

STANDARD CONDITIONS OF SALES OF RS TECHNOLOGIES LTD.

ORDER ACCEPTANCE

All orders and sales contracts are subject to acceptance or rejection by the Company and are not binding on the Company unless and until so accepted. Acceptance of any order by the Company constitutes a complete and binding contract governed by the terms and conditions of sale appearing herein and by the laws of the State of Michigan. Acceptance is at all times subject to availability for delivery of the goods or services covered by each order, and to the Company prices for said goods and services in effect at the time of shipment, unless otherwise agreed in a separate Agreement signed by Buyer and the Company. Prices on the face hereof are those in effect on the date the Acknowledgement or Invoice was prepared.

QUOTATION AND PUBLISHED PRICES

Unless otherwise specified, quotations and published prices are for information only and are not intended as an offer and are subject to change without notice in all respects, including prices, delivery dates, terms, quantities, or specifications.

SEALED BIDS are subject to these Standard Conditions of Sale unless specified otherwise in bid and agreed to by the Company.

TAXES

Prices are exclusive of all foreign, federal, state, municipal or other government excise, sales, use, occupations, duty, or like taxes now in force, or enacted in the future and therefore are subject to an increase equal in amount to any tax the Company may be required to collect or pay upon the sale or delivery of the items purchased.

PAYMENT TERMS

The terms of sale shown on the face hereof shall apply from the date of shipment by the Company. If the Company, in its judgment at any time deems that by reason of the financial condition of the Buyer or otherwise the continuance of production or shipment on the terms specified herein is not justified, the Company may require full or partial payment in advance. Certain orders may, in the judgment of the Company, because of their nature or the delivery involved, require progress payments. Pro rated payments shall become due as scheduled. Terms are cash net 30 days, unless agreed otherwise, with amounts past due being subject to service charges of 1-1/2% per month or fraction thereof. Title of goods or products delivered pursuant to this agreement does not pass to Buyer until such goods or products are paid for in full. Buyer bears all risk of theft, loss or damage, no matter how occasioned, as to all goods or products covered by this agreement during shipment and/or under Buyer's control.

PACKING

If it is appropriate to make a charge for special or export packaging, then such estimated amount will be quoted to Buyer and confirmed upon acceptance of order. No credit or deduction will be allowed if no special packing is required.

DELIVERY

Shipping dates given by the Company are approximate and are based on prompt receipt of all necessary information regarding the order. The Company will use its best efforts to meet the scheduled date shown on the face hereof, if the Buyer supplies all necessary information and data promptly, but the Company cannot be held responsible for its failure to deliver on time for causes beyond its reasonable control.

The Company shall in no event be responsible for loss of profits, damages incurred by the Buyer, its customers, or other consequential damages resulting from the Company's failure to deliver within the time specified therein.

In the event of any delay requested by the Buyer or any delay caused by lack of shipping instructions, the Company will store all items ordered at the Buyer's risk and expense, and will invoice the Buyer for the full contract price of the item(s) on or after the date on which the same is ready for delivery. If the buyer delays manufacture, payment shall be made based on the percent of completion and the contract price.

SHIPPING COSTS

All shipments are F.O.B. Factory, Farmington Hills, Michigan, freight and insurance prepaid and added, or freight and insurance collect unless otherwise requested and agreed to by the Company. Buyer is responsible for notification in writing to the Company of any in transit damage to the shipment within 72 hours of receipt. In the absence of specific instructions, the Company will select the carrier and apply appropriate insurance amounts to cover loss or damage.

CHANGES

The Buyer may from time to time request changes in the order, but only with the written acceptance of the Company. In the event of any such change, the Buyer shall pay to the Company the reasonable costs and other expenses (including engineering expenses and all commitments to its suppliers and sub-contractors) incurred by the Company prior to receipt of notice of such change for all items rendered unnecessary by such change or additionally incurred by the Company thereafter for all items required to effect such change. In the event of any such change, the Company shall further be entitled to revise its price and delivery schedule to reflect such change.

CANCELLATION

In the event of cancellation, the Buyer shall be liable for the payment of reasonable cancellation charges, which shall not exceed the retail list price of the items cancelled and shall include, among other things, expenses already incurred by the Company, actual liabilities against Commitments incident to the order involved, and allowable indirect charges as well as a reasonable profit. No delivery delay requested by Buyer on an order placed under this Agreement shall be effective unless covered by an amendment to the order that provides for the payment of any agreed upon costs the delay imposes on the Company and that is accepted on the Company's printed acknowledgement form. Standard products may be returned upon approval from the Company, if notified within 30 days of delivery, at a minimum charge for restocking of 20% of list price. Return shipping charges are at Buyer's expense. Any product returned must be in "like new" unused condition.

If the Buyer makes an assignment for the benefit of creditors, if a voluntary or involuntary petition or other action in bankruptcy or for the reorganization or under any other insolvency law shall be filed by or against the Buyer, if the Buyer shall admit its inability to pay its debts, if a trustee, receiver or liquidator is appointed for any part of the assets of the Buyer, or if the Buyer fails to make payments to the Company in accordance with terms hereof, the Company may at its option cancel all undelivered parts of any order by written notice to the Buyer at no expense to the Company. Also, if product is not paid for at the time of bankruptcy or insolvency, such product shall not be listed as an asset of the Buyer and shall be returned to the Company at Buyer's expense.

ACCEPTANCE-PRODUCT

Except where Buyer has made special installation arrangements with the Company, it shall be Buyer's obligation to inspect and test all products invoiced in this document and notify the Company of any shortages, omissions, defects and/or damage to the product within 30 days after receipt of same. Buyer's failure to do so will give rise to a conclusive presumption that the shipment of invoiced goods was complete and that the goods were received in good order and condition.

