

INDEX



INDEX Corporation

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Noblesville, IN 46060

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Quote for INDEX V200

Date 05/23/07
Quote QT-6260-30-V200_R1
Customer AFCO
Address 1100 Scott Bridge RD.
City, State, Zip Anderson, S.C.
Contact:

Salesman Mike Langford
Telephone (317) 770-6320
email mlangford@index-usa.com

Technical contact Andre Bettuz
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Prices are valid 30 days from date of quote.

Sent to:

Sent via:

Created by:

Quote for INDEX V200

| SEL.-NR. | QTY. | DESCRIPTION | PRICE -US\$- | TOTAL PRICE -US\$- |
|----------|------|--|-----------------|-----------------------|
| 75067 | | INDEX V200 VerticalLine machine (single spindles) | | |
| 10005 | 1 | INDEX V200 Vertical Line Vertical CNC lathe ===== === for linear tool arrangement # Standard equipment suitable for modular expansion as listed below. # Design features: Fabricated machine base, rigid cast iron machine bed, vertical thermo-symmetrical headstock, tool clamping table 1054x400 mm with 13 vertical slots 10 mm wide and 7 horizontal T slots 10 mm wide as per DIN 650; main and axis drives powered by AC motors. | | |
| VT300700 | 1 | Special maschine base-frame approx. 130 mm higher | | |
| 10050 | 1 | Main spindle 1 D30, size 4 - DIN 5026/ 55021 and ISO 702/1 Bar diameter max. mm 30 Speed max. rpm 7500 Front bearing dia. mm 75 Variable AC drive (hollow shaft motor) | | |
| 10065 | 1 | Main spindle 1 D30 power: Power for 100%/40% duty KW 13/21 Torque Nm 62/102 | | |
| 10070 | 1 | Main spindle 1 D30 positioning and indexing unit, indexing pitch 2.5 degrees by means of detent plate | | |
| 11040 | 1 | Full clamping cylinder, hydraulic, OVS 77/18, for main spindle 1 D30: Bar dia. max. mm 18 Stroke max. mm 32 Speed max. rpm 7500 Piston area cm2 8.1 Clamping cylinder operating pressure bar 80 incl. electrical clamping stroke monitoring; prepared for fitting a DEUBLIN rotary coupling; Clamping tube for partially hollow clamping dia. mm 25.6 length mm 456 Clamping device mounting thread M 40x1.5 Pull/thrust (80 bar) max. kN 6.4 | | |

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| 11030 | 1 | Single pressure clamping unit for D30 or D60 main spindle 1 clamping cylinders, adjustable 10 to 80 bar, preset to maximum permitted operating force of clamping device/collet clamping tube | | |
| 10305 | 1 | Compound slide X,Z for main spindle 1 for linear tool arrangement, comprising: bed slide X and headstock Z, ball screws 32 mm dia., axis drives protected by overload clutches, Z axis counterpoise Axis X Z Travel mm 520 200 Rapid traverse m/min 30 30 Feed thrust N 5000 5000 | | |
| 10315 | 1 | Position gauging system for X axis, incl. glass scale | | |
| 10330 | 1 | Position gauging system for Z1 axis incl. glass scale, locking air unit complete with solenoid shutoff valve, air filter and regulator | | |
| 10750 | 1 | INDEX control system C 200-4 complete with machine operating panel but excluding VDU, 32 bit multiprocessor control with built-in AT compatible PC and stored-program adapter control (PLC) S5-135WD (this control unit is identical to SIEMENS Sinumerik 840 C) - Channel structure, simultaneous processing of several NC programs - Linear, circular and 3D interpolation on each channel - User memory 200 Mb on hard disk - NC RAM 128 Kbyte for running machining programs - Fan/filter unit for ambient temperatures up to 40 deg.C (cooling unit for up to 40 deg.C ambient temperature optional) | | |
| 76755 | 1 | Colour flat screen display, 24 cm, incl. operating keyboard | | |
| 39716 | | Note: Supply voltage 400V | | |
| 51011 | | Electrical equipment, frequency 60 Hz | | |

