

► **Terms and Conditions**

The items described in this Offer of Sale (the "Products") are hereby offered for sale by Bayside Controls Inc. ("Bayside") or its subsidiaries, affiliates or authorized distributors at the prices set forth herein. This offer and its acceptance by the customer ("Buyer") shall be governed by the terms and conditions set forth in the following sections.

1. Acceptance; Applicable Terms and Conditions; Entire Agreement. (a) Buyer's order for any Product, when communicated to Bayside or any of its subsidiaries, affiliates or authorized distributors (collectively, "Seller") orally or in writing, shall constitute acceptance of this offer. Buyer's acceptance of this offer is limited to the terms and conditions set forth in this Offer of Sale. Any terms or conditions in addition to, different from or inconsistent with those stated herein that may be proposed by Buyer in any acceptance of this offer or otherwise are hereby objected to and rejected; provided, however, that additional, different or inconsistent terms and conditions proposed by Buyer shall become part of the agreement between Buyer and Seller relating to the Products if specifically accepted in writing by Seller. The terms and conditions set forth in this Offer of Sale, together with any additional, different or inconsistent terms or conditions specifically accepted in writing by Seller, and any amendments or modifications of the foregoing that are executed in writing by both Buyer and Seller, shall constitute the entire agreement of the parties with respect to the Products (the "Agreement"). All descriptions, estimates, evaluations, quotations, proposals, opinions, acknowledgments, consultations and any and all other information furnished by Seller relating to the Products are hereby superseded in their entirety by the terms and conditions of the Agreement. Seller and Buyer agree that other than the Agreement, there are no representations, warranties, covenants, agreements or understandings (whether oral or written) that pertain to the Products or the evaluation, selection, sale or purchase thereof.

(b) Seller's acceptance of any offer to purchase the Products by Buyer is hereby expressly conditioned upon Buyer's agreement to all of the terms and conditions set forth in this Offer of Sale, including any such terms and conditions that are in addition to, different from or inconsistent with those contained in Buyer's offer. Buyer agrees that Buyer's placement of any order for, or acceptance of delivery of, any of the Products shall in all events constitute such agreement and that the terms and conditions set forth in this Offer of Sale shall supersede and control the terms and conditions contained in Buyer's offer in all respects.

2. Prices; Payment; Incomplete or Non-Conforming Shipment. (a) All price quotations are in U.S. dollars and are subject to change by Bayside at any time without notice to Buyer; provided, however, that price quotations are firm for thirty (30) days after the date of the applicable Offer of Sale. Prices are for products only, shipping and handling charges are extra, and are the responsibility of the Buyer. (b) Payment shall be made by Buyer in U.S. dollars according to the terms agreed to by Bayside's accounting department after review of credit, trade and bank references. Standard terms are net thirty (30) days from the date of delivery of the Products. Amounts not timely

paid shall bear interest at the rate of 1.5% for each month or portion thereof that Buyer is late in making payment.

(c) Any claims by Buyer for omissions or shortages in a shipment or that the Products are non-conforming shall be waived unless Seller receives written notice thereof within thirty (30) days after Buyer's receipt of the shipment. With respect to claims for non-conforming Products as to which Buyer gives written notice to Seller within such thirty-day period, Seller may, within thirty (30) days after receipt of such written notice, replace any of the Products that are non-conforming or refund the purchase price thereof, and in either such event Buyer shall have no other claim with respect to such non-conforming Products.

3. Delivery; Risk of Loss. Unless otherwise provided herein, delivery shall be made FOB Port Washington, New York. Regardless of the method of delivery, risk of loss shall pass to Buyer upon Seller's delivery to a carrier. Under all circumstances, Buyer shall report any damage caused to the Products during storage or shipment by the carrier directly to the carrier, and settle any and all claims for damage or freight overcharge with the carrier. Any delivery dates shown are approximate only and are not guaranteed, and Seller shall have no liability whatsoever for any delays in delivery caused by any Event of Force Majeure (as defined in Section 11 below).

