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MICRO INSTRUMENT CORP

QUOTATION

Assumptions, Reliances and Representations

- A. In presenting this quotation for your consideration, Micro has relied upon:
1. The accuracy of the specifications, prints, details and other data set out in the Request for Quotation.
 2. The parts required for assembly will be timely delivered to Micro and will conform, in all respects, to the prints and specifications for such parts.
 3. Any part, solvent, oil, solution, filling, or other material supplied or specifically designed to effect completion of the contract is not a hazardous material as defined by New York State and Federal Law and may be disposed of without special handling, disposal or permit.
 4. Buyer's understanding that the process, function and purpose relating to the completely assembled component is not the responsibility of Micro and Micro has made no representation that an assembly, when made to print, is suitable for any particular process, function or purpose.
- B. If the Buyer is the designer of the automation, assembly or test system; Buyer shall be responsible for the system meeting the specifications set forth for the system, its intended purpose and performance. The responsibility of Micro is limited to manufacturing the automation, assembly or test system to Buyer's drawings, computer programs and specifications as provided to Micro.
- C. The Buyer acknowledges that it is the manufacturer of the product produced on the Equipment supplied under this quotation and that Micro is not responsible for the design, manufacture, testing, fitness or labeling of the product produced on the Equipment. The Buyer shall comply with all Federal and State regulations, rules and laws applicable to product manufacturers. (For example, 21 CFR Part 800, series pertaining to Medical Devices, Certification of Aircraft Parts, Motor Vehicle Standards.)
- D. In the course of construction, "debugging" or runoff of the Equipment product may be produced. Such product is for machine qualification purposes only and any product produced is not intended to enter the stream of commerce. On acceptance of the Equipment, all product produced at Micro will be returned to Buyer at Buyer's expense or destroyed by Micro; as may be instructed by Buyer. If, within thirty (30) days of Equipment acceptance, Buyer fails to instruct Micro as to the disposition of produced product, ancillary parts, pallets, nests, labels and/or containers, then all such Buyer's property will be disposed of by Micro, at its sole discretion, including returning to Buyer or destruction.
- E. The Buyer will provide the following design or build prerequisites:
1. PART CAD FILES
 2. EXISTING EQUIPMENT CAD FILES
 3. COMPANY SPECIFICATIONS
 4. COMPANY DRAWING STANDARDS
 5. COMPANY CAD BORDERS/FORMATS
 6. PHYSICAL PARTS
 7. CONTACT PERSON(S)
- F. Unless waived in writing or a charge is made for design work, all concepts and designs expressed in Micro's quotation remain the property of Micro and the plans, and specifications pertaining thereto are/and remain trade secrets of Micro.
- G. Micro shall be entitled to rely upon any signature appearing upon the Purchase Order form as being authorized by the Buyer. No Terms and Conditions other than set forth herein and on a Purchase Order, as finally accepted by Micro and signed by Micro shall be binding upon Micro. The place of performance and the place where the Purchase Order is accepted is Micro's offices at Rochester, New York. Venue of any action shall be Monroe County, New York.
- H. Payment shall be made within thirty (30) days from date of Micro's invoice or within such other days set forth in Buyer's Purchase Order, whichever is later. Micro shall be entitled to invoice upon first happening of:
1. Dates of occurrence of each payment event set forth in the parties' agreement
 2. The equipment acceptance date or dates
 3. If Buyer requests a delay in shipment, the date the unit is ready for shipment

- I. Unless otherwise set out in Buyer's Purchase Order, it shall be assumed that revocation of acceptance is reasonable only if made within fifteen (15) working days of Buyer's first use in production and the Buyer, in writing, specifically advises Micro of the nature of nonconformity.
- J. Installation of the equipment is not included in the purchase price unless specifically so stated in Buyer's Purchase Order. Any damages to the equipment caused by Buyer's improper installation is Buyer's responsibility.
- K. Delivery dates given herein or on Buyer's Purchase Order are estimates only and are computed from receipt at Micro's plant in Rochester, New York of all final necessary specifications, details, including certified parts, prints and a quantity of actual sample parts necessary for development of the equipment. Buyer's failure to supply such items by date requested by Micro voids estimated delivery dates given.

