

CONDITIONS OF SALE

The sale of any services and products ordered by any customer (a "Customer") of F. A. Integration, Inc. d/b/a Lakewood Automation is expressly conditioned upon the terms and conditions contained or referred to herein. Any additional or different terms and conditions set forth in the Customer's purchase order or similar communication are expressly rejected and will not be binding upon Lakewood Automation unless specifically assented to in writing by Lakewood Automation's authorized representative. Written authorization (including electronic mail) by the Customer to furnish services and incidental products will constitute acceptance of these terms and conditions.

1. PAYMENTS AND FINANCIAL CONDITION

1.1 Except to the extent otherwise specified by Lakewood Automation in its quotation, pro rata payments shall become due without setoff as shipments are made. If Lakewood Automation consents to delay shipments after completion of any product, payment shall become due on the date when Lakewood Automation is prepared to make shipment. In the event of any such delay, title shall pass and products shall be held at Customer's risk and expense. Unless otherwise stated in writing, payment terms are net thirty (30) days. All payments shall be made without set-off for claims arising out of other sales by Lakewood Automation. Any payments due not paid as detailed herein shall bear interest at the rate of one and one-half percent (1½%) interest per month.

1.2 Lakewood Automation reserves the right to correct any typographical or clerical errors in prices, specifications, quotations, or acknowledgements. Lakewood Automation may increase the cost of the products charged to Customer based upon any documented third party cost increases associated with manufacturing the products (i.e. any costs Lakewood Automation pays to third parties directly associated with manufacturing the products other than internal labor and general overhead costs) that are incurred subsequent to issuance of any product quote. Lakewood Automation shall also decrease the cost of the products charged to Customer based upon any documented third party cost decreases associated with manufacturing the products (i.e. any costs Lakewood Automation pays to third parties directly associated with manufacturing the products other than internal labor and general overhead costs) that are realized subsequent to issuance of any product quote.

1.3 Lakewood Automation shall retain and Customer hereby grants to Lakewood Automation a security interest in the products until payment is received in full. At the request of Lakewood Automation, Customer shall sign documents required to attach, perfect or otherwise protect Lakewood Automation's security interest and hereby authorizes Lakewood Automation to record or file same.

1.4 If the financial condition of the Customer at any time does not, in the sole and absolute judgement of Lakewood Automation, justify continued performance on the terms of payment previously agreed upon, Lakewood Automation may require full or partial payment in advance or shall be entitled to terminate the contract and receive termination charges. In the event of bankruptcy or insolvency of the Customer or in the event any proceeding is brought against the Customer, voluntarily or involuntarily, under the bankruptcy or insolvency laws, Lakewood Automation shall be entitled to terminate the agreement at any time during the period allowed for filing claims against the estate and shall be entitled to payment for its termination charges.

2. SALES AND SIMILAR TAXES

2.1 In addition to any price specified herein, the Customer shall pay, or reimburse Lakewood Automation for, the gross amount of any present or future sales, use, excise, value-added or other similar tax applicable to the price, sale or furnishing of any services or products hereunder, or to their use by Lakewood Automation or the Customer, or the Customer shall provide Lakewood Automation with evidence of exemption acceptable to the taxing authorities.

3. ORDER CANCELLATION

3.1 Customer may cancel its order prior to fifteen (15) days before scheduled delivery. In this event, Lakewood Automation will use its best efforts to sell any inventory or other material acquired, but Customer shall be responsible for any and all other charges incurred by Lakewood Automation in preparing to fulfill Customer's order, plus a cancellation fee and any restocking charges. No orders may be canceled inside of the aforementioned 15 day period and Customer must pay for and accept delivery of any orders canceled within such period. Failure to accept delivery of such products shall be considered Customer's abandonment of said products.

4. DELIVERY; PRODUCT ACCEPTANCE

4.1 Delivery of products will be made ExWorks/F.O.B. 2010 Incoterms from Lakewood Automation's dock in Westlake, Ohio or shipped from any vendor or supplier of Lakewood Automation directly to the Customer at Lakewood Automation's reasonable discretion.

