

ESYS CORPORATION'S TERMS AND CONDITIONS OF SALE

1. **Background.** Esys Corporation ("Esys") develops, manufacturers, markets, sells and distributes certain equipment or goods ("Goods") and provides certain services ("Services"). The Buyer (as identified in the related quote or Purchase Order) is interested in purchasing from Esys the Goods and/or Services as more fully described in the Buyer's Purchase Order or Esys's quote, as applicable. These Terms and Conditions shall be deemed incorporated into Buyer's Purchase Order for the Goods and/or Services whether or not specifically referenced therein.

2. **Offer & Acceptance; Agreement.** Buyer's acceptance of Esys's quote and/or Esys's acceptance of Buyer's written Purchase Order is subject to acceptance of the express terms and conditions contained herein. Once accepted, Esys's quote or Buyer's Purchase Order, as the case may be, together with these Terms and Conditions, and any supplementary written information incorporated by reference herein, shall be the complete and exclusive statement of the parties' agreement and supersedes any prior discussions, negotiations, agreements, and understandings. Any modifications proposed by Buyer are not part of the parties' agreement in the absence of Esys's written acceptance thereof. Any terms or provisions in the Purchase Order which are in any way inconsistent with those herein shall be null and void and the Terms and Conditions herein shall control. The placing of a Purchase Order or the payment of funds to Esys, or other part performance by Buyer, shall constitute acceptance of the Terms and Conditions contained herein.

3. **Purchase Price And Payment Terms.** The price quoted by Esys is in U.S. dollars, less any taxes, freight, duty, insurance, and similar charges, which shall be Buyer's responsibility. The purchase price shall be paid net 30 days unless otherwise agreed by Esys in writing. If, in Esys's reasonable judgment, the financial condition of the Buyer at the time the Goods are ready for shipment, or the Services are to be rendered, does not justify the terms specified, Esys reserves the right to change these terms or to require full payment or partial payment in advance. All sales are subject to the final approval of Esys's credit department.

4. **Warranty.** Esys warrants the Goods to be free from defects in material and workmanship under normal and recommended use and that the Goods will conform to Esys's published specifications, if any, or, if applicable, Buyer's specifications accepted by Esys in a separate writing. Esys warrants that the Services will conform to customary industry standards applicable to such services. Esys's obligation under this warranty shall be limited to providing replacement Goods or Services to the extent of any defective Goods or Services or defective parts, or repairing the Goods, or the repayment or crediting of Buyer with an amount equal to the purchase price of such defective Goods or Services, each at the election of Esys, regardless of whether such claims are for breach of warranty, breach of contract, or negligence. This warranty shall extend for 90 days from date of the original purchase by the original Buyer only, and shall apply only to those parts or Goods or Services which upon Esys's examination disclose to its satisfaction that the parts or Goods or Services in question were in fact defective. THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE AND OF ALL OTHER OBLIGATIONS OR LIABILITIES ON ESYS'S PART. THIS WARRANTY SHALL NOT APPLY TO ANY PART WHICH HAS BEEN SUBJECT TO ACCIDENT, NEGLIGENCE, ALTERATION, ABUSE OR MISUSE OR WHICH WAS PROVIDED BY A THIRD PARTY. ESYS MAKES NO WARRANTY WHATSOEVER IN RESPECT OF ACCESSORIES OR PARTS OR COMPONENTS NOT SUPPLIED BY ESYS. Notwithstanding the foregoing, any parts purchased by Esys from an unaffiliated vendor shall carry only the vendor's specific warranty, to the extent transferable to Buyer. No

representation or warranty, expressed or implied, made by any sales representative or other agent or representative of Esys, which is not specifically set forth herein, shall be binding upon Esys. Buyer acknowledges that it has inspected the Goods and agrees to accept it in its current condition. Buyer shall indemnify and hold Esys harmless from any and all claims, costs, liabilities or expenses (including attorney fees) related to or arising out of the use, operation, transportation, design, construction, and sale of the Goods, including claims seeking damages for personal injury or property damage, whether sounding in contract, tort or strict liability. Buyer hereby assumes all risk related thereto.

