



HIGH PRECISION

Terms of Sale

High Precision Measuring Instruments



Bore Gaging



Height Gaging



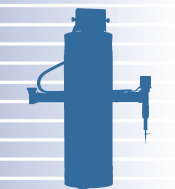
Horizontal Measurement



Precision Leveling



Precision Tools



zCAT CMM

PAYMENT TERMS: Wire Transfers, ACH Transfers and all major credit cards are accepted.

Upon receipt of credit references, completed credit approval and review, open terms: 1% 15 Days Net 30

DISCLAIMER & LIMITATION OF LIABILITY: The Customer agrees that in no event shall it hold Fowler Company Inc. liable for any incidental or consequential damages or any loss of business not withstanding notice to Fowler Company Inc. of the possibility of such damages.

TAXES: In addition to the charges due under this Agreement, the Customer agrees to pay amounts equal to any taxes that may result from this Agreement or any activities hereunder.

FOWLER COMPANY INC.

STANDARD TERMS & CONDITIONS OF SALE & security agreement
1. OFFER OF SALE. The terms and conditions found on the quotation and those provided below hereby constitute an offer for sale of. Unless otherwise provided on the face hereof, offers are available for acceptance for a period of 60 days from the date of this offer. An order by Customer shall constitute an acceptance of these terms and conditions of sale.

2. PURCHASE ORDERS. Purchase orders may be placed by Customer in any commercially reasonable manner that Customer and Seller determine is appropriate, including facsimile or electronic transmission. The purchase order will indicate the specific services or goods (hereinafter Products), specifications related thereto, quantity, price, total purchase price, shipping instructions, requested delivery dates, "bill to" and "ship to" addresses, tax exempt certifications, if applicable, and any other special instructions. Any contingencies contained on such order are not binding upon Seller until Seller gives express written acceptance of such contingencies. All purchase orders are subject to acceptance by Seller. Seller reserves the right to correct clerical errors in any quotation or Purchaser Order referencing a quotation containing such errors. The Purchase Order, quotation and these Terms shall constitute the contract between the parties for the purchase of Products and/or services identified in the Purchase Order.

3. PRICE, TAXES AND OTHER CHARGES. All prices are in US dollars. Sales Tax will be charged on all Products if a tax exemption certificate is not submitted with the purchase order. In addition to payment of the price of the Products, the Buyer agrees to pay Seller, either as included on the original invoice for the Products or as may be subsequently invoiced, for use, excise or any other taxes or assessments paid or required to be paid by Seller with respect to the order. Seller is entitled to retain any export duty drawbacks if Seller is the exporter of record.

4. RISK OF LOSS, INSURANCE AND GRANT OF SECURITY INTEREST TO SELLER. a) Risk of loss or damage and insurance responsibilities pass to Buyer upon delivery to carrier. Although risk of loss or damage passes, title to all software and firmware shall remain with Seller or its licensors.

b) Buyer hereby grants and Seller retains a security interest (including, without limitation, a mechanic's lien in real property or other premises where services were performed) in the Products until payment, in full, has been received by Seller for such Products delivered and services performed. Buyer grants Seller the right to perfect its security interest by filing a UCC Financing Statement or by other filings, registrations or notices as may be required in Seller's sole discretion.

5. SHIPMENT AND DELIVERY. a) Unless otherwise indicated on Seller's quotation, shipments are FOB Seller's factory or premises as indicated in the quotation. In the absence of specific instructions from Buyer, Seller may select the carrier and shipping route. Seller will invoice buyer for applicable freight and handling charges.

b) In the absence of express written agreement to a specific delivery date, delivery schedule and delivery dates are as determined by the lead time in Seller's quotation, the date of Seller's acknowledgment of Buyer's Purchaser Order, the receipt of the down payment and the information and approvals necessary to proceed with design and manufacture. Delivery extension in response to a Buyer request will be subject to a 1 1/2% per month delivery extension surcharge.

c) If installation is included in the quotation or Purchase Order, Seller shall be obligated only to provide such equipment as is specified in the quotation. Buyer is responsible for preparing the site for installation according to Seller's instructions, including, among other things, providing electric power hookup, air supply, if required, or other special equipment as instructed by Seller. Buyer shall pay Seller any costs resulting from Buyer being unprepared on the agreed date for installation of the Products, including, without limitation, the delivery extension surcharge for a minimum of one month or, if greater, the cost of storage of the Products, cancellation fees to installation contractors, if any, or time lost by installation technicians.