4.2 Prices do not include freight or delivery charges, insurances or taxes (sales, excise, use, and valorem, etc.) or any export or import duties. Those charges may be prepaid by Lakewood Automation and added to Customer's invoice for services and/or products but Lakewood Automation shall not be obligated to so prepay.

4.3 Customer shall select the method and carrier for delivery of all products. Risk of loss or damage to the products shall pass from Lakewood Automation to Customer upon delivery to Customer's chosen carrier at Lakewood Automation's Westlake, Ohio dock. Lakewood Automation may provide Customer with a list of carriers that it has worked with in the past and Customer may, but shall not be obligated to, select from said carriers. Lakewood Automation recommends that Customer insure its shipment through its carrier but the decision to do so shall lie with Customer and Customer shall bear all risk of loss during shipment. In some circumstances Lakewood Automation may alter the method and carrier selected by the Customer when the product to be shipped is incompatible with the delivery method and/or carrier selected by Customer.

4.4 Customer is responsible to inspect all products delivered by Lakewood Automation, within a reasonable time from its receipt of same for the product delivered. Any claim by Customer that any of the products are non-conforming must be promptly made after discovery or are forever barred. Title to all products delivered by Lakewood Automation shall pass to Customer upon Customer's acceptance of same. Customer's sole and exclusive remedy for products that do not conform to the warranties provided for herein will be to reject the non-conforming products, and to require Lakewood Automation, at Lakewood Automation's option and expense (including applicable shipping costs), to either repair or replace the non-conforming products. Customer shall give Lakewood Automation timely written notice of its claim that products are allegedly non-conforming, together with such reasonable documentation as Lakewood Automation may request in order to ascertain the legitimacy of Customer's claim. Lakewood Automation shall give Customer written notice of the extent to which it is recognizing the validity of such claim. Lakewood Automation shall give Customer a written return merchandise authorization for all allowed claims. To the fullest extent possible, Customer will provide Lakewood Automation with access to any available warranty data related to the products and any available field-returned products. Customer will also provide Lakewood Automation with an opportunity to participate in any root cause analysis performed by Customer concerning the products. Lakewood Automation shall not be liable for money damages, consequential damages, Customer's internal costs, or any other claims associated with allegedly non-conforming products.

5. EXCUSABLE DELAYS

5.1 Lakewood Automation shall not be liable for delay due to: (i) causes beyond its reasonable control, or (ii) acts of God, acts of the Customer, prerequisite work by others, acts of civil or military authority, government

priorities, fires, strikes or other labor disturbances, floods, epidemics, war, riot, terrorism, delays in transportation or car shortages, or (iii) inability to obtain or delay in obtaining, due to causes beyond its reasonable control, suitable labor, materials, or facilities. In the event of any such delay, the time of performance shall be extended for a period equal to the time lost by reason of the delay.

5.2 In the event Lakewood Automation is delayed by acts of the Customer or by prerequisite work by other contractors or suppliers of the Customer, Lakewood Automation shall be entitled to an equitable price adjustment in addition to extension of the time of performance.

6. WARRANTY

6.1 Lakewood Automation warrants to the Customer that Lakewood Automation's products will be free from defects in material, workmanship and title and will conform to Customer's supplied and/or agreed upon specifications accepted by Lakewood Automation. If any failure to meet this warranty (excluding any defects in title) appears within one (1) year from the date of shipment of the products or ninety (90) days from completion of the services, as applicable, Lakewood Automation will correct any such failure by reperforming any defective portion of the services furnished, and, with respect to products, at its option, (i) by repairing any defective or damaged part or parts of the products, or (ii) by making available, F.O.B. Customer's plant or other point of shipment, any necessary repaired or replacement parts. If reperformance is not practicable, Lakewood Automation will furnish without charge services in an amount essentially equal to those, which, in Lakewood Automation's sole judgment, would have been required for reperformance. The warranties and remedies set forth herein are conditioned upon: (i) proper storage, installation, use and maintenance, and conformance with any applicable recommendations of Lakewood Automation; and (ii) Customer promptly notifying Lakewood Automation of any defects and, if required, promptly making the product available for correction. The foregoing warranty is exclusive and is in lieu of all other warranties whether written, oral, implied or statutory.