5. **Standards.** Many countries have adopted laws relative to standardization and product certification applicable to various products, including equipment such as that produced by Esys. Esys warrants that its Goods are compliant with standards required under United States law, but it cannot and does not warrant conformity with the standardization and product certification requirements of any other country except to the extent, if any, set forth in a separate writing delivered to Buyer by Esys.

6. **Inspection And Rejection.** Final inspection of the Goods purchased pursuant to the terms hereof shall be at Buyer's premises unless otherwise agreed in writing. Buyer shall return the Goods (or parts) rejected as not conforming to the Purchase Order, or as otherwise defective, at Buyer's initial expense, including transportation and handling costs, but subject to reimbursement by Esys upon confirmation of the defect claimed. Acceptance by Buyer of shipment of the Goods shall be deemed to have occurred no later than 10 days following receipt of such shipment, by Buyer or Buyer's customer, unless a timely rejection has been made by that date.

7. **Shipment And Delivery.** Except as provided in Paragraph 6, above, as it relates to returned Goods, sale of the Goods shall be F.O.B. Esys's place of business. Buyer shall be responsible for all transportation and delivery costs and shall bear the risk of any loss or damage in transit. Delivery dates, if specified by Esys, are estimates only and are not guaranteed and are not binding on Esys.

8. **Confidentiality And Non-Disclosure.** Buyer recognizes that Esys is the owner of certain confidential and proprietary information relating to the development and application of the Goods and/or the provision of Services which includes specifications, technological know-how and other types of information or data, including certain patents related thereto (the "Technical Information"). Buyer agrees to not, directly or indirectly, use, disclose, disseminate or otherwise publish to any third-party any of the Technical Information. Buyer further agrees to protect from disclosure the Technical Information to the same extent which Buyer seeks to protect its own technical information from disclosure (but in no event will Buyer exercise less than reasonable measures), and to not manufacture the Goods or any equipment that competes with the Goods, including to not reverse engineer the Goods. Buyer shall not re-sell the Goods except as authorized by Esys in a separate writing. The confidentiality obligations herein shall not apply to any Technical Information which (a) at the time of disclosure is in the public domain, (b) after disclosure becomes part of the public domain other than through a breach of a non-disclosure obligation, or (c) was received from a third-party who acquired such information through lawful means and without any breach of a non-disclosure obligation.

9. **Patents.** Esys shall indemnify and save Buyer harmless from any judgments for damages and other costs which may be rendered against Buyer in any suit brought against Buyer on account of the infringement of any United States patent by any Goods supplied by Esys hereunder, provided that Buyer promptly notifies Esys of the commencement of any such suit and authorizes Esys to settle or defend such suit as Esys may see fit, and provided further that Buyer

renders every reasonable assistance which Esys may require in defending any such suit. This indemnity shall not apply if Buyer has furnished the specifications for the Goods, or if Buyer has altered or modified in any way such Goods. In that event, Buyer shall indemnify and hold Esys harmless for any claim of patent infringement.

10. Taxes. Buyer shall be responsible for all taxes, duties, assessments and other governmental charges related to the sale and shipment of the Goods or provision of the Services; provided, however, Esys shall be responsible for U.S. income taxes related to amounts received by Esys in connection with its sale of the Goods or provision of the Services to Buyer.

11. Termination. The Purchase Order and these Terms and Conditions may be terminated in any of the following ways:

- A. By mutual agreement of Esys and Buyer;
- B. By Esys, on 30 days prior written notice, in the event that:
 - (i) Buyer breaches or otherwise fails to comply with any provision contained herein, and such breach is not cured within that 30 day time period;
 - (ii) Esys reasonably believes that Buyer's financial condition places it in a position of being unlikely to be able to meet its contractual obligations;
 - (iii) Buyer defaults under any other material contract to which it is a party; or
 - (iv) Buyer sells all or substantially all of its assets, a majority of its voting stock or merges with another entity.
- C. By Buyer, upon 30 days prior written notice, in the event that:
 - (i) Esys breaches or otherwise fails to comply with any provision contained herein, and such breach is not cured within that thirty (30) day time period;
 - (ii) Buyer reasonably believes that Esys's financial condition places it in a position of being unlikely to be able to meet its contractual obligations;
 - (iii) Esys defaults under any other material contract to which it is a party; or
 - (iv) Esys sells all or substantially all of its assets, a majority of its voting stock or merges with another entity, unless Esys is the surviving corporation in any such merger.

