



## TERMS AND CONDITIONS OF PURCHASES

### TERMS AND CONDITIONS

As used here in this Purchase Order, the terms "Buyer" and "Advanced Precision" refer to Advanced Precision, Inc. The term "Seller" refers to the named Seller (Vendor/Supplier) providing goods or services pursuant to this Purchase Order (hereinafter "Order").

### SELLER'S ACCEPTANCE

The Seller's acknowledgement of this Order or commencement of work pursuant to the Order, whichever occurs first, shall be deemed an acceptance of this Order. Such acceptance is limited to the express terms and conditions herein. Any terms and conditions proposed by Seller in its acceptance that are different or additional to those herein are hereby objected and rejected by Buyer. Any terms or conditions proposed by Seller different or additional to those set forth in this Order relating to the description, quantity, price, or delivery schedule for the goods or services shall void this Order. Any terms or conditions proposed by Seller different or additional to those set forth in this Order, other than those enumerated above, shall constitute a material alteration, and this Order will be deemed accepted by the Seller without such different or additional conditions.

### CHANGES

No changes shall be binding upon Buyer unless in writing and signed by Buyer's authorized agent. Buyer reserves the right at any time to make changes in drawing, specifications, place, and time of delivery. If such changes result in a decrease or increase in the Seller's cost or in the time for performance, any adjustment will be agreed to by both parties in writing.

### CONFIDENTIAL INFORMATION

Seller shall keep in confidence, and not disclose to any other person or entity, any drawings, specifications, data, and other information supplied by Buyer in connections with this Order. Seller will not advertise or publish the fact that Buyer has contracted to purchase goods or services from Seller without express written consent from Buyer. Upon termination of the Order, Seller will return to Buyer all drawings, blueprints, descriptions, or other papers, which embody such confidential information.

### DELIVERY

Delivery address of Buyer shall be shown in the "Ship To" block on the face of this Order or as otherwise directed by Buyer.

**TIME IS OF THE ESSENCE.** Delays in deliveries shall be reported immediately to Buyer. Buyer is not obligated to accept early, late, partial, nor excess deliveries. Buyer reserves the right, without liability, in addition to its other rights and remedies, to terminate this Order in part or whole with respect to goods and services not yet rendered by the agreed upon delivery date and to purchase substitute goods or services elsewhere and charge Seller for any loss incurred.

### PRICE WARRANTY

This order may not be filled at a higher price than shown on the Order- DO NOT SHIP. Seller must contact buyer to obtain written authorization for any increase in price.

If no price is stated in this Order, the goods or services will be billed at the last price quoted by Seller, paid by the Buyer or the prevailing market price, whichever is lower. Seller warrants that that prices for the goods or services under this Order are the lowest available prices extended to any other customer for substantially similar items in equal or less quantities.

### SELLER'S WARRANTY

Seller expressly warrants that all goods and services furnished under this Order shall:

- Conform to all drawings, specifications, samples or other descriptions upon which this Order is based;
- Be fit for the purpose(s) intended if Seller should reasonably know what such purposes are;
- Be free of any third party claims;
- All articles supplied hereunder are free from defect in material and workmanship and are of merchantable quality;
- The use or sale of the articles delivered hereunder will not infringe any United States patent, but Seller does not warrant against infringement by reason of the use thereof in combination with other materials or in operation of any process;
- All work and/or services supplied hereunder will be performed properly, in a workmanlike manner and in accordance with Buyer's specifications.

### COMPLIANCE WITH LAWS, RULES, AND REGULATIONS

Seller agrees to comply with all applicable Municipal, State, and Federal in the purchasing, manufacturing, and delivery of the goods or services. If violation of such laws has or does occur, the Seller will indemnify and protect Buyer from all loss, penalties, and/or fines arising from violation.

### BUYER'S PROPERTY

This warranty shall survive delivery and shall not be deemed waived by inspections, test, acceptance, use, nor payment and shall run to Buyer and its customers. Seller agrees to replace or correct any non-conforming goods or services promptly without cost to Buyer, when so notified by Buyer or customer. If Seller fails to correct or replace the non-conforming goods or services promptly, Buyer, after reasonable notice to Seller, may correct or replace the non-conforming goods or services and charge seller for all costs incurred. Seller may not negate, exclude, limit, or otherwise modify this warranty. All raw material supplied to Seller by Buyer will be segregated by Seller from all other materials. Seller is accountable to Buyer for such raw materials used, and all scrap must be returned to Buyer, upon the request of Buyer.

