



General Terms and Conditions of Contracts and Delivery for the Procurement of Products and Services in Business Transactions with the Companies of LAP Laser, LLC

Status May 2017

1. Scope

LAP LASER, LLC ("LAP Laser") agrees to sell and the purchaser indicated in the Sales Proposal attached hereto ("Purchaser") agrees to purchase from LAP Laser, the products distributed by LAP Laser and described in the Sales Proposal (the "Ordered Products"), for the prices and on all the other terms and conditions stated in the Sales Proposal, these Terms of Purchase, and the License Conditions for the use of the software in and/or supplied with the Ordered Products (the Sales Proposal together with these Terms of Purchase and License Conditions shall be referred to herein as the "Agreement" or the "Purchase Agreement").

Acceptance is limited to the terms of the Purchase Agreement. LAP Laser objects to any different or additional terms contained in any purchase order, offer or confirmation sent or to be sent by Purchaser, which are expressly rejected.

2. Effective Date; Title; Risk of Loss

The Agreement will be effective on the date of acceptance of the Agreement by Purchaser. Title to the Ordered Products will pass to Purchaser upon full payment by Purchaser of purchase price, freight, insurance costs (if Purchaser elected and paid for insurance), taxes and other costs related to the sale by and delivery of the Ordered Products from LAP Laser. All risk of damage to or loss of the Ordered Products shall pass to Purchaser when the Ordered Products are tendered to a carrier in Erlanger, Kentucky as set forth below. LAP Laser does not provide insurance for the Ordered Products. If Purchaser elects to purchase insurance, then Purchaser shall bear complete and exclusive responsibility for promptly advising the carrier and insurer of any loss or damage and for filing claims against, and recovery of any sums owed by, the carrier or the insurer.

3. Terms of Shipment

All products will be shipped F.C.A. Erlanger, Kentucky, unless the Sales Proposal stipulates a different shipment term. For purposes of the Agreement, F.C.A. Erlanger, Kentucky shall mean that: (i) LAP Laser must at its own expense and risk, transport the Ordered Products to a location in Erlanger, Kentucky where tender may be made to a carrier for shipment to Purchaser's final destination.; (ii) Purchaser must, at its own expense and risk, load and transport the Ordered Products from Erlanger, Kentucky to its final destination. Purchaser shall obtain insurance on the Ordered Products at Purchaser's election as set forth in Section 2 above. In the absence of specific instructions, LAP Laser will select a carrier to make delivery to Purchaser's final destination, but the carrier will not be construed to be an agent of LAP Laser.

4. Pricing; Terms of Payment and Additional Charges

The purchase price for the Ordered Products is specified in Purchase Agreement and, unless otherwise agreed by the parties in writing, the price does not include any shipping, insurance, taxes, duties or any other charges which may be applicable to or incurred in connection with the sale, delivery and installation of the Ordered Products. Payment of the Purchase Price and costs of freight, shipping, handling and other costs related to delivery of the Ordered Products shall be payable as set forth in the Purchase Agreement. The total unpaid purchase price and costs of freight, shipping, handling and other costs not previously paid will be due 30 calendar days after delivery or service and receipt of LAP Laser invoice. If Purchaser fails to pay any amounts owed to LAP Laser pursuant to the Purchase Agreement when due and payable, Purchaser agrees to pay all costs, including reasonable attorneys' fees expended in efforts to collect these amounts and, in addition, Purchaser shall pay to LAP Laser a monthly late payment charge equal to one percent (1%) of Purchaser's outstanding balance owed.

5. Storage

If LAP Laser is properly notified by Purchaser of a requested delay in the shipping date within seven (7) days prior to the previously scheduled shipping date (which date is set forth on the Sales Proposal and identified as "Req Ship Date"), then LAP Laser will store the Ordered Products for a period of thirty (30) days free of charge to the Purchaser. All storage costs and related charges incurred after the expiration of said 30-day period shall be paid by the Purchaser.

If any payments to be made by Purchaser are required to be made on the original shipping date, then the notification by Purchaser of a delay in the original shipping date shall not relieve the Purchaser of its obligation to make payments to LAP Laser on said original shipping date in the amount(s) and for the costs and services specified in the Agreement.

6. Installation

LAP Laser will advise Purchaser of the scheduled delivery date of the Ordered Products. Installation of the Ordered Products is optional with any costs of installation to be borne by Purchaser.

If Purchaser elects to have LAP Laser install any of the Ordered Products, then, prior to shipment, Purchaser, at its own expense, will prepare its premises for installation of the Ordered Products and will provide all installation facilities, including space, electrical power, other utilities, services, lighting, air conditioning, ventilation, and the like in accordance with LAP Laser's site preparation specifications. The initial installation may be performed by LAP Laser or its authorized agent during LAP Laser's normal working hours and such installation shall be at Purchaser's expense. Purchaser will provide the necessary labor for unpacking and placement of the Ordered Products when necessary and only when directed to do so by LAP Laser.