4. WARRANTY. (a) EXCEPT AS SET FORTH IN SECTION 4(b) BELOW, BAYSIDE WARRANTS TO BUYER ALL STANDARD CATALOG PRODUCTS AGAINST DEFECTS IN MATERIALS OR WORKMANSHIP FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF SHIPMENT. THIS WARRANTY DOES NOT COVER PRODUCTS THAT ARE DAMAGED OR WORN DUE TO LOADING, APPLICATION CONDITIONS OR ANY OTHER CAUSES THAT BAYSIDE DETERMINES IN ITS SOLE DISCRETION TO BE EXCESSIVE OR IMPROPER, OR PRODUCTS THAT HAVE BEEN MODIFIED IN ANY WAY AFTER PURCHASE. THIS WARRANTY IS THE SOLE AND EXCLUSIVE WARRANTY PERTAINING TO PRODUCTS SOLD BY BAYSIDE, AND BAYSIDE MAKES NO OTHER REPRESENTATION, WARRANTY OR GUARANTEE OF ANY KIND WHATSOEVER. ALL OTHER WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHETHER EXPRESS, IMPLIED OR ARISING BY OPERATION OF LAW, TRADE USAGE OR COURSE OF DEALING, ARE HEREBY EXPRESSLY DISCLAIMED.

(b) NOTWITHSTANDING SECTION 4(a) ABOVE, BAYSIDE MAKES NO REPRESENTATION, WARRANTY OR GUARANTEE OF ANY KIND WHATSOEVER (INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO PRODUCTS BUILT OR ACQUIRED (WHOLLY OR PARTIALLY) TO, OR BASED ON, BUYER'S INFORMATION, DESIGNS OR SPECIFICATIONS, INCLUDING WITHOUT LIMITATION SPECIALLY DESIGNED PRODUCTS, CUSTOM PRODUCTS OR PRODUCTS THAT ARE

NONSTANDARD OR HAVE BEEN OTHERWISE MODIFIED AT THE REQUEST OF BUYER.

5. **Limitation Of Remedies.** Seller's liability arising from or in any way connected with this offer of sale, the agreement or the products, or the selection, evaluation, sales, purchase or use thereof, is limited exclusively to repair or replacement of defective standard catalog products or the refund to buyer of the purchase price paid for said products, in seller's sole discretion. EXCEPT AS PROVIDED ABOVE, SELLER SHALL NOT BE LIABLE FOR ANY DAMAGES OF ANY KIND OR NATURE WHATSOEVER (INCLUDING BUT NOT LIMITED TO SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, OR LOST PROFITS) ARISING FROM OR IN ANY WAY CONNECTED WITH THIS OFFER OF SALE, THE AGREEMENT, THE PRODUCTS OR THE SALE, PURCHASE OR USE OF THE PRODUCTS, WHETHER ALLEGED TO ARISE FROM BREACH OF CONTRACT, EXPRESS OR IMPLIED WARRANTY OR IN TORT, INCLUDING WITHOUT LIMITATION NEGLIGENCE, FAILURE TO WARN OR STRICT LIABILITY.

6. **Changes, Rescheduling and Cancellations.** Buyer may request that the designs or specifications for the Products, as well as the quantities and delivery dates thereof, be modified, and may request that all or part of Buyer's order be canceled; provided, however, that no such requested modification or cancellation shall become part of the Agreement unless accepted by Seller in a written amendment to the Agreement signed by both Buyer and Seller. Acceptance of any such requested modification or cancellation shall be in Seller's sole discretion and shall be upon such terms and conditions as Seller may require.

