

Bematech Terms of Sale and Security Agreement

1.1 Parties

The parties to this Bematech Terms of Sale and Security Agreement (the "Agreement") are Bematech International Corp. ("Bematech") and the Buyer, set forth below. This is the master agreement between the parties, and all other agreements between the parties, written or otherwise, shall be governed by the terms and conditions found herein, and by all Bematech documents prepared and signed by Bematech.

1.1 Terms and Conditions of Sale

All orders must be submitted in writing to Bematech in accordance with Bematech's standard order policies in effect from time to time. Orders shall be deemed accepted only upon shipment of products by Bematech or upon written acceptance by Bematech. However, any purchase orders, provisions, or numbers issued by Buyer shall be deemed to be for Buyer's internal purposes only and their terms and conditions shall have no force or effect. Any changes to an order must be in a writing signed by Bematech.

2.1 Payment Terms; Prices.

2.1.1 Bematech shall pay shipping costs. Prices shall not include any sales, use, privilege, excise or any other tax, duty, tariff, or assessment that may arise from the sale of products or services and any such taxes, duties, tariffs and other assessments shall be the sole responsibility of Buyer. Unless otherwise approved in writing by Bematech, all invoices shall be immediately due and payable 31 days after the date of the invoice. This is not a pay-when-paid contract. Beginning on the 32nd day, a past due interest charge of 1.5% per month on the unpaid balance of the aggregate purchase price for orders shall apply or the maximum rate permitted by applicable law, whichever is lower, and shall begin as of the date of the invoice.

2.1.2 Buyer shall repay Bematech in accordance with either or a combination of the following Plans, which shall be chosen at the sole discretion of Bematech:
(a) **Pay As Sold Plan:** Bematech shall deliver to Buyer a schedule or schedules listing each item of inventory on which Bematech has advanced funds and the amount of the advance. Promptly after each item of Inventory is sold, Buyer shall pay to Bematech the total amount due on that item. Buyer shall pay to Bematech the total amount due on unsold inventory within the period established from time to time by Bematech or upon demand by Bematech, whichever first occurs and shall pay such curtailments as Bematech may require.
(b) **Scheduled Payment Plan:** Bematech shall deliver to Buyer a schedule or schedules listing the repayment terms for the Inventory on which it has

advanced funds and the amount of the advance. Buyer shall thereafter pay to Bematech the payment due, when due or upon demand by Bematech, whichever comes first, as shown on the schedule(s) Bematech supplies Buyer.

2.1.3 Under either Plan, Buyer agrees that:
(a) Buyer shall pay Bematech's interest charges, according to and upon receipt of the billing statements which Bematech delivers to Buyer and within the time specified by Bematech.
(b) Bematech, at its discretion, may at any time and without notice to Buyer apply or reapply any monies received from Buyer in payment of any of Buyer's obligations or liabilities to Bematech, in such order of application as Bematech may determine (including to interest first, or to insurance first as set forth at 6.1), or toward such Plan as Bematech may determine.

3.1 Shipments; Delivery

Delivery dates and quantities for orders shall be as mutually agreed to by the parties. Title shall pass upon complete payment of the order. Unless Buyer notifies Bematech to the contrary, all orders shall be shipped and insured with a declared value equal to the invoice amount. If Buyer does not wish to have its shipment insured, Buyer must sign an insurance release form prior to shipment of the order in accordance with Bematech's policies in effect from time to time. Bematech reserves the right to make delivery in installments and to separately invoice the same. Delay in delivery of any installment shall not relieve Buyer of its obligation to accept the remaining installments. Time is not of the essence for delivery or any other performance required of Bematech.

4.1 Inspection; Non-conforming Shipments

Buyer's inspection rights shall not affect payment terms. Buyer must inspect shipments within five (5) business days after delivery. Within such time, Buyer shall immediately notify Bematech of any shipment that does not conform and afford Bematech a prompt, reasonable opportunity to inspect such products and cure any nonconformance. Buyer shall have no right to return any product or shipment, and no product or shipment may be returned to Bematech without the prior written approval of Bematech. Any return authorized by Bematech must be in accordance with Bematech's return policies in effect from time to time. Buyer shall be responsible for all costs and expenses associated with any authorized returns of products or shipments and shall bear the risk of loss or damage of such products or shipments. Bematech, in its sole discretion, may reject any return of products or shipments not approved by Bematech in advance or not otherwise returned in accordance with its return

Bematech Authorized Signature and date: _____
Buyer Authorized Signature and date: _____

policies in effect from to time, and Buyer shall bear risk of loss or damage of such products or shipments.

