

PrecisionMedical

PRECISION MEDICAL, INC.

SALES ORDER TERMS & CONDITIONS

1. DEFINITIONS. The Seller is Precision Medical, Inc., a Pennsylvania corporation, and the Purchaser is identified in the Seller's Quote or Customer Order Acknowledgement. The equipment is the products/equipment identified in the Seller's Quote or Customer Order Acknowledgement.

2. EFFECT OF TERMS AND CONDITIONS. Purchaser's order is an invitation to Seller to offer the sale of equipment in accordance with these Terms, and such offer shall be reflected in a Customer Order Acknowledgement, upon acceptance of Purchaser, will constitute the agreement between Purchaser and Seller. No waiver, alteration or modification of, or addition to, any of the provisions hereof or of Seller's Quote or Customer Order Acknowledgement (whether incorporated in Purchaser's order or elsewhere) shall be binding upon Seller unless agreed to in a writing signed by an officer of Seller. Purchaser's acceptance shall be conclusively demonstrated by submission of a purchase order, payment of a deposit, acceptance of delivery or other action indicating Purchaser's intent to be bound. Seller agrees to sell and deliver the equipment to Purchaser on the express conditions that: (a) Purchaser accepts these Terms without reservation; (b) these Terms constitute the complete and exclusive agreement between Purchaser and Seller relating to the subject matter hereof; and (c) Seller is not bound by any provisions, printed or otherwise, varying from or supplementing these Terms that may appear in any purchase order or other document of Purchaser.

3. CREDIT/PAYMENT. Payment is due at time of order unless otherwise stated in the Quote or Customer Order Acknowledgement. All International transactions are pre-pay, unless otherwise stated on the Distribution Agreement. Where customer has been approved for 30 day net terms, accounts not paid when due shall bear interest at the rate of One and one-half (1-1/2%) percent per month until paid. Seller reserves the right at any time to suspend credit or to change credit terms when, in Seller's sole opinion, the financial condition of Purchaser so warrants. Failure to pay invoices when due shall (at Seller's option) accelerate the due date of any and all unpaid invoices; and, Seller may withhold deliveries until Purchaser's account has been fully paid. Purchaser will pay all bank fees, whether related to wire transfers, currency conversion, returned checks, or otherwise.

4. TOOLING. Specially designed tools and dies for which Seller makes a separate charge shall remain the exclusive property of Seller, and may not be removed by Purchaser. Seller will use reasonable efforts to maintain such tooling as long as needed to supply parts to Purchaser without further charge and will not permit use by or for parties other than Purchaser without Purchaser's consent.

5. QUOTATIONS. Prices are subject to review and adjustment by Seller due to lapse of time or Purchaser's order changes. Seller reserves the right to correct clerical or typographical errors without penalty or liability.

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6. CANCELLATION. Purchaser's order is not subject to cancellation, change or reduction in amount, or suspension by Purchaser of deliveries, unless prior to such action Purchaser has obtained Seller's written consent. Seller may condition its consent on, among other things, Purchaser's reimbursing Seller for all out-of-pocket expenses, liabilities, commitments and expected profits.

7. SELLER'S LIMITED WARRANTY. Seller warrants any new equipment sold by it to be free from material defects in material and workmanship for the time period stated in the applicable product manual. Any repairs or replacement parts not authorized by Seller shall void the warranty. Purchaser's sole remedy for any such defects in new equipment shall be refund, repair or replacement (at Seller's option) of such parts as are determined by Seller to be defective. For any equipment, materials or components not manufactured by Seller, Seller makes no warranties with respect thereto, but agrees to assign to Purchaser any manufacturer warranties to the extent possible. Notwithstanding anything herein to the contrary, Seller shall have no liability for alleged defects with the equipment which are not specified in written notice from Purchaser to Seller within the applicable warranty period and only then if Purchaser has paid for the equipment and otherwise fulfilled its obligations to Seller, excluding wearing parts. Wearing parts shall not be the responsibility of Seller in any event. Seller shall not be responsible for repair or replacement of items which have been subject to neglect, accident, or improper storage or use, or which have been altered by other than personnel authorized by Seller. Also, Seller shall not be responsible for damages, injuries or death caused as a result of incorrectly assembled parts or devices that have been assembled by personnel not authorized by Seller.