7. **Non-Recurring Engineering Charges.** A non-recurring engineering charge ("NRE Charge") may be imposed for any special design work that Seller may perform at Buyer's request in order to manufacture or acquire the Products to Buyer's specifications. Such special design work and any and all designs, drawings and other items related thereto shall be and remain Seller's sole property notwithstanding payment of any NRE Charge therefor by Buyer. In no event will Buyer acquire any right or interest whatsoever in any such design work, designs, drawings and other items, and Buyer agrees that Seller shall have the sole and exclusive right to utilize such design work, designs, drawings and other items, including (without limitation) in connection with products that Seller may manufacture or acquire for customers other than Buyer.

8. **Estimates of Expected Life and Other Information.** Buyer acknowledges that any values of expected life furnished by Seller to Buyer with respect to products are strictly estimates, based on theoretical calculations. Such estimated values are furnished for Buyer's convenience only and on the express condition that such values do not constitute any representation, warranty or guarantee by Seller whatsoever that such values will be realized in Buyer's application. NOTWITHSTANDING ANY ESTIMATED VALUES OF EXPECTED LIFE OR OTHER ORAL OR WRITTEN

INFORMATION, OPINIONS, EVALUATIONS, CONSULTATIONS OR COOPERATION OF ANY KIND FURNISHED BY SELLER, OR ANY DESIGNS, SPECIFICATIONS, STANDARDS, PERFORMANCE OR DELIVERY REQUIREMENTS, REQUIREMENTS OF THIRD PARTIES OR OTHER INFORMATION OF ANY KIND FURNISHED OR COMMUNICATED BY BUYER, BUYER SPECIFICALLY AGREES THAT IT IS BUYER'S SOLE RESPONSIBILITY TO SELECT AND EVALUATE THE CORRECT PRODUCTS AND OTHER ITEMS FOR USE IN BUYER'S APPLICATION. With respect to any and all products sold by Seller, Seller's responsibility is limited in all cases to the terms and conditions contained in the Agreement, including (without limitation) the warranty and limitation of remedies provisions set forth in Sections 4 and 5 of this Offer of Sale.

9. **Taxes.** Unless otherwise indicated on the face hereof, all prices and charges are exclusive of excise, sales, use, property, occupational or like taxes that may be imposed by any taxing authority upon the manufacture, sale or delivery of the Products. If any such taxes must be paid by Seller or if Seller is liable for the collection of any such taxes, the amount thereof shall be in addition to the amounts of the prices or charges for the Products. Buyer agrees to pay all such taxes or to reimburse Seller therefor upon receipt of Seller's invoice. If Buyer claims exemption from any sales, use or other taxes imposed by any taxing authority, Buyer shall indemnify and save Seller harmless from and against any such taxes, together with any interest, penalties and other amounts payable thereon, that may be assessed if such exemption is held to be inapplicable.

10. **Indemnity for Infringement of Intellectual Property Rights.** (a) Except as provided in Section 10(b) below, Seller shall have no liability for infringement of any patents, trademarks, copyrights, trade dress, trade secrets or similar rights of third parties.

(b) Subject to the conditions stated in this Section 10(b), Seller will indemnify and defend Buyer from and against allegations of infringement by the Products of U.S. patents, U.S. trademarks, U.S. copyrights, trade dress and trade secrets of third parties (collectively, "Intellectual Property Rights"). Seller will conduct the defense of any allegation that a Product infringes Intellectual Property Rights at its expense, and will pay the cost of any settlement or damages awarded in any action brought against Buyer based on such an allegation; provided, however, that (i) Buyer notifies Seller within ten (10) days after Buyer becomes aware of such allegation of infringement and (ii) Buyer allows Seller to have sole and exclusive control over the defense of such action, including all negotiations for settlement or compromise. In connection with any such action or allegation, Seller may, at its sole expense and option, (A) procure for Buyer the right to continue using such Product, (B) replace or modify such Product so as to make it non-infringing or (C) require the return of such Product from Buyer and upon such return refund the purchase price therefor to Buyer less a reasonable allowance for depreciation. Notwithstanding the foregoing, Seller shall have no liability for claims of infringement based on (1) specifications, designs or other information provided by

Terms and Conditions

Buyer, (2) any Product the design of which is specified in whole or part by Buyer or (3) infringements resulting from the modification of any Product or the combination or use in a system of any Product. Buyer and Seller agree that the provisions of this Section 10(b) shall constitute Seller's sole and exclusive liability, and Buyer's sole and exclusive remedy, for infringement by the Products of Intellectual Property Rights.