6.2 Lakewood Automation warrants non-Lakewood Automation manufactured products only to the extent that the manufacturer's warranty allows Lakewood Automation to transfer such manufacturer's warranty to the Customer. Lakewood Automation will pass through to Customer any such warranties. Customer's sole remedy for breach of such warranty shall be the remedy offered by and available from the manufacturer, if any. Lakewood Automation shall have no liability, whether in contract, tort, negligence, or otherwise, to Customer with respect to non-Lakewood Automation manufactured products.

6.3 THE PRECEDING PARAGRAPHS SET FORTH THE EXCLUSIVE REMEDY FOR ALL CLAIMS (EXCEPT AS TO TITLE) BASED ON FAILURE OF, OR DEFECT IN, PRODUCTS SOLD HEREUNDER, WHETHER THE FAILURE OR DEFECT ARISES BEFORE OR DURING THE WARRANTY PERIOD, AND WHETHER A CLAIM, HOWEVER INSTITUTED, IS BASED ON CONTRACT, INDEMNITY, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. UPON THE EXPIRATION OF THE WARRANTY PERIOD, ALL SUCH LIABILITY SHALL TERMINATE. EXCEPT AS SET FORTH IN ANY STATEMENT OF WARRANTY ACCOMPANYING LAKEWOOD AUTOMATION PRODUCTS, THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, IMPLIED OR STATUTORY. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. LAKEWOOD AUTOMATION DOES NOT WARRANT ANY PRODUCTS OR SERVICES FOR ANY SPECIFIC PURPOSE.

7. EXPORT

7.1 Customer shall not export (or re-export), directly or indirectly, the products supplied hereunder or any portion thereof, without first obtaining Lakewood Automation's written consent and any required license or approvals from the United States Government.

8. LIMITATIONS OF LIABILITY

8.1 Lakewood Automation's liability on all claims of any kind, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, for all losses or damages arising out of, connected with, or resulting from this agreement, or these terms and conditions, or from the performance or breach thereof, or from any products or services covered by or furnished under the contract or any extension or expansion thereof (including remedial warranty efforts), shall in no case exceed the contract price of this agreement. Except as to title to any products furnished, all such liability shall terminate upon the expiration of the warranty period specified in section 6 above.

8.2 In no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall Lakewood Automation, its employees and suppliers be liable for special, incidental, exemplary or consequential damages including, but not limited to, loss of profits or revenue, loss of use of any property, cost of capital, cost of purchased power, cost of substitute equipment, facilities or services, downtime costs, or claims of customers of the customer for such damages and the customer will indemnify Lakewood Automation, its employees and suppliers against any such claims from the customer's customers. If the products or services being provided by Lakewood Automation will be furnished by the customer to a third party by contract or relate to a contract between the customer and a third party, the customer shall obtain from such third party a provision affording Lakewood Automation and its suppliers the protection of this and the preceding paragraph 8.1.

8.3 The products to be licensed or sold hereunder are not intended for use in any nuclear, chemical or weapons production facility or activity, or other activity where failure of the products could lead directly to death, personal injury or severe physical or environmental damage. If so used, Lakewood Automation disclaims all liability for any damages arising as a result of the hazardous nature of the business in question, including but not limited to nuclear, chemical or environmental damage, injury or contamination, and Customer shall indemnify, hold harmless and defend Lakewood Automation, its officers, directors, employees and agents against all such liability, whether based on contract, warranty, tort (including negligence), or any other legal theory, regardless of whether Lakewood Automation had knowledge of the possibility of such damages.