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6. CANCELLATION AND RETURN. a) Cancellations for standard Products customarily kept in inventory can be made only by written request, followed by our written consent and upon terms that will indemnify us against loss. Cancellations for standard products may, in Seller's sole discretion, be accepted with no charge up to thirty (30) days before scheduled shipping date. For cancellations made and accepted within thirty (30) days of the scheduled shipping date, Buyer agrees to pay liquidated damages of 20% of contract price for cancellation of a contract for standard Products, if such cancellation is accepted by Seller in accordance with this paragraph a). Under no circumstances may Buyer cancel an order after shipment; applies to new product and not services

b) The Buyer may not cancel a contract for systems, special products and other materials not customarily carried in stock by Seller, or for quantities in excess of the quantity that Seller customarily carries in stock. Liquidated damages for breach of this provision shall be one-and-a-half times our costs (including material cost and labor) at time of cancellation. All partially completed work, shall, upon payment by the Buyer, become the property of the Buyer and will be shipped to the Buyer in an "as is" condition, FOB Seller's factory or premises.

c) Returns must be authorized by Seller. If the return is accepted and authorized by Seller, return Product is subject to a 15% restocking fee unless the Product is deemed by Seller to be defective in material and/or workmanship. Additional fees may be imposed, at Seller's option, for any merchandise returned damaged, incomplete or not in the original packaging. All refunds will be made in the form of a return credit. Special order, custom or nonstandard assembled products are non-returnable.

7. PAYMENT TERMS. a) Payment Requirements For U.S.A., Canada and Mexico. All Payments must be made in U.S. dollars by check, wire transfer or credit card. For standard product orders less than US\$50,000, upon approved credit, terms are 1% 15 days net 30 days from date of invoice. b) Past-due accounts will be charged interest at the rate of 1 1/2 % per month (or the maximum amount permitted by applicable law, if less) on the amount due until fully paid.

c) If installation of standard Products is delayed at customer request, full payment (including installation charges, if any) is due thirty (30) days from date Product is shipped or ready to ship, notwithstanding any other provision in these Terms & Conditions to the contrary.

d) Payment shall not be contingent on delivery or performance except as expressly provided in this Section 7, and, notwithstanding any provision to the contrary in these Terms & Conditions, shall not be contingent on the delivery or acceptance of custom software purchased from Seller or any third party under a separate contract or agreement, including application part programming, special functions, or communications modules.

e) Approved credit may be revoked at any time.

f) Seller reserves the right to suspend manufacture and delivery upon failure of Buyer to make payments when due, which suspension shall not satisfy Buyer's obligation to pay.

g) Credit card payments are subject to a 2% premium.

h) Refer to Seller's quotation and invoice for other specific payment instructions.

8. WARRANTY. a) For all Products modified or not installed by Seller, the warranty period is voided. The warranty period for Products installed by Seller for Product installed in the USA, Canada and Mexico is twelve (12) months from the date of installation, not to exceed thirteen (13) months from date of shipment. Warranties are non-transferable and non-assignable.





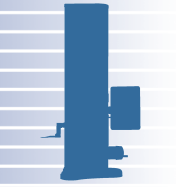
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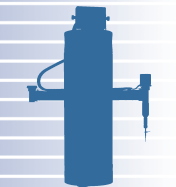
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b) Seller warrants service parts and accessories for ninety (90) days from date of shipment. Seller warrants service labor for thirty (30) days from date of completion.

c) APPLICATIONS SERVICES, TRAINING, PART PROGRAMMING AND OTHER SERVICES CARRY NO WARRANTY, EXPRESS OR IMPLIED.

