

1) AGREEMENT AND LIMITATIONS. The agreement between Seller and Buyer (the "sales contract") with respect to the sale of goods described herein (the "goods") shall consist of the terms appearing hereon together with any additions or revisions of such terms. Seller shall not be bound by any additional or different terms, whether printed or otherwise, in Buyer's purchase order or in any other communication from Buyer to Seller unless specifically agreed to by Seller in writing. The sales contract shall be for the benefit of Seller and Buyer and not for the benefit of any other person. Prior courses of dealing, trade usage and verbal agreements not reduced to a writing signed by Seller, to the extent they modify, add to or detract from the sales contract, shall not be binding on Seller.

(2) TERMINATION OR MODIFICATION. The sales contract may be modified or terminated only upon Seller's written consent.

(3) PRICE AND PAYMENT. Price is F.O.B. point of shipment. Terms of payment shall be net 30 days from date of invoice. Seller may require full or partial payment or payment guarantee in advance of shipment whenever, in its opinion, the financial condition of Buyer so warrant. All orders are subject to a \$25.00 processing charge per shipment.

(4) TAXES. All taxes and other governmental charges upon the production, sale or use of the goods, to the extent required or not forbidden by law to be collected by Seller from Buyer, shall be paid by Buyer to Seller unless Buyer furnishes Seller with exemption certificates acceptable to taxing authorities.

(5) DELIVERY. Promises of delivery from stock are subject to prior sale. Delivery dates are not guaranteed but are estimated on the basis of immediate receipt by seller of all information to be furnished by Buyer and the absence of delays, direct or indirect, resulting from or contributed to by circumstances beyond Seller's reasonable control. Seller will in good faith endeavor to meet estimated delivery dates.

(6) RISK OF LOSS. Buyer assumes all risks of loss of goods upon delivery by Seller to carrier.

(7) WARRANTIES. Seller warrants to Buyer for a period of 24 months on all standard servo-amplifiers and servo motors from date of shipment from originating factory that the goods at the time of shipment will be free from defects of material and workmanship for normal use and service. The foregoing warranty does not extend to goods subjected to misuse, neglect, accident or improper installation or maintenance or which have been altered or repaired by anyone other than Seller or its authorized representative. Seller's sole obligation under the foregoing warranty will be limited to, at Seller's option, repairing or replacing (and shipping to Buyer with transportation charges paid to any place within continental limits of the United States) defective goods returned, postage prepaid to Seller's factory at point of shipment within the applicable warranty period, and Buyer's exclusive remedy for breach of such warranty will be enforcement of such obligation of Seller. If inspection by Seller of returned goods shows no breach of the foregoing warranty, Seller's regular reconditioning charges shall apply.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF MERCHANTABILITY, FITNESS FOR PURPOSE AND OF ANY OTHER TYPE, WHETHER EXPRESS OR IMPLIED.

(8) REMEDIES AND LIMITATION OF LIABILITY. In the event Buyer claims Seller has breached any of its obligations under the sales contract, whether of warranty or otherwise, Seller may request the return of the goods and tender to Buyer the purchase price theretofore paid by Buyer, and, in such event, Seller shall have no further obligation under the sales contract except to refund such purchase price upon redelivery of the goods. If Seller so requests the return of the goods, the goods shall be redelivered to Seller in accordance with Seller's instructions and at Seller's expense. The remedies contained in this and the preceding paragraph shall constitute the sole recourse of Buyer against Seller for breach of any of Seller's obligations under the sales contract, whether of warranty or otherwise. In no event shall Seller be liable for CONSEQUENTIAL damages nor shall Seller's liability on any claim for

damages arising out of or connected with the sales contract or the manufacture, sale, delivery, or use of the goods exceed the purchase price of the goods. Seller shall not be liable for failure to perform its obligations under the sales contract resulting directly or indirectly from or contributed to by acts of God; acts of Buyer; civil or military authority; priorities; fires; strikes or other labor disputes; accidents; floods; epidemics; war; riot; delays in transportation; lack of or inability to obtain raw material, components, labor, fuel or supplies; or other circumstances beyond Seller's reasonable control, whether similar or dissimilar to the foregoing.

(9) PATENTS. Seller will hold Buyer and Buyer's sales outlets and customers harmless against any rightful claim of any third person by way of infringement of any United States Letters Patent by such of the goods as are of Seller's own manufacture, but, if Buyer furnishes specifications to Seller, Buyer will hold Seller harmless against any such claims which arise out of compliance with the specifications. Seller's agreement to hold Buyer harmless shall not apply to any infringement consisting of the use of goods manufactured by Seller as part of any combination with goods manufactured by others. In the event that any goods manufactured by Seller are in any suit held to constitute infringement and their use is enjoined, Seller, if unable within a reasonable time to secure for buyer the right to continue using such goods, either by suspension of the injunction, by securing for Buyer a license or otherwise, will, at its own expense, either replace said goods at Buyer's place of business with non-infringing goods or modify such goods so that they become non-infringing, or accept the return of the enjoined goods and refund the purchase price theretofore paid therefore.

Whenever Seller deems it necessary or expedient for the protection of Seller's patent rights or for the prevention of patent litigation, infringement or accounting suits, or for any reason whatsoever, to discontinue the sale of any goods manufactured by Seller, Buyer, upon receipt of notice from Seller to discontinue sale of such goods, shall make no further sales or installations of any of such goods unless or until authorized so to do in writing by Seller.

(10) GOVERNING LAW. The formation and performance of the sales contract shall be governed by the Uniform Commercial Code as adopted in the State where the originating factory is located. Any action for breach of the sales contract or any covenant or warranty must be commenced within one year after the cause of action has accrued unless such provision is not permitted by applicable law. Whenever a term defined by said Uniform Commercial Code is used in these standard provisions the definition contained in the Uniform Commercial Code is to control.

(11) CLAIMS AND RETURNS. All claims for shortages or discrepancies in the goods shipped must be made within ten (10) days of delivery of shipment. No goods will be accepted for credit by Seller if shipment has been made in accordance with Buyer's Purchase Order. **NO GOODS MAY BE RETURNED TO SELLER FOR ANY REASON WITHOUT SECURING A RETURN AUTHORIZATION FROM SELLER PRIOR TO SHIPMENT.** Any return shipment, when authorized, will only be allowed in conformity with the return authorization.

(12) EQUIPMENT AND DESIGNS. All equipment, dies, patterns, gauges, taps, jigs, fixtures and other tools and all designs, drawings, specifications, technical documents and other such material which are acquired, produced, or furnished by Seller pursuant to any order resulting here from, shall unless otherwise stated hereon, remain the sole property of Seller, regardless of whether any charges are made for them.