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| 39714 | | Installing machine outside EU excluding certificate of electromagnetic compatibility | | |
| 39738 | 1 | Note: Fault current protection (supplied by customer) | | |
| 39754 | | Note: Machine connection without fault current protection | | |
| 76219 | | Note: Machine is designed for connection to TN supply. Caution: for other types of supply an isolating transformer must be used !!! | | |
| VW304948 | 1 | Transformer for USA type plugs - 110 V (in front of main switch) | | |
| VW304949 | 1 | USA plug in control cabinet (in front of main switch) | | |
| VW304950 | 1 | USA plug at control panel below RS233 connection (in front of main switch) | | |
| 76054 | 1 | Matching transformer 3 KVA | | |
| 76001 | | Display text in English but INDEX Service text in German | | |
| 75802 | | Operator documentation, labels and service documents in ENGLISH; detailed fault tables and other documentation in GERMAN | | |
| 76577 | 1 | One year service warranty | | |
| 10605 | 1 | Hydraulic system incl. power pack, capacity approx. 120 litres, system pressure 80 bar, excluding oil charge | | |
| 12055 | | Machine panels prepared for left-hand workpiece handling unit | | |
| VT300701 | 1 | Machine colour Special colour Complete machine outside - structured paint RAL 1019 Sliding door made of stainless steel, structured sheet metal unpainted except electr. installation space | | |

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| 76695 | 1 | User documentation ----- customer-specific standard instructions (1x, paper) - notes on safety - transport and installation instructions - operating instructions - operating manual - programming instructions - programming notes - maintenance manual - electrical circuit diagrams according to INDEX standards (in switchgear cabinet): Delivery takes place with the machine ----- total customer-specific instructions (1x, paper) - notes on safety - transport and installation instructions - operating instructions - operating manual - programming instructions - programming notes - maintenance instructions - tool holder catalog, plans and drawings (1x, paper) - working area layout - component drawings - hydraulic diagrams - pneumatic diagrams - lubrication diagrams, CD-ROM with user documentation (all documents in PDF format) - instructions - error indication - diagrams and drawings - spare and wear parts (as tree structure and Microsoft Excel file) - parts list with drawings (tree structure with links). Delivery takes place within 4 weeks after commissioning ----- | | |
| VT300702 | 1 | installation of window on left front side, secured by electrical system linker Maschinenverkleidungsfront, | | |
| VT300703 | 1 | Telescope cover to top incl. total cover of machine to top | | |

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| SEL.-NR. | QTY. | DESCRIPTION | PRICE -US\$- | TOTAL PRICE -US\$- |
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| PRICE OF BASIC MACHINE | | | | 294,259.00 |
| VW300005 | 1 | collet chuck for COVER Version 13.3 and 13.5 Make Röhms KFZ 125 as delivered without clamping set | | 8,322.00 |
| VW300006 | 1 | clamping set to KFZ 125 cons. of 3 collets with backstop for part COVER 3 positioning pin incl. positioning pin and draw tube adaptor | | 3,407.00 |
| 12205 | 3 | Mounting for tool holder for compound slide 1 as per DIN 69880 - 30x55 mm, complete with fixing components and cleat for fixing to tool table/clamping plate (1 off required per tool) | | 2,152.00 |
| VW317927 | 1 | high frequency spindle KaVo EWL4040 incl. frequency converter, interface, clamping unit for linear plate, with water connection, clamping collet incl. mounting and function test | | 24,353.00 |
| VW317928 | 1 | high frequency spindle KaVo EWL4064SK incl. frequency converter, interface, clamping unit for linear plate, with water connection, clamping collet incl. mounting and function test | | 29,119.00 |
| 10802 | 1 | C axis on main spindle 1 D30 or D60, powered by hollow shaft motor, with angular gauging system mounted directly on main spindle; Resolution 0.00035 deg. Max. torque = main spindle rated torque Repeatability scatter (as per VDI/DGQ 3441) P _{max} = 0.01 deg. | | 7,217.00 |
| 12100 | 1 | Coolant supply line through main spindle 1 D30 or D60, for use with clamping tube M40x1.5 (Sel.No.11010/ 11015/11020/11045), incl. solenoid shutoff valve; spindle speed restricted to 7000 rpm on account of the rotary coupling at the end of the spindle. | | 1,734.00 |