8.4 If Lakewood Automation furnishes the Customer with advice or assistance concerning any products or systems which is not required pursuant to the agreement, the furnishing of such advice or assistance will not subject Lakewood Automation to any liability, whether in contract, indemnity, warranty, tort (including negligence), strict liability or otherwise and the same is performed AS-IS, with no representations, warranties, or other agreement that said services will be sufficient or merchantable for any particular purpose.

9. GENERAL

9.1 Lakewood Automation reserves the right to subcontract any of the work to one or more subcontractors.

9.2 The delegation or assignment by Customer of any or all its duties or rights hereunder without Lakewood Automation's prior written consent shall be void.

9.3 Any information, suggestions or ideas transmitted by the Customer to Lakewood Automation, its agents, employees or subcontractors are not to be regarded as secret or submitted in confidence except as may be otherwise provided in a writing signed by a duly authorized representative of Lakewood Automation.

9.4 Lakewood Automation shall comply with all applicable state and federal laws, including but not limited to, the Fair Labor Standards Act of 1938, as amended, the Occupational Safety and Health Act of 1970 (OSHA), laws related to nonsegregated facilities and equal employment opportunity (including the seven paragraphs appearing in Sec. 202 of Executive Order 11246, as amended), and all standards, rules, regulations, and orders issued pursuant to such state and federal laws.

9.5 Software furnished shall be provided pursuant to Lakewood Automation's applicable software license agreement, the terms and conditions of which shall take precedence over these Conditions of Sale with respect to the provision of such software.

9.6 Lakewood Automation reserves the right to make changes and improvements in the design and specifications of its products without notice or obligation to Customer.

9.7 Invalidity of any provision of Lakewood Automation's terms shall not affect the validity of any other provision hereof and any invalid provision shall be served from the valid provisions.

9.8 No failure by Lakewood Automation to exercise any right accruing to it by virtue of the manufacturer/purchaser relationship or under any contract of sale entered into with the Customers shall operate as a waiver thereof or preclude the exercise of any other right or privilege by Lakewood Automation.

9.9 Any notice required or contemplated hereunder shall be in writing and shall be delivered personally or sent by telefax or by prepaid registered mail. Notice by telefax shall be deemed to have been received when transmitted and any notice sent by registered mail shall be deemed to have been received on the second day following the dated mailed.

9.10 Customer does not transfer to Lakewood Automation any patent, trade secret, trademark, service mark, copyright, mask work, or other intellectual property right Customer has in information, documents, or property that Customer makes available to Lakewood Automation other than the right to use Customer's specifications and related intellectual property rights to produce and supply products to Customer pursuant to the Contract. Customer represents and warrants that any item that it has Lakewood Automation produce or create to its request or specifications shall not violate the intellectual property rights of any third party and Customer shall indemnify and hold harmless Lakewood Automation from any liability relating to same.

9.11 This Agreement, along with these terms and conditions and any other terms and conditions or documents referenced in said agreement, contains the complete agreement between the parties, and no modification, amendment, rescission, waiver or other change will be binding on Lakewood Automation unless assented to in writing by Lakewood Automation's authorized representative. Any oral or written representation, warranty, course of dealing or trade usage not contained or referenced herein will not be binding on Lakewood Automation. The invalidity, in whole or part, of any of the foregoing sections or paragraphs of the Contract will not affect the remainder of such article or paragraph or any article or paragraph of the Contract.

9.12 Without regard to any conflict of law rules, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio, including its statutes of limitations. The Customer consents and submits to the personal jurisdiction of the federal, state, and local courts of competent jurisdiction located in Cuyahoga County,

Ohio, which shall have exclusive jurisdiction to decide any dispute, claims, or controversies arising out of or relating to these Conditions of Sale and the sale of any products by Lakewood Automation to the Customer.