12. Currency. All payments shall be in U.S. currency. Payments not made within the time period required herein shall bear interest at the rate of one percent per month on the unpaid amount. In the event that Esys finds it necessary to take action to collect any unpaid amounts, Buyer shall be responsible for all costs and attorney fees incurred by Esys in connection therewith.

13. Limitation Of Damages. ESYS SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES DIRECTLY OR INDIRECTLY ARISING FROM THE SALE, HANDLING, SHIPMENT OR USE OF THE GOODS PROVIDED HEREUNDER, THE PROVISION OF SERVICES, OR FROM ANY OTHER CAUSE RELATING THERETO, AND ESYS'S LIABILITY HEREUNDER, IN ANY CASE, IS EXPRESSLY LIMITED TO PROVIDING REPLACEMENT GOODS OR SERVICES FOR THOSE ITEMS OF

EQUIPMENT NOT COMPLYING WITH THE TERMS HEREOF OR, AT ESYS'S ELECTION, TO THE REPAYMENT OR CREDITING OF BUYER WITH AN AMOUNT EQUAL TO THE PURCHASE PRICE PAID BY BUYER FOR THE NON-COMPLYING GOODS OR SERVICES. IF BUYER BRINGS ANY ACTION AT LAW OR EQUITY IN CONNECTION WITH THE PURCHASE ORDER OR THESE TERMS AND CONDITIONS, NO CAUSE OF ACTION BY BUYER SHALL INCLUDE A CLAIM, NOR MAY RECOVERY BE HAD AGAINST ESYS, FOR ANY PUNITIVE, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO, DAMAGES TO PROPERTY OR PERSONS (INCLUDING DEATH), FOR LOSS OF USE, LOSS OF TIME, LOSS OF PROFITS OR INCOME, OR OTHERWISE. ESYS' S LIABILITY SHALL BE SPECIFICALLY LIMITED AS PROVIDED HEREIN.

14. Force Majeure. Except for payment obligations of Buyer hereunder, neither party shall be liable under the purchase order or these terms for delays in performance or failure to perform its obligations caused by circumstances beyond its control, including but not limited to, acts of God, wars, riots, strikes, floods, labor disputes, accidents, and governmental restrictions.

15. Miscellaneous. The following miscellaneous Terms and Conditions shall apply:

- A. In case any one or more of the provisions contained in these Terms and Conditions shall for any reason be held to be invalid, illegal or unenforceable in any respect, that disability shall not affect any other provision herein and these Terms and Conditions shall be construed as if that provision had never been contained herein.
- B. Captions to paragraphs in these Terms and Conditions have been included solely for the sake of convenient reference, and are entirely without substantive effect.
- C. These Terms and Conditions shall be binding upon, and its benefits shall inure to, the parties hereto and their respective representatives, successors, and assigns.
- D. The Purchase Order and these Terms and Conditions shall be governed by and construed in accordance with the laws of the State of the Michigan and the courts sitting in either Oakland County, Michigan or the United States District Court for the Eastern District of Michigan shall have exclusive jurisdiction over any dispute arising hereunder or related hereto.
- E. The Purchase Order and these Terms and Conditions embody the entire understanding between the parties with respect to the transaction contemplated herein. All prior or contemporaneous agreements, understandings, representations, warranties, and statements, oral or written, are merged into these Terms and Conditions. Neither these Terms and Conditions nor any of its provisions may be waived, modified, amended, discharged, or terminated except by an instrument in writing signed by the party against which that enforcement is sought and then only to the extent set forth in that instrument.

16. Assignment. Buyer may not assign its rights under the Purchase Order or these Terms and Conditions without the prior written consent of Esys. Any assignment made without Esys's written consent shall be null and void.