d) Seller will replace or repair, at Seller's option, free of charge, any part or parts, which upon examination Seller finds defective in workmanship or material, provided that, on Seller's request, the part or parts of the machine are returned to Seller's plant or premises, and provided further, that there is satisfactory documentation that the Product has been installed, used and maintained in accordance with instructions in the service and/or user manual. The foregoing product warranty will not apply to or cover goods exported by the Buyer out of the USA or Canada. Seller shall not be liable or responsible for any expense or liability resulting from repairs, additions or modifications made upon the product without Seller's written consent. **SELLER AND ITS SUPPLIERS SHALL NOT BE LIABLE FOR ANY LOSS OF USE OR DOWNTIME OR LOST PRODUCTION, REVENUE OR PROFIT, OR FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES WITH RESPECT TO THE PURCHASE, SALE, USE OR NON-USE OF PRODUCTS, CAUSED BY DEFECTIVE MATERIAL OR UNSATISFACTORY PERFORMANCE OF PRODUCTS OR SERVICES, WHETHER SUCH LIABILITY IS BASED UPON CONTRACT (INCLUDING BREACH OF A REPRESENTATION OR WARRANTY), TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHER LEGAL THEORY WHATSOEVER, EVEN IF SELLER HAD NOTICE OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF ANY WARRANTY OR REMEDY IS HELD TO HAVE FAILED IN ITS ESSENTIAL PURPOSE. SELLER MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES AND ALL OTHER WARRANTIES ARE SPECIFICALLY EXCLUDED, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR PARTICULAR OR SPECIAL PURPOSES.** Seller's sole warranty liability shall be discharged by replacing or repairing any defective part or parts within the warranty period.

9. LIFETIME WARRANTY: The Fowler Lifetime Warranty extends only to specified Lifetime Warranty products that are sold by Fowler or its authorized resellers in the USA, Canada and Mexico. Fowler Lifetime Warranty tools must have the original Lifetime Warranty Logo on the tool, as shown here  and, each eligible tool must be properly registered with serial number, place and date of purchase information and owner's contact information. Registration can be completed on the Fowler Company website (www.fowlerprecision.com). No Lifetime Warranty claim will be honored without proper registration.

Third party purchases of a product are void of any lifetime warranty coverage. Fowler will replace or repair, at Fowler's option, free of charge, any part or parts, which upon examination Fowler finds defective in workmanship or material. The Lifetime Warranty tool(s) must be reasonably used as designed and in accordance with typical industry practices and maintained in accordance with instructions in the service and/or user manual. The foregoing product warranty will not apply to or cover goods exported by the Buyer out of the USA, Mexico or Canada. Seller shall not be liable or responsible for any expense or liability resulting from repairs, additions or modifications made upon the product without Seller's written consent. Shipping charges to and from the Fowler Repair Depot will be the customer's responsibility. This warranty does not extend to any damage to a product caused by or attributable to freight damage, abuse, misuse, improper or abnormal usage, or repairs not provided by a Fowler authorized repair center. If a product has been discontinued and is no longer available, Fowler may at its sole discretion replace with a similar product, currently available. Seller's sole warranty liability shall be discharged by repairing or replacing any product(s) found to be under Warranty.

SELLER AND ITS SUPPLIERS SHALL NOT BE LIABLE FOR ANY LOSS OF USE OR DOWNTIME OR LOST PRODUCTION, REVENUE OR PROFIT, OR FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES WITH RESPECT TO THE PURCHASE, SALE, USE OR NON-USE OF PRODUCTS,

CAUSED BY DEFECTIVE MATERIAL OR UNSATISFACTORY PERFORMANCE OF PRODUCTS OR SERVICES, WHETHER SUCH LIABILITY IS BASED UPON CONTRACT (INCLUDING BREACH OF A REPRESENTATION OR WARRANTY), TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHER LEGAL THEORY WHATSOEVER, EVEN IF SELLER HAD NOTICE OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF ANY WARRANTY OR REMEDY IS HELD TO HAVE FAILED IN ITS ESSENTIAL PURPOSE. SELLER MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES AND ALL OTHER WARRANTIES ARE SPECIFICALLY EXCLUDED, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR PARTICULAR OR SPECIAL PURPOSES.

10. OCCUPATIONAL SAFETY AND HEALTH. It is Buyer's or the user's responsibility to install and use any Product in a safe manner in its facility and to provide all proper devices, tools and means to protect all personnel from bodily injury that may result from Buyer's particular use, operation, set-up or service of Seller's Product. Buyer is advised to consult the operator, machine and programming manuals, ANSI Safety Standards and state and federal OSHA regulations. Buyer shall install and use the products at all times in compliance with the foregoing manuals, safety standards, applicable codes, ordinances, regulations and laws and general standards of care.

11. PRODUCT ACCEPTANCE. Machine acceptance tests are agreed to only by express written agreement of the parties. In any event, Products are deemed accepted no later than first commercial use.