5.1 Collateral

As security for all present and future obligations of Buyer to Bematech, whether or not arising under this Agreement, and of whatever kind, now due or to become due, absolute or contingent, and whether joint, several, or joint and several, Buyer hereby grants to Bematech a continuing security interest in all inventory which is financed by Bematech (which means all inventory for which Buyer has not yet paid), of whatever kind or nature, wherever located, now owned or hereafter acquired, and all returns, repossessions, substitutions, replacements, parts, additions, and accessions thereto and thereof, and all proceeds (including but not limited to cash, instruments, chattel paper, general intangibles and accounts) and products thereof. Buyer also grants a security interest in and assigns to Bematech all present and future credits payable by those who sell inventory to Buyer and all rental and other monies due to or to become due from those who lease Inventory from Buyer and the proceeds thereof. Buyer authorizes each lessee and seller to pay these directly to Bematech. Buyer shall sign all papers necessary to evidence the assignment (including, if requested, a separate assignment agreement) and assist in perfecting the security interests granted and shall bear all costs of recording and perfection. Buyer hereby names Bematech its attorney in fact to sign such papers for Buyer or perfect such security interests for Buyer if Buyer does not, will not, or cannot sign such papers. All of the above described property in this Section 5.1 shall hereinafter be referred to as the "Collateral", including but not limited to: inventory, all returns, repossessions, substitutions, replacements, parts, additions, and accessions thereto and thereof, and all proceeds (including but not limited to cash, instruments, chattel paper, general intangibles and accounts) and products thereof, all present and future credits payable by those who sell inventory to Buyer and all rental and other monies due to or to become due from those who lease Inventory from Buyer and the proceeds thereof.

6.1 Buyer's Duties

So long as this Agreement remains in effect, Buyer agrees that it shall: (a) Sell and deliver inventory only in the ordinary course of business and shall not otherwise sell, transfer, encumber, lease, or use any item of Collateral in which Bematech has a security interest without Bematech's prior written consent; (b) Keep accurate and complete records of the Collateral and permit Bematech to inspect the Collateral at any time 9 a.m. to 5 p.m., Monday

through Friday, except on federal holidays, and to inspect and make copies of the Buyer's books and records at these same times (Bematech is entitled to faxed or emailed copies of such records as Bematech may demand); (c) Promptly report and pay all taxes and other charges against the Collateral and discharge all liens, encumbrances, assessments and charges that are against or attached to the Collateral; (d) Pay all transportation and storage charges on the Collateral; (e) Pay all rents, if any, for the use of premises on which Buyer keeps any Collateral; and (f) Keep the Collateral insured for full value against all insurable risks with Bematech as the loss payee, as its interest may appear, and immediately provide Bematech with evidence of such active policy as Bematech requests, and notify Bematech in writing ten (10) days before changing or cancelling such policies; If Buyer should fail to pay any such tax, rent or lien or obtain or maintain insurance for the Collateral, Bematech may, but shall not be obligated to, do so on Buyer's behalf and demand from Buyer repayment for all expenditures together with interest and attorneys fees as set forth at Section 14.1 and any other relevant provisions of this Agreement.