8. LIMITATION OF LIABILITY AND REMEDY. THE EXPRESS WARRANTIES OF SELLER CONTAINED IN THESE TERMS ARE IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE DISCLAIMED. THE WARRANTY REMEDY PROVIDED HEREIN SHALL BE THE SOLE AND EXCLUSIVE REMEDY OF THE PURCHASER HEREUNDER, AND IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, WHETHER OR NOT SUCH DAMAGES ARE EITHER CAUSED BY OR RESULT FROM THE NEGLIGENCE OF THE SELLER OR ITS MANUFACTURER. IN ANY EVENT, SELLER'S LIABILITY HEREUNDER SHALL BE LIMITED TO THE PURCHASE PRICE OF THE EQUIPMENT AND/OR MATERIALS WITH RESPECT TO WHICH LIABILITY IS CLAIMED, WHETHER OR NOT THE CLAIM IS BASED ON NEGLIGENCE, STRICT LIABILITY OR OTHERWISE. Neither Seller's representatives, distributors nor retailers are authorized to offer any warranty (oral or written) concerning the equipment, and Purchaser should not rely on any such statements. Anything herein to the contrary notwithstanding, any action for alleged breach by Seller of the contract between the parties, including but not limited to any action for breach of the warranties herein set forth, shall be barred unless commenced by Purchaser within one (1) year from the date such cause of action accrued.

9. DAMAGE AND INJURY. Purchaser will notify Seller within ONE (1) DAY of any accident or incident involving equipment which results in property damage, injury or death. Purchaser

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agrees to release, defend, indemnify and save Seller harmless from any claims, liability or expenses (including attorneys' fees) for property damage, injuries or death where safe and prudent procedures in connection with the use of said equipment have not been followed by Purchaser, failure of Purchaser to give proper warnings or instructions or Purchaser had otherwise been negligent or in breach of contract. Purchaser is responsible and agrees to maintain traceability of all products purchased and sold, and assist in any recall actions taken by Seller.

10. TAXES. The prices quoted do not include any federal, state or local taxes. Purchaser is responsible for paying any such taxes and shall reimburse Seller for all taxes, VAT, excises, duties, license fees or other charges which Seller may be required to pay pursuant to the production, use, sale or transportation of the equipment.

11. DELIVERY; RISK OF LOSS. Seller will not be liable for any damages for failure to deliver equipment or materials within a stipulated or requested time, but will use its best efforts to make delivery within such time. Unless otherwise indicated hereon, shipment may be made by the method or carrier deemed most desirable by Seller. Risk of loss to the equipment shall pass to Purchaser when such equipment has been delivered to the carrier for shipment. Title shall pass to Purchaser upon payment in full. Seller reserves the right to make delivery in installments. All such installments shall be separately invoiced and paid for when due, without regard to subsequent deliveries. Delay in delivery of an installment shall not relieve Purchaser of the obligation to accept remaining deliveries. Any claims by Purchaser for erroneous charges, deficiencies or imperfections must be made within thirty (30) days of the date of invoice; otherwise, such claims are deemed waived. No equipment may be returned to Seller without prior written authorization.

12. FREIGHT AND HANDLING. The listed prices are FOB Seller's Northampton, Pennsylvania facility [INCOTERMS 2010]. Costs for crating, as determined by Seller according to destination and carrier requirements, are additional and shall be paid by Purchaser. Notwithstanding any agreement to pay freight, delivery of equipment to a carrier shall constitute delivery to Purchaser and be determinative of the date and time of shipment and all risk of loss or damage in transit shall be borne by Purchaser. If the Purchaser fails to accept the goods from the carrier, the Seller shall nonetheless be entitled to payment from Purchaser. Seller may arrange for storage, with the risk and the cost, including insurance costs, to be borne by Purchaser (which will pay such amounts upon demand).

13. ETHICS. Purchaser will uphold the highest ethical standards and is aware of, and agrees to fully comply with and to cause its agents and employees to comply with, the US Foreign Corrupt Practices Act and other laws dealing with bribery of government officials. Further, Purchaser shall not alter, rebrand or otherwise re-label products, and shall not resell any products purchased through any website domains without an executed Internet Reseller Agreement.

14. CHANGES IN COMPONENTS. Seller reserves the right in its sole discretion to substitute components of the equipment, provided the operation of the equipment is not adversely affected thereby. Seller reserves the right to discontinue the manufacture of any equipment or to change materials, design or specifications without prior notice.

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15. CREDIT. Seller reserves the right, at any time, to revoke any credit extended to Purchaser because of failure to pay for any equipment or materials when due or for any other reason deemed good and sufficient by Seller and in such event, all subsequent shipments shall be paid for prior to or at delivery at Seller's option.

16. INDEMNITY. Seller or its affiliates may from time to time come to Purchaser's premises for purposes such as training, installing/servicing equipment, etc. Except for losses caused directly by the gross negligence or willful misconduct of Seller while on the premises, Seller shall not have any liability to Purchaser or any third parties arising out of their presence or activities on the said premises; and, Purchaser agrees to release, defend, indemnify and hold harmless Seller for all such losses or claims. Further, Purchaser shall release, indemnify, defend and hold Seller harmless from and against all claims, suits, judgments, costs, losses, expenses (including attorneys' fees) and liabilities arising from or related to infringement (actual or claimed) of patents, copyrights or trademarks arising for compliance with Purchaser's design, specifications or instructions and the fulfillments of Purchaser's order, as well as from any breach by Purchaser of these Terms.