Purchaser shall not unpack the Ordered Products outside of LAP Laser's supervision. If installation or removal of the Ordered Products by LAP Laser or its authorized agent is precluded by local law, any agreement, or otherwise, LAP Laser will supervise the installation or removal and Purchaser will bear any additional costs caused thereby.

If Purchaser installs any of the Ordered Products, then Purchaser assumes all risks associated with such installation. Purchaser shall also pay for any additional costs incurred by LAP Laser or its authorized agent as a result of any installation rescheduling or alteration of original installation plans, design, or layout.

In the event that Purchaser elects to have LAP Laser install any of the Ordered Products, pays for such installation, and fails to schedule the installation for a date that is less than twelve (12) months from the actual date that the Ordered Products are delivered to Purchaser, then (i) LAP Laser shall not be required to refund the monies paid for installation, (ii) LAP Laser shall be relieved of any duty to install the Ordered Products, and (iii) Purchaser hereby agrees to forfeit said monies to LAP Laser as consideration for LAP Laser devoting its resources to the planned and never scheduled installation. LAP Laser will provide procedures for the testing and operation of the Ordered Products.

7. Compliance With Laws and Ordinances

Purchaser shall be responsible for compliance with local laws, rules, codes, registration, regulations and ordinances, including, but not limited to obtaining any permits or approvals necessary for such compliance. LAP Laser provides no warranty regarding compliance of its product with any such laws, rules, codes, registration, regulation or ordinances.

8. Acceptance

When LAP Laser installs the Ordered Products, the Ordered Products shall be considered accepted by the Purchaser upon Purchaser's execution of a product acceptance form (the "Factory acceptance test") which will be presented by LAP Laser and shall be executed by Purchaser upon completion of applicable start-up and acceptance testing. Use of the Ordered Products by the Purchaser, its agents, employees or licensees for whatever reason without written release from LAP Laser shall also constitute Purchaser's acceptance of the product. When LAP Laser is not the installer of the Ordered Products, no Product Acceptance Form is required and the Ordered Products are deemed accepted by Purchaser when they are tendered by LAP Laser to the carrier for shipment to Purchaser. Prior to execution of the Product Acceptance Form by Purchaser, LAP Laser may, at its option, repair or replace any defective or non-conforming parts.

9. Security Interest

Purchaser hereby grants to LAP Laser and LAP Laser reserves unto itself, a security interest in the Ordered Products to secure payment of the purchase price stated in the Sales Proposal. Such security interest shall be deemed satisfied only upon Purchaser's payment of such purchase price in full. Purchaser hereby appoints LAP Laser as its attorney in fact to sign and file financing statements on Purchaser's behalf with appropriate state authorities in order to protect LAP Laser's security interest. Purchaser agrees, upon request of LAP Laser, to execute and deliver to LAP Laser one or more financing statements and/or such other documents as LAP Laser may deem necessary to evidence the security interest granted by Purchaser to LAP Laser in a form satisfactory for filing with appropriate state authorities to defer payments, agreements on the term of bills of exchange or payment by instalment, in this case all the customer's liabilities due to us shall become due for payment immediately.



10. Limited Warranty

The Ordered Products furnished hereunder are warranted to be free from defects in material and workmanship for the lesser of twelve (12) months from the date of execution of the Factory acceptance test Purchaser, or fifteen (15) months from the date the Ordered Products are tendered by LAP Laser to the carrier for shipment. LAP Laser will, at its own expense and option, either repair or replace the defective Ordered Products, or any part thereof, as necessary provided that the Purchaser has notified LAP Laser, and upon inspection, LAP Laser, in its sole discretion has found such Ordered Product to be defective in material or workmanship only. The Purchaser's sole and exclusive remedy hereunder will be limited to such repair or replacement.

The foregoing warranties are contingent upon the proper use of the Ordered Products in accordance with LAP Laser's published instructions and specifications and may not apply to any Ordered Products or any part thereof which have been improperly installed, repaired or modified by persons other than LAP Laser or which have been subjected to accident, abuse, incorrect use, neglect or alteration.

THE WARRANTIES SET FORTH HEREIN ARE LIMITED WARRANTIES AND ARE THE ONLY WARRANTIES MADE BY LAP LASER. LAP LASER EXPRESSLY DISCLAIMS, AND PURCHASER HEREBY EXPRESSLY WAIVES, ALL OTHER EXPRESS WARRANTIES AND ALL DUTIES, OBLIGATIONS AND WARRANTIES IMPLIED IN LAW, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

11. Limitation of Remedies

The sole remedies for breach of any and all warranties and the sole remedies for LAP Laser's liability of any kind with respect to the Ordered Products or services provided hereunder in connection with installation, or otherwise, and any other performance by LAP Laser under or pursuant to the Agreement shall be limited to the remedies provided in the applicable warranty paragraphs hereof. In no event shall LAP Laser's liability to the Purchaser for damages of any nature exceed the purchase price of the Ordered Products if the liability results therefrom, or the total charges paid or payable for services performed under the Agreement if the liability arises from services provided by LAP Laser hereunder. Purchaser agrees that LAP Laser shall not be liable for any special, incidental, indirect, punitive or consequential damages or for the loss of profit, production, revenue or data even if LAP Laser shall have been advised of the possibility of such potential loss or damage.