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| 10245 | 1 | Coolant ports on headstock and l/h or r/h tool table, incl. shutoff valves for separate opening/closing of all supply lines | | 2,720.00 |
| VW300017 | 1 | Chip conveyor, special version, mounting on right side to the machine, chips to rear of machine, flushing chips with coolant and through into the chip conveyor coolant quantity adjustable via manual valve | | 21,723.00 |
| 52384 | 1 | Lift pump, delivery 100 litres/min for emulsion, incl. float switch | | 3,945.00 |
| 52395 | 1 | Machine prepared for the fitting of a coolant cleaning attachment. Fitting of various makes is possible. At agreement on, or supplying of a cleaning attachment the following costs will be added according to effort. The machine cannot be run without a coolant cleaning attachment. When a machine acceptance with coolant is required, a coolant attachment must be fitted temporarily and afterwards it must be dismantled. | | 3,735.00 |
| VW308572 | 1 | Coolant Lubricant providing through already existing vacuum-rotations filter-system, with connection R 3/4 " to machine, valve connected-no current, monitoring through flow meter | | 5,229.00 |
| XXXX | 1 | smoke and oil mist filter device type Buechel SH 2000 PEV/Tandem single-stage quipped, BOSCH-version with oil collection through piping 200 D - electr. plug 220 V, 10 A fuse | | 16,405.00 |
| 75168 | | Notes on fire protection of machines if flammable types of coolant are used: ----- 1) General information on fire and explosion hazards associated with the use of flammable coolants: The EU machine directive has been incorporated into German law by the 9th directive on the law of equipment safety. At present, however, the EU standard "EN 1127 Part 2 - Fire Protection on Machines | | |

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| | | | -US\$- | -US\$- |

- is being formulated.
 Within this standards committee, the Association of German Machine Tool Manufacturers (VDW) is trying to prevent a general imposition of automatic fire fighting systems.
 Despite this policy, INDEX machines are designed and built so as to avoid any fire or explosion hazard resulting from the machines themselves or from gases, liquids, dusts, vapours or other substances used or released by the machines.
 Should, however, a fire or explosion occur, its effect on the surrounding environment must be confined to a non-hazardous level.
 2) When is there a fire or explosion hazard? Whenever flammable coolants are used, such as
 - cutting oils
 - emulsions containing more than 15% oil and are finely dispersed; e.g., by using high pressure coolant pumps delivering more than > 40 bar, forming a flammable oil-air mixture, with an insufficient air volume for cooling workpiece and tool, and are heated above their flash point (by hot chips, sparks, friction heat generated by collision or a broken cutting edge, electrical arcing).
 3) CE logo: Machines bearing the CE logo will not cause an explosion hazard provided they are used for the purpose for which they were designed.
 Machines designed for use with flammable coolants must feature the following safety equipment:
 - extraction system
 - CO2 fire extinguishing system
 - pressure relief panels

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| 75786 | 1 | Switchgear cabinet cooling unit mounted on cabinet door for ambient temperatures above 35 degrees C, (reduces door opening angle to 110 deg.). Manufacturer: Rittal; free of CFCs | | 4,931.00 |
| VW317929 | 1 | Tool monitoring system Nordmann TOOL MONITOR SEM tabletop unit for 1-8 channels for monitoring of 2 high frequency spindles of make KaVo EWL4040 and KaVo EWL 4064 SK via | | 31,584.00 |
| VW317923 | 1 | Workpiece Handling System Loading of raw parts: Automation type SCHMID, for loading of raw parts, as: - fabricated automation base/console - linear unit with NC drive with separate assembled rotation encoder, stroke approx. 570 mm - vertical stroke unit for gripper, pneumatical operated - gripper for rawparts with flats for location of part - control unit with photo electric barrier and measuring pin - test pin with pneumatic adjustment for take over raw part through adjustable workpiece support/rest - chute for wrong rawparts - chute for not aligned workpieces (raw parts) - stamp unit of manufacturer Borries, pneumatical operated, with slide unit and adjustable workpiece/rest in height - Storage place with location pin and part checking - coverplate as usual - installation of electric extended for extern loading of raw parts and unloading unloading for machined parts - installation of pneumatic of manufacturer SMC, extending of valves-system for extern loading of raw parts and unloading of machined parts | | 77,808.00 |

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| SEL.-NR. | QTY. | DESCRIPTION | PRICE -US\$- | TOTAL PRICE -US\$- |
|----------|------|---|-----------------|-----------------------|
| VW317924 | 1 | <p>Automatic Loading/Unloading unit for INDEX V200, Type SCHMID, NC controlled, mounted on left side</p> <ul style="list-style-type: none"> - console installed for mounting on INDEX V200 - drip pan - Horizontal nc-drive, stroke approx. 1000 mm - double gripper for transport of raw parts and machine parts, pneumatical gripper for machined parts- spring loaded, raw part location with pin in center hole of workpiece, whether there is the right dimension of workpiece, spring loaded - linear unit pneumatic operated for transportation of parts to the next step - vertical unit, pneumatic operated, for double gripper movement - gripper for machined parts, pneumatic operated - gripper for raw parts, pneumatic operated - Blow off equipment, located at position of deburring location - Cover incl. Pneumatic operated door between automation and working area - protection cover for automation, cover moveable for service works - conduit box for electrical installation - installation of pneumatic unit Type SMC with maintenance unit for SMC-equipment | | 90,910.00 |
| VW317925 | 1 | <p>Deburring Unit, integrated in the Automation for part cover</p> <ul style="list-style-type: none"> - Unit adjustable for deburring spindle vertical operated, bigger size of spindle, pneumatic operated, feed adjustable through oil-brake system - moveable cylinder for machined parts - conduit box for electrical installation - installation of pneumatic unit Type SMC - Lifting cylinder for Fin.parts <p>The complete deburring spindle unit can</p> | | 40,891.00 |