12. GOVERNMENT RESTRICTIONS. Seller's performance under any contract is subject to the issuance of any required export license or other necessary government authorization. Seller has the right to terminate without liability any order or contract if Seller determines such sale, export or delivery violates applicable law. Termination will not affect the right of Seller to recover the contract price for any unpaid Product already delivered. Buyer shall not export or re-export any Product in violation of applicable law and it is understood that machinery, equipment, documentation and software, if any, including technical data, may not be exported or re-exported in violation of the U.S. Export Administration Act, its implementing laws and regulations, the laws and regulations of other U.S. agencies or the export and import laws of the jurisdiction in which this machinery, equipment, documentation and software, if any, including technical data was obtained. Export to or from any individual, entity, or country specifically designated by applicable law is strictly prohibited.

13. HARMLESS / INDEMNITY. Buyer hereby releases and agrees to defend, indemnify and hold Seller harmless from and against all claims, demands, suits and causes of action ("liability") for property damage, personal injury or death, and all loss, cost, damage and expense (including reasonable attorneys' fees) relating to the Product, arising out of: i) Buyer's modification to, or change of the Product or software or firmware as originally delivered; ii) Buyer's failure to purchase, install, provide or implement any safety part or practice customary in the industry (including, but not limited to, a mechanical, electrical or software interlock or other safety device); or iii) Buyer's negligence, violation of law or other fault.

14. INTELLECTUAL PROPERTY OWNERSHIP. Buyer acknowledges that Seller owns (as between Seller and Buyer) and will retain all ownership in the intellectual property relating to the Product, including, without limitation, copyright, trademark, trade secret, know-how, database, design and patent rights, and all tangible and intangible components thereof, and any improvements, modifications, design contributions or derivative works thereto or thereof conceived or created by Seller, whenever developed (hereinafter the "Seller Intellectual Property"). Buyer will not: i) decode, reverse engineer, or decompile the Product in whole or in part; ii) reproduce, copy, distribute, make derivative works or publicly perform any of Seller Intellectual Property manifested in a tangible medium of expression (including, without limitation, software, brochures,





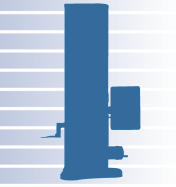
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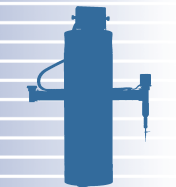
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user manuals, and the like), without prior written consent from an authorized officer of Seller; iii) circumvent, directly or indirectly, any technical measures or devices securing Seller Intellectual Property; iv) modify or enhance the Product, without prior written consent from an authorized officer of Seller; or v) otherwise access or manipulate the Seller Intellectual Property, except as expressly permitted in writing by Seller. Buyer acknowledges that software or other intellectual property provided by a third-party licensor of Seller ("Third-Party Intellectual Property") may be incorporated in the Products. Buyer will abide by the applicable terms and conditions with respect to such Third-Party Intellectual Property, whether set forth in the Product documentation, "read me" files contained in the Products, or otherwise. Unless provided for in the product documentation of such third party licensor, any Third-Party Intellectual Property is governed by these Terms & Conditions. Where Buyer's use of any Seller Intellectual Property is governed by an End User License Agreement or other agreement that requires acceptance prior to use of such Seller Intellectual Property, the terms of such End User License Agreement or like agreement shall control where and to the extent such agreement is inconsistent with these Terms & Conditions.

15. SEVERABILITY. If any of these Terms & Conditions or any provision of the contract between Seller and Buyer is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions (or part thereof) shall remain in full force and effect.

16. NO WAIVER. Seller shall have the benefit of all rights and remedies provided by law or equity. Failure of Seller to exercise or reserve any right or remedy shall not be construed as a waiver thereof or of any other right or remedy.

17. FORCE MAJEURE. Neither party shall be responsible for delays or failure in performance of this Agreement (other than failure to pay any amounts due) to the extent that such party was hindered in its performance by any act of God, civil commotion, labor dispute, unavailability or shortages of materials or any other occurrence beyond its reasonable control.

18. GOVERNING LAWS. Any contract arising out of the placing of an order by the Buyer and the acceptance by Seller shall be governed by the Laws of the State of Massachusetts.

19. GOVERNING LANGUAGE. In the event of translation of these terms and conditions to a language other than English, the English language shall govern.