12. Indemnity

Purchaser shall indemnify and hold harmless LAP Laser its employees, agents, officers and directors from and against third party suits, claims, demands, liabilities, costs or expenses, losses, settlements, judgments and awards, and actions, including reasonable attorneys' fees, costs, and damages, that may at any time be incurred by any of them by reason of any claims, suits, administrative proceedings or criminal investigations arising from, related to, or pertaining to the use of the Ordered Products, their installation, maintenance or any other assistance furnished by LAP Laser or its agents with respect to the Ordered Products.

13. Terminations or Assignment

Purchaser may cancel the Agreement until such date that is three (3) weeks prior to the scheduled date of delivery without any charge. If Purchaser elects to cancel the Agreement with less than three (3) weeks remaining until delivery, then Purchaser shall pay a restocking charge of 15%. Notwithstanding anything set forth herein, NO refunds will be permitted on orders for custom-built products regardless of when cancellation is requested. Following acceptance of the Agreement by Purchaser, the Agreement including the order in the Sales Proposal, may only be assigned by Purchaser with LAP Laser's prior written consent. In the event that Purchaser defaults under any of the provisions hereof, LAP Laser shall have the right to terminate the Agreement. Any assignment by Purchaser without LAP Laser's prior written consent shall be void and of no force and effect.

14. Default

If Purchaser defaults hereunder or if a petition under any bankruptcy or insolvency law is filed by or against Purchaser:

- (a) LAP Laser, in addition to other remedies, may repossess any Ordered Products previously delivered hereunder for which payment in full has not been received by LAP Laser;
- (b) At LAP Laser's option, LAP Laser shall be relieved of all further obligations hereunder or may delay further shipments of Ordered Products; and
- (c) Purchaser shall be liable to LAP Laser for all of LAP Laser's costs of collection and repossession, including LAP Laser's attorneys' fees incurred in connection there with.

15. General

The Agreement shall not constitute the grant of any right or license to use or license to use or reproduce any computer software portions of the Ordered Products and any license granted by LAP Laser to Purchaser shall be evidenced by License Conditions to be executed by Purchaser. The Agreement may not be amended or modified except by a writing signed

by Purchaser and LAP Laser. If any term or provision, or any portion thereof, of the Agreement, to any extent, be invalid or unenforceable, the remainder of the Agreement shall not be affected thereby, and each term and provision of the Agreement shall be valid and enforceable to the fullest extent permitted by law. Acceptance is limited to terms of this Agreement. LAP Laser objects to any different or additional terms contained in any purchase order, offer or confirmation sent or to be sent by Purchaser, which are expressly rejected. This Purchase Agreement is conditional on Purchaser's agreement to all terms and LAP Laser is otherwise unwilling to proceed with this transaction. This is the final expression of the Agreement and there will be no waiver or modification of any of these terms unless in writing signed by both parties. If LAP Laser does expressly make any further agreement regarding the Ordered Products, all terms of the Agreement shall be final. The performance by LAP Laser under the Agreement shall be governed, and the Agreement shall be construed and interpreted in accordance with, the laws of the State of Kentucky and the Uniform Commercial Code as adopted in Kentucky. Any dispute arising out of or relating to the Agreement shall be brought only in a court of competent jurisdiction located in Boone County, Kentucky. Neither the Revised American Foreign Trade Definitions, nor the International Chamber of Commerce definitions (INCOTERMS) shall govern this transaction. LAP Laser's rights as provided for herein are in addition to any other rights which may be provided by law.

16. Confidential Information

Purchaser agrees to maintain in confidence and not to disclose, reproduce or copy any materials, documents or specifications which are marked confidential or proprietary and which are provided to Purchaser hereunder. Purchaser acknowledges that any unauthorized disclosure or use of the confidential information would cause LAP Laser imminent irreparable injury and that LAP Laser shall be entitled to, in addition to any other remedies available at law or in equity, injunctive relief in the event the other party breaches or threatens to breach its obligations under this Section.

17. Notices

Unless otherwise provided in the Agreement, any notice requirement hereunder to the parties hereto will be deemed to have been duly given if in writing and delivered personally or mailed by first class, registered or certified mail, postage prepaid, and if intended to be given to Purchaser at the address of Purchaser set forth in the Purchase Agreement, and if intended to be given to LAP Laser, at the address of LAP Laser as set forth in the Purchase Agreement (on the first page of the Sales Proposal).

Erlanger, May 2017

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USA