Micro shall not be responsible for delay, nondelivery, or default in shipment in whole or in part if occasioned by strikes, war, riot or revolutions, or by United States Government or any other government, or nondelivery or delays through fires, floods, droughts, accidents, insurrections, lockouts, breakdowns of machinery, commandeering of vessel carrying goods or from loss or damage in transit, or detention or delay resulting directly or indirectly from acts of God, perils of the sea, stoppage of labor, shortage of cars, or by refusal of any necessary license, or regulations or restrictions imposed by any government considered as "force majeure," or by any other unavoidable cause other than Micro's own negligence. Timely delivery is advanced if Micro uses its best efforts to effect timely delivery when component parts, selected by Micro, are delayed by the component supplier.

- L. Unless otherwise stated in Buyer's Purchase Order, all shipments are F.O.B. Micro's plant. A separate invoice will be submitted for each shipment. Buyer shall designate the preferred carrier and shall insure loss of goods from all perils during loading and shipment. Micro shall ship by insured carriers and Micro's liability ceases when carrier accepts shipment. All costs of transportation shall be borne by the Buyer and all risks of loss shall pass to the Buyer when the goods are delivered to the carrier.
- M. Buyer's property in the care, custody or control of Micro is insured for property loss up to a value of one million dollars (\$1,000,000). Such insurance coverage shall inure to the benefit of the Buyer. In the event of a loss from any cause, including any action or inaction by Micro, Buyer shall solely look to said insurance coverage for recovery of any loss sustained by Buyer. Buyer understands any claim is subject to all pertaining sections of said policy including, but not limited to, deductibles, exclusions and loss payment basis.

If Buyer's property in the care, custody or control of Micro exceeds one million dollars (\$1,000,000), Buyer shall advise Micro to increase coverage and upon Buyer's agreement to pay, to Micro, any increase in premium. Micro shall use its best efforts to increase coverage.

- N. Each party represents that it is the owner of patent rights and trade secrets pertaining to their work. Micro will indemnify and hold the Buyer harmless from all claims and suits, including the cost of defense, due to any violation of the patent rights or trade secrets of third parties arising from any design initiated by Micro. The Buyer will indemnify and hold Micro harmless from all claims and suits, including the cost of defense, due to any violation of the patent rights or trade secrets of third parties arising from any design of the completed assembly component or any part thereof initiated by the Buyer.
- O. The purchase price quoted is exclusive of any sales, use, value added, excise, import or export taxes. All such taxes shall be borne by the Buyer.
- P. The Design work, plans and specifications of Micro submitted herein, or hereafter submitted in accordance with this Agreement shall upon acceptance by the Buyer, as evidenced by the issuance of a Purchase Order form or other written memoranda of acceptance, constitutes an acknowledgment that the equipment is fit for the use and application intended by the Buyer.

- Q. No change order shall be effective unless the same is in writing. Micro shall be entitled to rely upon any signature appearing on the Change Order form, as being authorized by the Buyer, unless the Buyer shall specify in writing those persons specifically authorized to execute a Change Order.

- R. Micro warrants the equipment to be free from defects in material and workmanship under normal use and service and Micro's obligation hereunder shall be limited to the repair or exchange of any part or parts which may prove defective under normal use and service within one (1) year from date of installation or 2,000 hours of actual operation, whichever comes first and which Micro's examination shall disclose to Micro's satisfaction to be defective.

This warranty is expressly in lieu of all other warranties, expressed or implied, including the warranties of merchantability and fitness for use. Micro makes no warranty whatsoever in respect to accessories or parts not supplied by Micro or accessories or parts specified by the Buyer by Brand Name.

The warranty on all component parts manufactured by a third party is limited in all respects to the warranty offered by the component parts manufacturer.

Micro, in no event, shall be liable for incidental or consequential damages.

- S. If the Buyer supplies used sections, tooling, motors or other items for inclusion in the assembly, the Buyer warrants that such items are in good repair, unless otherwise noted. Necessary repair or replacement of such items is the responsibility of the Buyer.

- T. These Terms constitute part of the Quotation of Micro and are incorporated therein and in any Purchase Order referencing said Quotation.

- U. Unless otherwise stated, quotation pricing is valid for 60 days from the date of the quotation. Micro reserves the right to review material costs upon receipt of purchase order.