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| | | be changed very fast for service-wear-works if necessary (spindle unit with quick acting closure) | | |
| VW317926 | 1 | Unloading of machined parts, automation Type SCHMID - console installed for assembly at basic frame - linear unit pneumatic operated, stroke approx. 600 mm - rotation unit for gripper, rotation ankle 180°, pneumatic operated - gripper for raw parts with plasticclamp jaws - basic frame with oil sump/oilpan - protection cover, moveable for service work - secured limit switch for cover - conduit box for electrical installation - installation of pneumatic manufacturer SMC on bulkhead plates. | | 59,716.00 |
| VW308583 | 1 | Installation and mounting at INDEX for try-out, with mechanical commissioning | | 11,385.00 |
| VW308599 | 1 | Installation and commissioning of Automation at customer's side Estimated time approx. 10 working days Further intervention will be invoiced at actuals. | | 22,739.00 |
| 12050 | 1 | Preparing machine for installation of conveyor between rear of machine and switchgear cabinet; free space 630 - 1100 mm above floor, 200 mm wide | | 2,495.00 |
| 82011 | 1 | Writing a program complete with documentation, tool planning, machining test and optimisation of the machining process comprising: Creating setup sheet and NC program, preparing clamping devices and tools, supplying tool holders, presetting tools, mounting clamping devices and tools on the machine, setting-up the workpiece and optimising the machining process, degree of complexity group A | | 11,489.00 |

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| VW311904 | 1 | Afco supply of tools V200 | | |
| 82003 | | Machine capability test: ----- Short term test machining up to 50 workpieces. Test conditions must be agreed, especially the dimensions to be gauged, tolerances and the specified capability index. | | |
| 82030 | 1 | Short-term capability study according to INDEX QM procedures, based on VDMA standard guideline No. 8669: - up to 4 characteristics - usable tolerance IT 7 or larger - simple gauging equipment Supply specifications - General | | 4,004.00 |
| VT302342 | | Supply specifications | | |
| VL300074 | 1 | Vertragliche Erfüllung von Kunden- Liefervorschriften BOSCH/AFCO ===== Die beantragten Ausnahmegenehmigungen zu den BOSCH-LIEFERVORSCHRIFTEN aktuelle Auflistung "t68aawl29801" sind erteilt bzw. wird dieses vorausgesetzt. Die Aus- führung betreffend Liefervorschriften entspricht den an BOSCH/AFCO gelieferten Maschinen A156345 u. A156344. Die Bestellpositionen werden einzeln mit Text und Preis ausgewiesen, wenn sie übergeordnet als "Preislisten-Positio- nen" angeboten werden. Kundenspezifische Positionen werden als Gruppen aufge- listet. | | |
| VL300075 | 1 | Liefervorschriften MECHANIK AUFLISTUNG SONSTIGES: ===== BOSCH-HYDRAULIK-GERÄTE: ----- Serienvarianten Bosch einbauen MON: - 4/2 und 4/3 Wegeventile NG6 Bau- und funktionsgleiche BOSCH-Geräte bestellen VTK/311 und einbauen MON: - TÜV geprüftes, plombiertes Sicher- | | 1,958.00 |