7.1 Defaults

Any of the following shall constitute a default by Buyer hereunder: (a) breach of any of the Buyer's duties set forth at 6.1; (b) failure by Buyer to make prompt payments as required herein or to fulfill any promise or agreement with Bematech, whether or not contained herein; (c) Buyer's failure to keep the Collateral adequately insured in Bematech's sole view and immediately provide Bematech with a copy of the policy as Bematech requests; (d) death or dissolution of Buyer; (e) assignment by Buyer for the benefit of creditors; (f) Buyer's ceasing to do business as a going concern; (g) the filing of a petition by or against Buyer or any guarantor under the Bankruptcy Code, as amended, or for the appointment of a receiver; (h) Buyer's becoming insolvent or unable to pay debts as they mature; (i) the entry of a judgment against Buyer; (j) the issuance of an order of attachment against Buyer or any property of Buyer; (k) damage to or destruction (or imminent damage or destruction) of a substantial part of the Collateral; (l) any change in the Buyer's financial condition or means or ability to pay deemed by Bematech to be adverse; (m) the occurrence of any other event as a result of which Bematech deems itself insecure; (n) if any warranty, representation or statement made or furnished to Bematech by or on behalf of Buyer proves to have been false when made or furnished; (p) if Buyer refuses to allow reasonable inspection of the Collateral, or refuses to identify (in words and in writing) the location of any of the Collateral, or cannot

Bematech Authorized Signature and date: _____
Buyer Authorized Signature and date: _____

identify the location of the Collateral for Bematech; (q) failure to update Bematech of changed location(s) of Collateral within seven (7) days.

8.1 Remedies

If Buyer defaults, Bematech can, at its option and without notice, demand immediate payment of all obligations under this Agreement and any other indebtedness owed to Bematech. Bematech shall have all the rights and remedies of a secured party under the Uniform Commercial Code in effect in the jurisdiction where the Collateral is kept including, but not limited to, the right to enter any of Buyer's premises with or without legal process, but without force, (and at Bematech's sole option, with assistance of the local police or sheriff to maintain the peace) and to take possession and remove the Collateral at any time from 9 a.m. to 5 p.m., Monday through Friday, except on federal holidays. At Bematech's request and to the extent Buyer may lawfully do so, Buyer shall assemble, prepare for removal, and make available to Bematech at a place to be designated by Bematech which is reasonably convenient to both parties such items of Collateral as Bematech may deem sufficient to cover all of Buyer's obligations to Bematech. Buyer agrees that private sale of any item financed by Bematech at the amount owed to Bematech on that item, less a reasonable restocking charge, and any applicable attorneys' fees or court costs, shall be a commercially reasonable method of disposition. Five (5) days written notice of public sale date or the date after which a private sale may occur shall be a reasonable notice. Bematech shall not be chargeable with responsibility for the accuracy or validity of any document or for the existence or value of any Collateral. To the extent not prohibited by law, Buyer waives all valuation and exemption laws and releases all right of appeal.

9.1 Power of Attorney

Buyer hereby authorizes and empowers any officer or employee of Bematech to act on behalf of Buyer to: (a) to prepare any documents which may be necessary for Bematech to recover its Collateral in the event of nonpayment by Buyer, including but not limited to the filing of a UCC-1 and the preparation and signing of a confession of judgment against Buyer; (b) prepare, sign and deliver wholesale title retention or lien instruments, notes (including execution of notes containing a provision for confession of judgment against Buyer), statements of trust receipt and chattel mortgage, financing and security agreements, financing statements, and other documents in favor of Bematech covering the Collateral; (c) to endorse any checks or drafts drawn by insurers of the Collateral; and (d) generally to perform all acts and do all things

necessary and proper in discharge of the power hereby conferred, including the making of affidavits and the acknowledgment of instruments as fully as if done by Buyer.

10.1 Evidence

The following shall be sufficiently proved by ordinary course of business records from Bematech: (a) description of specific Collateral; (b) amount of advances owed to Bematech; (c) time extensions; (d) the rate and amount of financing and service charges, curtailments and late charges; and (e) any confession of judgment against Buyer and in favor of Bematech.

11.1 Confidentiality; Trademarks

The terms and existence of this Agreement and everything supplied in connection with it to Buyer shall be held in strict confidence by Buyer. Buyer shall not use Bematech's name, trademarks, service marks or the like in any way without Bematech's prior written consent. Bematech may reveal the existence of this Agreement at its sole discretion.

12.1 Warranty; Disclaimer

TO THE FULLEST EXTENT PERMITTED BY LAW, BEMATECH MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY PRODUCTS OR SERVICES. EXPRESSLY DISCLAIMED BY BEMATECH ARE THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL BEMATECH BE LIABLE FOR SPECIAL, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, INSTALLATION COSTS, LOST REVENUE, OR LOST PROFITS, OR ANY OTHER COSTS WHATSOEVER OF ANY NATURE AS A RESULT OF THE USE OF PRODUCTS PURCHASED FROM BEMATECH, WHETHER USED IN ACCORDANCE WITH INSTRUCTIONS OR NOT.

