes on shipments (except taxes based on the gross or net income of Trace3) or provide Trace3 with a tax exemption certificate acceptable to the applicable taxing authorities. On orders for shipments outside the United States of America, all required import duties, licenses and fees will be payable by Client in addition to the stated prices for the Equipment.
 11. Export Law Compliance. Neither Trace3 nor Client will export, directly or indirectly, any information acquired under these Sale Terms or any Equipment utilizing any such information to any country for which the government of the United States of America or any agency thereof at the time of export requires an export license or other governmental approval, without first obtaining such license or approval. With respect to any transactions under these Sale Terms, both parties will cooperate, in any reasonable manner, to effect compliance with foreign sales corporation rules as set forth in the Internal Revenue Code of 1986, as amended.
 12. Warranty Pass-Through. Trace3's sole responsibility to Client with respect to any Equipment or components and parts thereof manufactured by a third party will be to pass through to Client such original Equipment manufacturer's available product warranty, if any. The product warranty provided by said third parties does not cover (a) any Equipment which has been altered or modified by Client, including, without limitation, any change, addition or improvement, and (b) any damage, defects, malfunctions or service failures caused by: (i) Client's failure to follow Trace3's or the original Equipment manufacturer's environmental, installation, operation or maintenance specifications or instructions; (ii) modifications, alterations or repairs made other than by Trace3 or the original Equipment manufacturer; (iii) Client's mishandling, abuse, misuse, negligence or improper storage, servicing or operation of the Equipment (including, without limitation, use of equipment that is not designed or suitable for use in conjunction with the Equipment purchased from Trace3); and (iv) power failures, surges, fire, flood, accident, actions of parties or other like events outside Trace3's control. Repairs necessitated during the warranty period by any of the foregoing causes specified in this Section 11 may be made by Trace3, at its sole discretion, and Client will pay Trace3 standard charges for time and materials, together with all shipping and handling charges arising from such repairs. CLIENT ACKNOWLEDGES AND AGREES THAT TRACE3 DOES NOT PROVIDE ANY WARRANTY, WHETHER EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
 13. LIMITATION OF LIABILITY. IN NO EVENT, WHETHER BASED IN CONTRACT OR TORT (INCLUDING NEGLIGENCE) WILL TRACE3 BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND, OR FOR LOSS OF REVENUE OR PROFIT, LOSS OF BUSINESS OR OTHER FINANCIAL LOSS ARISING OUT OF OR IN CONNECTION WITH THE SALE, INSTALLATION, MAINTENANCE, USE, PERFORMANCE, FAILURE OR INTERRUPTION OF EQUIPMENT SOLD UNDER THESE SALE TERMS. NOTWITHSTANDING ANY OTHER PROVISION OF THESE SALE TERMS, TRACE3'S MAXIMUM LIABILITY FOR DAMAGES HEREUNDER WILL NOT EXCEED THE PURCHASE PRICE OF THE EQUIPMENT PURCHASED UNDER THESE SALE TERMS. THIS DISCLAIMER OF LIABILITY FOR DAMAGES WILL NOT BE AFFECTED IF ANY REMEDY PROVIDED HEREUNDER WILL FAIL. CLIENT HAS ACCEPTED THIS DISCLAIMER OF LIABILITY FOR DAMAGES AS PART OF A BARGAIN TO LOWER THE PRICE OF THE EQUIPMENT AND UNDERSTANDS THAT THE PRICE OF THE EQUIPMENT WOULD BE HIGHER IF TRACE3 WERE REQUIRED TO BEAR ADDITIONAL LIABILITY FOR DAMAGES.
 14. Equipment Changes. Trace3 reserves the right to change, improve or add any new Equipment or discontinue any Equipment at any time.
 15. Indemnity. Client agrees to indemnify and hold Trace3 harmless from any claims or damages (inclusive of reasonable attorney's fees), including claims of infringement, made against Trace3 as a result of alleged negligence, misrepresentation, error or omission on the part of Client or its affiliates, directors, officers, employees, agents or representatives.
 16. Entire Agreement. These Sale Terms are the complete, final and exclusive statement of the terms and conditions of sale for the Equipment between Trace3 and Client and supersedes any and all other agreements between them relating to the subject matter hereof. These Sale Terms may not be modified except in a writing executed by both parties. These Sale Terms will prevail notwithstanding any variance or conflict with any terms contained in any Purchase Order statement of work or other agreement or instrument submitted by Client to Trace3.
 17. Force Majeure. Trace3 will not be liable to Client for any alleged loss or damages resulting from the delivery of the Equipment being delayed by acts of Client, acts of civil or military authority, governmental priorities, fire, floods, epidemics, quarantine, energy crises, strikes, labor trouble, war, riots, accidents, shortages, delays in transportation, or any other causes beyond the reasonable control of Trace3.
 18. Waiver. A waiver of any default, or of any of these Sale Terms, will not be deemed to be a waiver of any other default or of any other term or condition, but will apply solely to the instance to which such waiver is directed. The exercise of any right or remedy provided in these Sale Terms will be without prejudice to the right to exercise any other right or remedy provided by law or equity.
 19. Severability. In the event any provision of these Sale Terms is found to be invalid, illegal or unenforceable, the validity, legality

and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

20. Assignment. Assignment of these Sale Terms by either party will be prohibited without the express written consent of the other party; provided, that (a) Trace3 reserves the right to subcontract any support or maintenance obligation in connection with the sale of such Equipment, and (b) either party may assign these Sale Terms and its rights and obligations hereunder upon written notice to the other party in connection with a merger or sale of substantially all of its assets or capital stock. Any other attempted assignment in violation of this provision will be null and void.
21. Governing Law; Venue. These Sale Terms will be construed in accordance with, and all disputes hereunder will be governed by, the laws of the State of California. Both parties agree that any action, suit or proceeding arising out of or relating to these Sale Terms will be initiated and prosecuted in a state court or United States District Court located in Orange County, California, and the parties irrevocably submit to the jurisdiction of any such court.
22. Attorney's Fees. In any action to enforce these Sale Terms, the prevailing party will be awarded all court costs and attorney's fees incurred.