(c) Buyer shall indemnify and defend Seller from and against all liabilities, costs, damages, expenses and judgments resulting from any claim that any Product infringes any patent, trademark, copyright, trade dress, trade secret or similar right of a third party that is based on (i) specifications, designs or other information provided by Buyer, (ii) any Product the design of which is specified in whole or in part by Buyer or (iii) infringements resulting from the modification of any Product or the combination or use in a system of any Product.

11. Force Majeure. Seller does not assume the risk of and shall not be liable for any delay in performing, or failure to perform, any of Seller's obligations by reason of circumstances beyond the reasonable control of Seller ("Events of Force Majeure"). Events of Force Majeure shall include without limitation accidents; acts of God; strikes, lockouts or labor disputes; acts, omissions, laws, rules or regulations of any government or governmental agency or authority; restraining orders or other decrees of any court, judge or other tribunal; fires; floods; casualties; delays or failures in delivery by carriers or suppliers; shortages of fuel, electricity or materials; war; blockades or embargoes; and any other cause beyond Seller's reasonable control.

12. Governing Law; Limitation of Actions. This Offer of Sale and the Agreement shall be governed in all respects by the laws of the State of New York, without reference to principles of choice or conflicts of laws. No action by Buyer arising out of this Offer of Sale, the Agreement or the sale, purchase or use of the Products may be brought against Seller more than two (2) years after such cause of action accrues.

13. Other Terms. No rights or obligations of Buyer under or arising out of this Offer of Sale or the Agreement may be assigned or delegated without the express prior written consent of Seller. For the convenience of Seller, Seller may assign this Offer of Sale and the Agreement and/or have it filled by any parent, subsidiary or affiliate of Seller. The waiver by Seller of any provision of this Offer of Sale or the Agreement or of any breach or default by Buyer shall not constitute a continuing waiver or a waiver of any other provision of this Offer of Sale or the Agreement or any other breach or default by Buyer. If any provision of this Offer of Sale or the Agreement is or becomes unenforceable or invalid at any time under any applicable law, rule, regulation or decision, no other provision shall be affected thereby and the remaining provisions shall continue with the same effect as if such unenforceable or invalid provision had not been inserted. NO LOCAL, GENERAL OR TRADE CUSTOM OR USAGE OR COURSE OF PRIOR DEALINGS BETWEEN THE PARTIES SHALL BE RELEVANT TO SUPPLEMENT OR

EXPLAIN ANY PROVISION OF THIS OFFER OF SALE OR THE AGREEMENT OR ANY TERM USED IN THIS OFFER OF SALE OR THE AGREEMENT.