17. BINDING EFFECT; ASSIGNMENT. These Terms shall inure to the benefit of and be binding upon the parties hereto, their respective successors and assigns; however, Purchaser shall not assign its rights or duties hereunder (by operation of law or otherwise) without the prior, written consent of Seller. Purchaser represents and warrants that it has not purchased any special materials, employed additional services or incurred other expenses in reliance on its contract with Seller. Any such expenses require the prior written consent of Seller. Purchaser agrees that the Terms are fair and reasonable, and will not cause any hardship to Purchaser. Seller is not responsible for any costs incurred by Purchaser in fulfilling Purchaser's duties under this Agreement or caused by lawful termination of the contract.

18. NOTICES. Any notice or request to be given shall be in writing in the English language and shall be deemed to have been duly given on the date of delivery if delivered personally, by telefacsimile or electronic mail (with confirmation of receipt in either case), or by recognized overnight international courier on the party to whom such notice or request is to be given, to the last known address for such party or such other address as directed in writing from time to time.

19. SEVERABILITY. If any provision of this Agreement or the application thereof to any party or circumstance be held invalid or unenforceable, the remainder of this Agreement and the application of such provisions to other parties or circumstances will not be affected thereby, and to this end the provisions of this Agreement are declared to be severable.

20. HEADINGS. The headings contained in these Terms are for the convenience of reference only and shall not constitute a part hereof or define, limit or otherwise affect the meaning of any of the terms or provisions hereof. These Terms, the Quote, Customer Order Acknowledgement and the other contract documents incorporated therein constitute the entire agreement between the parties and merge all prior discussions and negotiations between them, and neither of the parties shall be bound by any conditions, understandings or representations with respect to the subject matter hereof other than as expressly stated in the contract documents.

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21. PROPERTY RIGHTS. Purchaser shall acquire no right, title or interest in any tangible or intangible property, patent, copyright, trademark or other intellectual property of Seller, including those related to the equipment and materials. Purchaser may not use the name or any mark of Seller without its prior, written consent, which may be withheld or withdrawn at Seller's sole discretion.

22. FORCE MAJEURE. If either party shall be delayed, hindered, interrupted in or prevented from the performance of any of its obligations hereunder (other than obligations to pay monies) by reason of force majeure ("**Force Majeure**"), including, without limitation, earthquake, flood or other acts of God, fire, explosion, war (declared or undeclared), warlike conditions, embargo, public disaster, riots, strike or labor differences, unavailability of materials or transportation facilities, wrecks, order of, or failure to issue or continue in effect any necessary permits by, any governmental authority, or any other action beyond such party's reasonable control, such party shall not be liable to the other party, therefor, and the time for performance of such obligation shall be extended for a period of time equal to the duration of the contingency which occasioned such delay, hindrance, interruption or prevention. The party invoking such Force Majeure rights under this Paragraph (the "**invoking party**") shall notify the other party within fifteen (15) days after the occurrence of the Force Majeure, unless such Force Majeure shall render such notification impossible, in which case such notification shall be made as soon as reasonably possible. If the delay resulting from such Force Majeure shall last three (3) consecutive months, the parties hereto shall consult with one another in good faith to find an appropriate solution. If the non-invoking party hereto shall determine in good faith based on such consultation that it will not be possible for the invoking party to fulfill its obligations under this Agreement within a reasonable period of time, the non-invoking party shall have the right to terminate this Agreement, in which event the provisions of Paragraph 24 hereof shall govern.

23. EXPORT COMPLIANCE. Purchaser will not export or re-export, directly or indirectly, any equipment, materials or technical data (as defined by the U.S. Export Administration regulations, or their successors) to a destination to which such export or re-export is restricted or prohibited by U.S. or non-U.S. law without obtaining prior authorization from the U.S. Department of Commerce and/or other competent government agencies to the extent required by law; or export or re-export, directly or indirectly, any equipment, materials, component or product of such technical data, including software, to a destination to which such export or re-export is restricted or prohibited by U.S. or non-U.S. law without obtaining prior authorization from the U.S. Department of Commerce and/or other competent government agencies to the extent required by law. All export sales require a Distribution Agreement and a Distribution Quality Agreement.

24. GOVERNING LAW. This transaction shall be governed by the laws of the Commonwealth of Pennsylvania without giving effect to choice of law provisions and excluding the U.N. Convention on Contracts for the International Sales of Goods. The parties consent to the exclusive jurisdiction of the courts of Pennsylvania or US federal courts therein in any litigation that arises from, or is related to, these Terms. Purchaser agrees to pay all of Seller's collection and other costs and expenses, including reasonable attorneys' fees. The parties' agreement shall be written in the English language with no enforceable counterparts in any other language.

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Purchaser waives any right it may have under the laws of any territory to have the parties' agreement written in the native language or any language other than English.