LIMITED WARRANTY -PRODUCT (LIABILITY FOR REPAIR AND REPLACEMENT ONLY)

The Company's products are warranted to be free from defects in materials and workmanship for one year from date of shipment from the factory except for perishable items such as batteries, cables, and like components which are not warranted. The Company's obligation is limited to repairing, or at their option, replacing products and components, which, on verification, prove to be defective at the Company. The Company shall not be liable for installation charges, for expenses of Buyer for repairs or replacement for damages from delay or loss of use, or other indirect or consequential damages of any kind. The Company extends this warranty only upon proper use of the product in the application for which intended and does not cover products which have been modified without the Company's approval or which have been subjected to unusual physical or electrical stress, or upon which the original identification marks have been removed or altered.

Whenever the design of the equipment to be furnished or the system in which it is to be incorporated originate with the Buyer, manufacturer's warranty is limited specifically to matters relating to furnishing of equipment free of defects in materials and workmanship and assumes no responsibility for implied warranties of fitness for purpose and use.

Determination of the suitability of the goods and services described on the face hereof for the use contemplated by Buyer or Buyer's customers for such goods, services, test methods or test results is the sole responsibility of Buyer or Buyer's customers, whichever the case maybe, and the Company shall have no responsibility in connection herewith. Buyer assumes all risk and liability for loss, damage or injury to property of Buyer or others, arising out of the use of, possession of, the goods, services, test methods or test results furnished hereunder.

In the event that a product is repaired or replaced under the terms of the warranty, the warranty period of the repaired or replaced product shall be limited to the remaining portion of the original warranty period.

Industrial measurement and control system installations are warranted by the Company for repairs at the installation site only if the customer contracts with the Company to perform checkout and final adjustment at the installation site and for the training of Buyer personnel in the operation and maintenance of the system. Under such conditions, the Company agrees to perform field service for 90 days from date of checkout without charge for labor or materials. The Buyer shall pay travel expenses of the Company personnel.

Original manufacturer's terms for warranty on peripheral purchased equipment such as computers, printers, recorders, plotters, etc., included with the Company systems shall be extended to Buyer. All other repairs are done at the Company and it is the Buyer's responsibility to de-install and return equipment to the Company at Buyer's expense.

Transportation charges for items shipped to the Company for warranty repair are to be paid by the Buyer. The Company will return items repaired or replaced under warranty prepaid. No item shall be returned for repair without prior authorization from the Company.

PATENT AND TRADEMARK INDEMNITY

The Company warrants that products made and sold by it subject to these CONDITIONS do not infringe any United States patents and that the labels and trade names applied to the product by the Company do not infringe any registered U S trademark and the Company will defend the Buyer against any claim or action in which such infringement is alleged; provided, however, that (1) Buyer must fully inform the Company in writing of each such claim or action within 10 days after receipt of notice of same and give the Company full authority and opportunity to settle and/or defend such claim or action and (2) Buyer must be in strict compliance and observance of each and every term and condition of this contract. The Company shall have the option to either obtain the right for buyer to continue to use products sold by the Company under this contract or to replace products sold by the Company to buyer with non-infringing substitutes or to refund the price paid by buyer for the product less a reasonable amount determined by the term and use and condition thereof upon return to the Company. The Company shall in no event be responsible for (a) incidental or consequential damages, (b) units or products which are in any way modified by buyer, (c) for infringements which would not have occurred but for the combination of Company's products with other products not sold by the Company, (d) for the use of products sold by the Company in processes or methods which are proprietary to others, (e) products manufactured according to designs and/or specifications furnished by buyer, and (f) trademarks, trade names and/or contents of any label or other indicia applied to the product by or for the buyer. If the Company has not been paid, the Company is not liable to defend Buyer against any claims or actions of infringement.

PROPRIETARY RIGHTS

The Company retains for itself all proprietary rights in and to all designs, engineering details, and other data pertaining to any product specified in the contract and to all discoveries, inventions, patent rights, trade secrets, etc. arising out of the work done in connection with the contract or with any and all product developed as a result thereof, including the sole right to manufacture any and all products.

SUBSTITUTIONS AND MODIFICATIONS

The Company assumes the right to make substitutions and modifications in the specifications of equipment designed by the Company providing that such substitutions or modifications will not materially affect performance in the intended application.

TOOLS

The Company shall retain title to and possession of any models, patterns, dies, molds, jigs, fixtures and other tools made for or obtained in connection with this contract unless otherwise agreed to by the Company.

ENTIRE AGREEMENT/GOVERNING LAW

This document constitutes the entire agreement between Buyer and the Company and supercedes all proposals, Quotes and Purchase Orders, whether oral or written, and any and all other communications between Buyer and the Company relating to the invoiced subject matter. These terms and conditions cannot be amended except by written document exchanged between Buyer and the Company and signed by an officer of the Company.

Should any term or provision contained in these conditions contravene or be invalid under applicable law, the contract of which these conditions form a part shall not fail by reason thereof but shall be construed in the same manner as if such terms or provision had not appeared herein.

REGULATORY LAWS AND/OR STANDARDS

The Company makes no promise or representation that its product will conform to any state or local laws, ordinances, regulations, codes or standards, except as particularly specified and agreed upon for compliance in writing as a part of the contract between Buyer and the Company. The Company's prices do not include the cost of any related inspections or permits or inspection fees.

EXCUSABLE CESSATION OF PERFORMANCE FOR NON-PAYMENT

Whenever Buyer fails to meet the payment requirements set forth in this condition, the Company may cease performance and delivery and accelerate payment of any and all unpaid charges, such cessation of performance shall not be construed to be a breach of any contract or agreement and the Company will resume production as soon as reasonably possible upon receipt of payment of all balances due.