14. Certain Rights and Remedies of Seller. Seller may apply, in its sole discretion, any payment received from or for the account of Buyer against any outstanding indebtedness or obligation of Buyer or its affiliates to Seller, as shown on the books and records of Seller, without prejudice to or the discharge of the remainder of any such indebtedness or obligation, regardless of any condition, provision, statement, legend or notation appearing on, referring to or accompanying such payment. All Products identified to the Agreement (in accordance with Section 2-501 of the New York Uniform Commercial Code) which are at any time in the possession, custody or control of Seller shall secure Seller for all unpaid invoices or charges relating to the Products and for any and all other obligations of Buyer to Seller. Buyer shall not sell, hypothecate or otherwise transfer any interest in any Products identified to the Agreement without receiving Seller's prior written consent. Upon the failure of Buyer to accept delivery of any of the Products for any reason whatsoever (except the non-conformance of such Products with the terms of the Agreement) or Buyer's failure to make any payment when due pursuant to the terms of the Agreement or any other contract of Buyer or any of its affiliates with Seller, or in the event of any default, breach or repudiation by Buyer of any of its other obligations under the Agreement or any other contract of Buyer or any of its affiliates with Seller, or if Buyer shall have declared or manifested an intention not to perform in accordance with the provisions hereof, or if Buyer or any of its affiliates shall become insolvent, call a meeting of its creditors, or make any assignment for the benefit of its creditors, or if a bankruptcy, insolvency, reorganization, arrangement or similar proceeding shall be commenced by or against Buyer or any of its affiliates or if a receiver shall be appointed for Buyer or any of its affiliates, Seller may, in its sole discretion and at its option, do any one or more of the following: (a) cancel the Agreement and/or any other contracts with Buyer or any of its affiliates without further liability to Buyer (with Buyer remaining liable for all costs and damages), and/or (b) delay any shipment hereunder, and/or (c) declare immediately due and payable all outstanding obligations of Buyer under the Agreement and/or any other contract of Buyer or any of its affiliates with Seller, and/or (d) sell all or any part of the Products that are undelivered (whether or not finished) and that Seller has identified to the Agreement, without notice except as required by law (in which case Buyer agrees that five (5) days notice of sale shall be deemed reasonable), at public or private sale, Buyer to be responsible for all costs and expenses of such sale and for any deficiency, and/or (e) immediately bill to Buyer all or any part of the Products, for which billing Buyer hereby agrees to be liable. The remedies set forth in this Section 14 shall be in addition to any other remedies that Seller may have at law, in equity or otherwise, and such remedies shall be cumulative.

15. Notices; Jurisdiction; Service of Process. All notices required or permitted to be given hereunder shall be deemed to have been duly given when actually received if personally delivered, or upon deposit

in the United States mail if sent by registered or certified mail, postage prepaid, return receipt requested, to the appropriate address set forth on this Offer of Sale or to such other address as the party to which such notice is sent shall have designated to the other party in a writing actually received by such party. Buyer hereby irrevocably submits to the jurisdiction of any New York or federal court located in Nassau County, New York, over any action arising out of any dispute between Seller and Buyer relating to this Offer of Sale, the Agreement, the Products or the sale, purchase or use thereof, and Buyer further irrevocably consents to the service of any process in any such action or proceeding by the mailing of a copy of such process to Buyer in the manner provided for notices above.

16. Survival. The provisions of Sections 4, 5, 7, 8, 9, 10, 11, 12, 13, 14 and 15 shall survive performance by the parties of all other terms of the Agreement.

17. Distributor Return Policy. All Standard Catalog Products offered by Bayside can be returned within 90 days of purchase for partial credit. A 30% restocking charge, or 70% credit against future purchases, may be issued after meeting the following criterion and inspection by Bayside.

- 1) The product is not damaged or missing components.
- 2) The product is unused and is in its original package.
- 3) The product has no design modifications.
- 4) The product was not purchased in volume below normal distributor list pricing.

Bayside reserves the right to determine what is considered "Standard Catalog Product" and apply an appropriate restocking charge.

18. Customer Technical Service, Engineering or Repair Visit Charges for field service repairs and/or visits by Bayside engineering or technical service personnel are charged at a daily rate of \$1,200 domestic and \$1,500 international. (Can be billed in half day increments) The charges are based on an 8 hour day. This rate is also charged for all travel time to and from the customer site. All travel costs, including transportation, meals, lodging and miscellaneous charges are additional, and are the responsibility of the customer.

A purchase order needs to be received and a method of payment approved by accounting before any visit can be scheduled. The purchase order must include estimated number of days needed, transportation costs, and \$150 per diem estimated charge for food, lodging, and miscellaneous expenses. After the completion of the visit, a final invoice will be supplied by Bayside, which will summarize all the charges actually incurred.

