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Date: June 23, 2015 at 3:03:21 PM MST
To: Enrique Lopez <ELopez@cityofsanluis.org>
Cc: Angel Ramirez <ARamirez@cityofsanluis.org>
Subject: Update

Good Morning Jairo,

I just got off of a conference call with our management team, and am disappointed to report that the company has initiated a stop-ship on the iN|X effective immediately due to a loading issue that was identified by our engineering team. This issue could potentially allow for the iN|X to unexpectedly fail during the loading process, and though we've had no field incidents, we're opting to err on the side of caution and not ship any units until the issue has been resolved.

Clearly, this will not allow us to deliver your two iN|X units prior to the deadline we've agreed to, and I most definitely share in your disappointment. In an effort to still enable you to take delivery on your two iN|X units this year, Ferno can offer the City of San Luis a pro-forma invoice with the understanding that we would immediately ship your units once the stop-ship has cleared.

I know that this isn't the news that either of us wanted to hear, and I hope that we'll still be able to enable you to take delivery once the stop-ship is over by utilizing the pro-forma invoice. Please let me know your thoughts and we'll take it from there. Again, I'm very sorry that we unable to deliver as promised, but your safety and your patients' safety remains Ferno's paramount concern.

All the best,

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