### INSPECTION/TESTING/QUALITY STANDARDS

Buyer's payment for goods or service rendered by Seller against this Order shall not constitute acceptance thereof. Buyer shall have the right to inspect and test all goods during and after the

period of manufacture at any place the goods may be located. If the goods are judged to be defective or non-conforming by Buyer, they may be returned to Seller for refund or replacement at Seller's expense. In addition to all other rights Buyer may have hereunder, Buyer may charge Seller all expenses incurred in unpacking, inspecting, repacking, and re-shipping of such goods. In the event the defect(s) or non-conformity is not apparent on initial inspection but results in later product deterioration, Buyer reserves the right to require Seller to replace the goods, as well as pay Buyer all damages, including consequential damages it has incurred. Notwithstanding anything in these Terms and Conditions to the contrary, Seller shall be obligated to test and inspect the goods to insure the Buyer's quality standards are met and the Seller's warranty to Buyer is fulfilled pursuant to Buyer's quality standards. In the event that Buyer and Seller have entered into a quality agreement with respect to the products and/or services referred to in this Order, said quality shall be incorporated herein, and in the event of any conflicts between said quality agreement and this Order, the quality agreement shall control.

### TERMINATION BY BUYER

Buyer may give written notice to terminate this Order, in whole or in part, at any time, either for Buyer's convenience or because of the failure of Seller to fulfill its contractual obligations. The date of filing of any such notice in a United State Post Office box, with the postage thereon prepaid, shall be considered as date of termination. At this time Seller will immediately cease all further work and make every reasonable effort to secure cancellation of all existing orders or contracts for material connected with the performance of this Order. If this termination is due to the failure of Seller to fulfill its contractual obligations, Buyer will not be liable to the Seller for any amount, but Seller will be liable to Buyer for any and all damages incurred due to the breach which gave rise to the termination.

### INDEPENDENT CONTRACTOR

The parties expressly understand and agree that Seller is acting as an independent contractor to Buyer. Nothing in this Order is intended to create a relationship, expressed or implied, of employer-employee or principal-agent between Buyer and Seller. Seller shall not incur any expenses or obligations not make any representations or warranties to third parties binding upon or in the name of the Buyer. Seller shall indemnify, hold harmless, and defend Buyer from any and all claims, damages, liabilities, fines and expenses which may be incurred relating to the performance of the work covered herein. Seller shall maintain all necessary insurance coverage, including public liability and workman's compensation insurance. Seller agrees to submit to Buyer the appropriate certificates of insurance upon buyers request.

### LIMITATIONS OR BUYER'S LIABILITY

Buyer's liability to Seller shall not exceed the price agreed to by the parties for the goods or services that are the subject of this Order. Any action relating to or arising from any alleged breach by Buyer as to the subject goods or services must commence within one (1) year after the cause of action has accrued, or be forever barred.

### INDEMNIFICATION

Seller assumes the risk of all injuries, including death resulting there from, to all persons, including Seller, its subcontractors, agents, employees, servants, or any member of the public, and damage to and destruction or property by whomsoever owned, including loss of use thereof and any other indirect or consequential damages, resulting directly or indirectly, wholly or in part, from the prosecution or omission of any work or obligation undertaken or required by this Order unless caused solely by the negligent acts of omissions of Buyer, its employees, servants, agents, or representatives, and to indemnify and save harmless Buyer and its agents, servants, and employees, from and against any and all liability arising therefrom, including all expenses, legal or otherwise, incurred by them in the investigation, defense, and settlement of claim or suit.

### WAIVER / ESTOPPEL

Buyer's failure or delay to insist on Seller's performance of any term or condition herein and/or Buyer's failure or delay to exercise any right or privilege granted to it hereunder shall not stop nor constitute a waiver by Buyer or its rights and privileges to exercise the same or to require Seller's performance thereof, nor excuse Seller's performance of any and all other terms and conditions therein.

### ASSIGNMENTS/ CONTRACTS

This Order, in whole or in part, may not be assigned or subcontracted by Seller without prior written approval of the Buyer.

### APPLICABLE LAW AND FORUM

Buyer and Seller agree that this Order shall be governed by, interpreted, and enforced in accordance with the laws of the state of New Jersey. Buyer and Seller agree that the Superior Court of New Jersey shall have exclusive jurisdiction to hear and determine any disputes pertaining directly or indirectly to this order or to any matter arising hereunder or related hereto and expressly waive any rights to institute or maintain any claim or action in any other Court or jurisdiction.

### ENTIRE AGREEMENT

This Order and any document referred to herein constitute the entire agreement between Buyer and Seller.