SPECIALY DESIGNED PRODUCTS, CUSTOM PRODUCTS OR PRODUCTS THAT ARE NON-STANDARD IN ANY WAY OR THAT HAVE BEEN OTHERWISE MODIFIED AT THE REQUEST OF THE BUYER MAY NOT BE RETURNED TO BAYSIDE FOR CREDIT.

All products returned to Bayside must have a product return authorization ("RMA") number. This number can be obtained from our Sales Department. An 'Analysis Fee' will be charged for every return, which will be credited later if the return is deemed to be a warranty return. The RMA number should be clearly marked on the outside of all packages returned. Bayside assumes no responsibility for packages returned without proper authorization. Products being returned to Bayside for any reason should be properly packaged; Bayside will not accept any responsibility for damage incurred during shipping or handling due to poor packaging. Shipping charges are the responsibility of the customer unless authorization is obtained from the Sales Department. Bayside will pay return freight on warranty repairs.

Any product received by the customer in damaged condition that is not covered by the carrier's on customer's insurance may be repaired or replaced by Bayside in our sole and absolute discretion. To be eligible for replacement, our Sales Department must be notified within thirty (30) days from factory ship date. Bayside will enter a new sales order using the same purchase order number as the original order. The customer will be issued an RMA number to return the damaged product. Credit will be granted against the new sales order, including shipping charges, upon Bayside's receipt of the damaged product in its original packaging and a complete inspection by Bayside. Factors that determine whether a damaged product will be repaired or replaced include (without limitation) availability of parts and production scheduling.

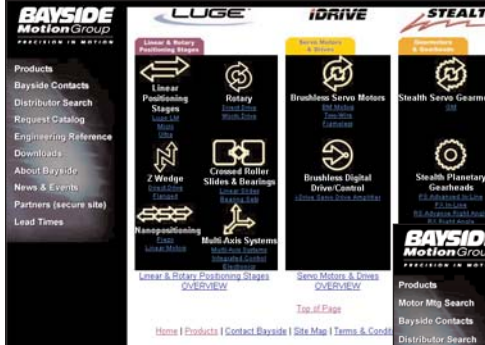
Bayside guarantees all repairs for a period of ninety (90) days from factory ship date or, if longer in the case of Standard Catalog Products, the balance of the one (1) year warranty set forth in Section 4(a) above.

WARNING

FAILURE OR IMPROPER SELECTION OR IMPROPER USE OF THE PRODUCTS DESCRIBED HEREIN OR RELATED ITEMS CAN CAUSE DEATH, PERSONAL INJURY AND PROPERTY DAMAGE. This Offer of Sale and any and all estimates, opinions, evaluations, consultations, cooperation or other information of any kind from Bayside Controls Inc. and its subsidiaries and authorized distributors provide product options for further investigation by users having the appropriate technical expertise. It is important that the user analyze all aspects of its application and review the information concerning Bayside's products in Bayside's current product catalog. Due to the variety of operating conditions and applications for these products, the user, through its own analysis and testing, is solely and exclusively responsible for making the final selection of appropriate products and assuring that all performance, safety and warning requirements of the user's application are met. The products described herein, including without limitation product features, specifications, designs, availability and pricing, are subject to change by Bayside Controls Inc. and its subsidiaries and affiliates at any time without notice.