13.1 Credit Policy; Security Interest

Credit terms are subject to the approval of Bematech's credit department, in its sole discretion, and may be revoked by Bematech at any time for any reason, or no reason whatsoever. If credit is revoked or not approved, this sale shall be cash-on-delivery or as otherwise agreed to in writing by Bematech. Bematech retains a purchase money security interest in the products sold under the UCC or similar law of the applicable jurisdiction. Buyer agrees to execute such financing statements and other documents as Bematech may request from time to time in order to perfect Bematech's security interest, and grants to Bematech the broadest possible power of attorney so that Bematech may execute those documents for Buyer.

Bematech Authorized Signature and date: _____
Buyer Authorized Signature and date: _____

14.1 Remedies; Attorneys Fees

If Bematech brings a legal action or other proceeding to enforce this Agreement or any other, or because of an alleged dispute, breach, default or misrepresentation relating to this Agreement or any other, Bematech shall be entitled to recover reasonable attorneys' fees and other costs incurred in connection with such action or proceeding. Such relief shall be in addition to any other remedies to which Bematech may be entitled at law or in equity.

15.1 Force Majeure

Bematech shall not be liable to Buyer or be deemed to be in breach for any delay or failure in performance caused by acts beyond Bematech's reasonable control, including (without limitation) acts of God, war, vandalism, sabotage, accidents, fires, floods, strikes, labor disputes, mechanical breakdown, shortages or delays in obtaining suitable parts or equipment, material, labor, or transportation, acts of subcontractors suppliers, interruption of utility services or the Internet, acts of any unit of government or governmental agency or any similar or dissimilar cause.

16.1 Commencement of Actions; Jurisdiction

ANY LEGAL ACTION OR OTHER PROCEEDINGS BY BUYER AGAINST BEMATECH IN CONNECTION WITH OR RELATED TO THIS AGREEMENT OR ANY OTHER OR THE PRODUCTS OR SERVICES MUST BE COMMENCED WITHIN ONE (1) YEAR AFTER THE DATE OF THE ORDER. This provision shall not be construed to limit the time in which Bematech may commence actions or proceedings against Buyer or any third person in connection with or related to this Agreement or the products or services, including (without limitation) nonpayment. This Agreement, as well as any others which may be executed or entered into by the parties, at any time whatsoever, either before or after execution of this Agreement, and any disputes whatsoever, shall be governed by and construed exclusively under the laws of the State of Georgia, irrespective of conflicts of law principles and the parties irrevocably consent, at all times whatsoever, including before and after execution of this Agreement, to the exclusive jurisdiction of the courts of Forsyth County Georgia, or the United States District Court for the Northern District of Georgia, Atlanta Division. This Agreement shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods.

17.1 General

This Agreement contains the full understanding of the parties and supersedes all other agreements (written or oral) regarding its subject matter, except for those documents prepared and signed by Bematech. All waivers by Bematech must be in writing and shall not be implied. No waiver of any default by either party shall act as a waiver of a subsequent or different default. If Bematech elects to continue performance after a breach or default by Buyer, its actions shall not constitute a waiver of such default or breach. Buyer shall not assign any of its rights or delegate any of its duties under this Agreement. Any attempted assignment or delegation by Buyer without Bematech's prior written consent shall be null and void. Bematech may assign this Agreement without notice to Buyer. This Agreement is effective as of the date shown below Bematech's signature. This Agreement may not be modified except in a written agreement signed by all parties. Any notice by any party under this Agreement shall be written and mailed by certified mail, return receipt requested, to the address shown below, and not effective until three days after receipt. Rights and remedies of the parties under this Agreement are cumulative, not alternative. Section headings are for convenience only.

Buyer:	For Bematech:
Buyer's FEIN:	
Buyer's D&B Number:	
Authorized Signer Name:	Authorized Signer Name:
Title:	Title:
Date:	Date:
Authorized Signer Signature:	Authorized Signer Signature:

Bematech Authorized Signature and date: _____
Buyer Authorized Signature and date: _____