

## Terms and Conditions

1) This Agreement shall commence on the date above ("commencement date") and shall continue for the original term of the Agreement and shall renew thereafter annually at prevailing rates unless terminated by either party by the giving of written notice to the other party no less than thirty (30) days prior to the expiration of the then current term (original or renewal). The terms and conditions set forth herein shall remain in full force and effect during any renewal terms, except that the rates set forth on the reverse hereof shall be adjusted during any renewal term of Scot then current rates. In the event that Customer terminates this agreement before its expiration, Customer shall not be entitled to any refund of any amount paid under this agreement.

2) Scot's obligations hereunder (herein called Service) shall be limited to providing (1) periodic inspections and diagnostic checks of the Machine and (2) repair or replacement of defective or worn out parts of the Machine but not including shop reconditioning as defined in item #7.

3) Scot's obligations hereunder shall not include (1) Service required due to acts of God, terrorism, accident, negligence, misuse, specification changes, loss of electrical power or fluctuations or causes other than normal use. (2) any Service in connection with non-approved attachments or alteration of the Machine, or (3) consumable supplies, rate program software, additional operator instruction or Machine(s) relocation(s) after initial installation of the machine.

4) Any In-Warranty parts or labor shall be provided pursuant to the terms and conditions of said Warranty.

5) Service shall be performed during Scot's usual business hours (8:00AM –5:00PM). After hours and weekend service may be provided at Scot's discretion for an additional charge and is not included as part of this agreement.

6) If the Machine is regularly used by more than one (1) shift of personnel, the charge set forth herein may be increased by fifty (50%) percent for each additional shift regularly using the Machine to compensate for additional use, maximum monthly cycle counts apply. After hour service is subject to the terms in paragraph 5.

7) If, in Scot's opinion, the Machine ought to be removed for a shop reconditioning because on-site repair and/or replacement of parts cannot keep the Machine in satisfactory operating condition, Scot will submit a cost estimate to Customer for reconditioning and if authorized by Customer, Scot will recondition the Machine at the sole expense of Customer which will be in addition to any charge paid by the Customer hereunder.

8) Scot's RESPONSIBILITY: In performing its maintenance obligations under this agreement, Scot shall not be responsible for any failure of the equipment to be in satisfactory operating condition if such failure is due to any of the following reasons: improper programming, unauthorized modifications to the equipment, use of consumable supplies not meeting Scot's specifications and/or attachment of any device, the technical specifications of which have not been approved by Scot, use of the equipment for an application or function other than that for which it was designed, use of the equipment in a manner other than that which it was designed to operate, and/or changes in specifications by Customer.

### Network Connectivity:

Scot's services under this contract do not include the support of network operating systems, non-included applications software or hardware malfunctions attributable to customer software or network hardware. Scot will determine the cause of the covered network hardware issues by connecting a laptop directly to the hardware. If the hardware operates normally when connected to Scot technician's laptop the problem will be attributed to customer's network or software and is not covered under this contract and the service will be chargeable.

Any parts supplied hereunder shall be free from manufacturing defects in material and workmanship under normal use for a period of ninety (90) days after parts are supplied to Customer. This Warranty does not apply to any part, which has been tampered with or repaired by persons other than a person authorized by Scot to perform Service on the Machine or if the part has been subjected to misuse or abuse.

The foregoing warranty is in lieu of all other warranties, express or implied including without limitation, warranties of merchantability and fitness for any particular purpose.

In case of any breach of this Warranty Scot's obligations shall be limited to the repair or replacement of any defective parts without charge.

Scot shall not be liable, in any event, for the loss of use of the equipment, loss of data or for any incidental, indirect, special or consequential damages in connection with service, parts and labor provided hereunder or resulting from any use or failure of machines, including without limitation, liability for customer's expenses or loss of income while machines are out of operation.

This agreement constitutes the entire agreement between the parties hereto, and supersedes all previous negotiations, commitments and agreements, with respect to its subject matter. This Agreement may not be modified except by a writing signed by both parties. The terms of this Agreement shall prevail over any inconsistent terms appearing on any purchase orders or acknowledgments submitted by Customer. Neither this Agreement nor any rights hereunder may be assigned by Customer without the prior written consent of Scot.

**ACCEPTANCE** Customer acknowledges that it has read this agreement understands it and agrees to be bound by its terms and conditions. Further, customer acknowledges that this agreement between the parties supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this agreement.

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Authorized Customer Signature

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Date