► Bayside Motion Group Online

www.baysidemotion.com

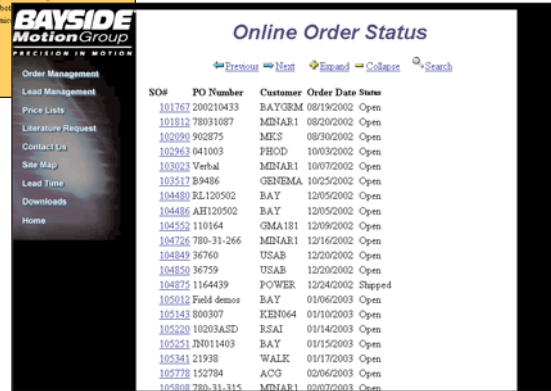


Bayside Motion Group's interactive website is a valuable tool for precision motion design engineers. At www.baysidemotion.com you'll get the latest technical information about our entire product line, innovative motion control solutions and the latest industry developments – all updated daily.



Customer and Distributor Site:

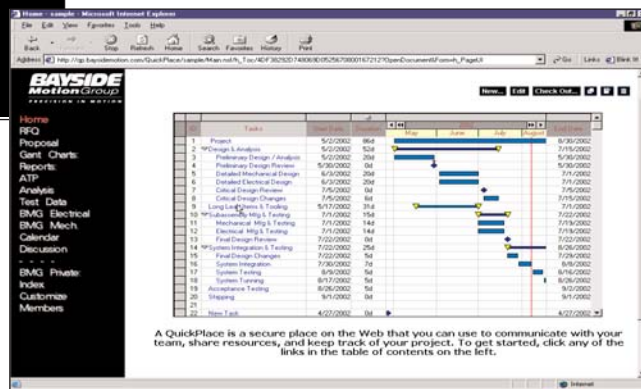
A complete order processing section for up-to-the-minute order status, pricing information and status.



Technical Support: For post-sales customer service, you can e-mail Bayside's Technical Service team through our website.

Ask The Expert: Our On-Line Motion Control Discussions Database lets you e-mail your questions directly to our engineers about a variety of topics including Product Integration, Electronics, Precision Gearing and much more.

QuickPlace: Bayside offers a unique web based communication tool to its customers and project team members called QuickPlace. QuickPlace is used to maintain resources (proposals, tests, schedules, ideas) related to a project in a common place, where everyone can be assured that they can find and respond to the latest information.



Visit Bayside Motion Group today at www.baysidemotion.com.

A Solution For Every Axis

Linear & Rotary Positioning Stages

Whether you need a single stage or a complete system, Bayside's Linear Positioning Systems offer total design flexibility. X, Y, Z, or rotary stages are available for travels up to 2 meters, with sub-micron accuracy. For high speed, long travel applications, Bayside's Luge LM Stages provide exceptional performance in a low cost package. A wide range of precision slides and crossed roller bearings are in stock and available for immediate delivery. We can also quickly manufacture special orders.

Servo Motors & Drives

Bayside's Servo Systems feature state-of-the-art brushless linear and rotary servo motors and amplifiers. Our rotary servos are extremely rugged, delivering high continuous and peak torques in a compact package. Our drives provide high current in a space saving unit, with current ratings up to 10 amps continuous and 20 amps peak. With thousands of sizes and windings available, Bayside's Frameless Kit Motors deliver added efficiency and gives engineers the freedom to easily customize their motion systems.

Gearmotors & Gearheads

With over 300,000 gearheads in operation, Bayside is the world leader in precision gearheads. Bayside's Stealth® Planetary Gearhead is an all-helical planetary gearhead that combines quiet operation, high speeds and high torque. Bayside's Stealth Servo Gearmotor integrates a brushless servo motor and helical planetary gearhead into a single housing resulting in a more reliable, higher performance package that costs less than a motor / gearhead combination.

Bayside Motion Group is one of the leading innovators within the motion control industry. Through solid engineering programs, Bayside manufactured products continue to drive motion control standards. Bayside product lines include: linear positioning systems, servo motors & drives and precision gearheads / gearmotors. Bayside products are used in a wide range of industries including fiber optics, semiconductor, bio-medical, packaging and aerospace. Whether Engineers need a single component or a total solution, Bayside offers design flexibility and high quality in readily available products.