



## Extended Warranty For chroma+scan 3000 Family Now Available

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Dear chroma+scan customer,

In 2007, LMI introduced the first generation of chroma+scan 3x00 sensors (models 3100, 3150, 3300, 3301) to provide the highest density profiler with color vision for transverse board scanning, enabling customers to move from volume-based optimization to full grade-based recovery. The second generation chroma+scan 3x00 sensors (models 3155, 3250, and 3350), released in 2009 and 2010, delivered higher color density, higher profiling speeds, and a new tracheid measurement capability. The fundamental profiling engine in all of these models was based on a high speed imager we call the RC34. In mid-2010, LMI began to see early failure of this imager after only 1-2 years of operation in the field. As a result, we protected our customers by extending all chroma+scan sensor warranties to 5 years and ensured a replacement pool of sensors was established to minimize sawmill downtime when failed sensors needed rapid replacement. Today, the replacement pool continues to service this installed base of under warranty sensors. However, the 5 year warranty period is coming to an end for those first generation sensors built in 2007. This product update presents options for customers with chroma+scan 3x00 sensors that are coming out of warranty.

First let's address the present status of chroma+scan 3x00 sensors. In May 2012, we introduced the chroma+scan 3x00 "C" series. The "C" series is based on our second generation technology with a new imager we call the RC94. The RC94 is field-proven with problem-free operation in our chroma+scan 2400 series sensors (used in log scanning machine centers) and in our Gocator product line (used in factory automation worldwide). Both product lines have shown excellent performance in the field to date operating in harsh environments. Using the RC94 imager in the "C" series will eliminate the possibility of further camera failures. Going forward, we will be shipping all chroma+scan 3x00 "C" models (3155C, 3250C, and 3350C) with the RC94 imager.

For customers who are coming to the end of their 5 year warranty period, LMI has designed an extended warranty program. By purchasing an extended warranty for your system you will receive a further 3 years of protection against any component failure. If a failure does occur, LMI will replace the failing unit with a "C" series sensor. The cost of this program is based on the number of sensors in your system multiplied by a price per sensor (which is less than 1/2 the value of a new sensor). Customers with extended warranties paid in one full payment are entitled to a full system swap where all sensors are replaced. A full system swap requires that the old sensors be returned to LMI within 10 days of replacement. If customers choose to pay on a monthly basis over a 12 month period, sensors will be replaced if and when they fail. LMI is offering this program at an aggressive price point to encourage your customers to purchase the extended warranty service. However, you also have the choice to simply repair sensors as needed at our standard repair pricing, which provides one year warranty on repaired product with a 10



day turnaround. If you wish to repair sensors and upgrade them to a "C" level, then the cost will be at a repair price plus an upgrade cost.

This extended warranty program is available for customers who are still within their 5 year warranty period as well. In this case, the remaining warranty period is added to the 3 year extension period providing up to 8 years of protection (assuming purchase of the extended warranty on a new system). The same terms and conditions apply to handling sensor failure during the extended warranty program. If you choose not to take advantage of the extended warranty program, then failed sensors within warranty will be handled as per today - repair with a refurbished sensor supported by a one year warranty.

For extended warranty pricing, repair pricing, and repair plus upgrade pricing related to the content of this notice please review the attached [extended warranty policy](#) or feel free to contact your LMI business development manager. With shipments of the chroma+scan 3x00 "C" series sensors already underway and the new extended warranty offer, LMI has worked hard to ensure long-term reliability going forward.

**Best Regards,**

Terry Arden  
CEO