10. DEFAULT; REMEDIES

10.1 Time is of the essence. Either Party will be in "Default" hereunder if it (a) fails to perform any obligation hereunder and, if the non-performance can be cured, fails to cure the non-performance within fifteen (15) days after notice from other party specifying the non-performance, (b) admits in writing its inability to pay its debts as they become due, commences a bankruptcy, insolvency, receivership, or similar proceeding, or makes a general assignment for the benefit of its creditors, or (c) becomes a debtor in a bankruptcy insolvency, receivership, or similar proceeding commenced by a third party that is not dismissed within thirty (30) days after commencement.

10.2 In the event of an uncured event of Default, (a) either non-defaulting Party may exercise the remedies provided herein or at law, which shall be cumulative and are in addition to all other rights and remedies available to said Party; (b) In the event of an uncured event of Default by Lakewood Automation, Customer may recover its actual out-of-pocket damages or costs directly caused by Lakewood Automation's breach, but in any event incidental or consequential damages (including specifically lost profits) shall not be recoverable. Any legal action on the part of Customer must be brought within one (1) year of the earlier of (1) the date of delivery and acceptance of the subject products; or (2) the date of the alleged Default; (c) In the event of an uncured Default by Customer, Lakewood Automation may recover from Customer all damages recoverable at law including but not limited to any or all of the following: (1) its actual out-of-pocket damages or costs directly caused by Customer's breach; (2) the sums owed for products delivered to Customer but not paid for; (3) the cost of finished products not yet shipped to Customer; (4) forty-five percent (45%) of the aggregate amount of monies that Customer would have paid Lakewood Automation for products scheduled to be sold and delivered under any written contract or issued purchase orders (if any) after the date of Customer's Default (Customer acknowledges that the actual damages sustained by Lakewood Automation resulting from Customer's breach of the Contract are not readily calculable and that this liquidated damages amount is fair and reasonable); and (5) Lakewood Automation's actual attorneys' fees, expert fees and other litigation costs.

10.3 Notwithstanding anything to the contrary stated hereinabove, in the event that Customer is in Default for failure to timely pay Lakewood Automation for products sold and delivered to Customer, Lakewood Automation may withhold future scheduled shipments of products until the arrearage is satisfied, and the suspension of delivery on the part of Lakewood Automation under such circumstances shall not constitute an event of Default by Lakewood Automation.

11. GOVERNMENT CONTRACTS

11.1 Should Customer notify Lakewood Automation that its order is placed under a prime contract with an agency of the United States Government the following additional terms and conditions shall apply insofar as Customer is required to incorporate such provisions in its purchase orders or subcontracts or insofar as applicable to the goods sold hereunder: (a) Lakewood Automation's manufacturing plant and books, or such part of any manufacturing plant as may be engaged in furnishing or constructing the goods sold hereunder, will at all times be subject to inspection and audit by any person designated by the head of any executive department or the Government. Armed Services; and (b) the following clauses set forth or referred to in Section VII and Section XII of the Armed Services Procurement Regulation (or the replacement provisions of the Federal Acquisition Regulation (FAR) (48 C.F.R. Chapter 2) and the Defense Federal Acquisition Regulation Supplement (DFARS) as applicable) are hereby incorporated by reference: Additional Bond Security (7-103.9). Federal, State and Local Taxes (7-103.10). Buy American Act (7-104.3). Convict Labor (7-104.17) (12-203). Work Hours Act of 1962 (7-103.16) (12-303.1). Walsh-Healy Public Contracts Act (7-103.17) (12-604). Nondiscrimination in Employment (7-103.18) (12-802). Officials



Not to Benefit (7-103.19). Examination of Records (7-104.15). Military Security Requirements (7-104.12). Notice to the Government of Labor Disputes (7-104.4). Priorities, Allocation and Allotments (7-104.18). Renegotiation Act (7-103.13), Vincent Trammell Act (7-104.11). In order to make the context of the above clauses applicable to these terms of sale, the word "Lakewood Automation" shall be substituted for the word "Government" and the word "Customer" shall be substituted for the word "Contractor" whenever necessary.