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| | | heitsventil - Druckspeicher - Druckminderventil - Rückschlagventil BOSCH-PNEUMATIK-Geräte: ----- Grundversorgung mit Sperrluft nach Auflistung VL300066.20 HINWEIS: ----- Wir liefern Ventile Fabr. BOSCH mit Hinweis auf Baugleichheiten Fabrikat SMC. ZENTRALSCHMIERUNG: ----- Fabr.VOGEL | | |
| VL300076 | 1 | Liefervorschriften ELEKTRIK BOSCH/AFCO ----- ELEKTRIK SONSTIGES: - blaues Schild vom Kunden an der Verbindungsstelle Hilfsstromerdung anbringen - Türen, Deckel und Seitenwände erden - Lampentest - Prüftaste für 3-fach-Leuchte - Vorschub und Spindeloverride auf 100% bei Automatik verriegeln - Ersatzgerät SIEMENS 3TK2804 in Schaltschrank legen 3 Halogen-Maschinenleuchten Fabr.WALDMANN SLCE 118/24V DC mit Halterung 190 015 019; davon 2 im MaschinenInnenraum und 1 im Abbläseraum HINWEISE - Abweichungen: ----- - Hauptschalter mit Hilfsschalter ELEKTRA - Schaltschrank INDEX gefertigt von Müller, RITTAL oder anderen Spezialfirmen - kompatible Klemmen, jedoch auch Potentialklemmenblock und Doppelstockklemmen PHÖNIX - Taster Durchmesser 16mm SCHLEGEL - Näherungsschalter kompatibel - SPS-Programm INDEX_Ausführung | | 2,376.00 |

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| VL300080 | 1 | Liefervorschriften Preislisten- Artikel ----- bisher nicht im Konfig.u.Keine VL3... - Lärmpegelmessung (75237; Vorgabe max.75) - Laservermessung (82008) - Geometrieprotokoll (82007) - Bescheinigung el.Abnahme (75303) - Kennzeichn.Hydraulikleitungen (75623) - Kennzeichn.Pneumatikleitungen (75610) - Kennzeichn.Schmierleitungen (75611) - Kennzeichn.el.Kabel+Geräte m.Marken (75711) | | 1,958.00 |
| VL300079 | 1 | status indicator lamp 3 lights make Telemecanique cons. of: - VA C21 base, cover - C34 24V top red for error - C35 24V orange (instead of yellow) lack of material - C33 24V green for automatic run similar VL300032, but mounting on suction hood, front right | | 2,316.00 |
| 75230 | | EU Certificate of Compliance - The machine complies with EU Machine Guideline 98/37/EU (so-called "Machine Guideline") - The "CE" logo is affixed to the machine in a clearly visible way. - The certificate is stapled into Section 1 "General Notes" of the Machine Operating Manual. | | |
| 93200 | 1 | Machine packaged ready for lifting by fork lift truck, protected from dust and moisture by PE film. | | 1,121.00 |
| | 1 | US Electric | | 11,952.00 |
| | 1 | Sea freight Packaging | | 7,769.00 |
| | 1 | Installation of V200 machine at customer's premisses | | 14,940.00 |
| | 1 | Local warranty and service support | | 23,760.00 |

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| Electrical supply data: | | | | |
| 39000 | | kW Total connected power | | |
| 39001 | | kVA | | |
| 39002 | | Nominal current A | | |
| Total Machine Price | | | | 850,422.00 |

TERMS: The attached Terms and Conditions of sale incorporated in the attached document are legally binding part of the above quotation
Additional the following terms apply:

SHIPMENT: FOB Noblesville, IN, unless otherwise specified above.

INSTALLATION PREPARATION: It is the buyer's responsibility to prepare for the installation including putting the machine in place and providing all the necessary connections (power, air, etc.) as well as operating fluids such as coolant, hydraulic and lubrication oil as specified on the installation plan.

INSTALLATION & START UP: Installation of machine and start-up as well as operator training for a maximum total time of up to 5 days is the responsibility of INDEX Corporation.

PROGRAMMER TRAINING: Is available as classroom style training based on the regular training schedule at INDEX Corporation in Noblesville, IN at a rate of \$950 per person, per training class. All expenses, excluding lunch are the responsibility of the attendee. Website shown below contains training shedule.

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| OPERATOR TRAINING: | | Up to 5 days of operator training at the customer facility is included in the purchase price of the machine. Additional on-site training is available upon request at the current service rates (\$920 per day) plus expenses & reimbursement of travel time. Website shown below contains training shedule. | | |
| MAINTENANCE TRAINING: | | Is available based on INDEX Corp.s' regular training class schedule at INDEX Corporation, Noblesville, IN at a rate of \$950 per person, per training class. All expenses are the responsibility of the attendee. Website shown below contains training shedule | | |
| WARRANTY: | | Is 12 months, including parts & labor Note: All forwarding freight charges for warranty parts are the responsibility of INDEX Corporation unless special same day shipping arrangements are requested by the buyer. | | |
| PAYMENT TERMS: | | 30% due with purchase order 60% due after acceptance at INDEX Corporation, before shipment 10% due net 30 days after installation | | |
| SECURITY INTEREST: | | The buyer agrees to sign and deliver a UCC-1 form to protect the security interest of the seller. | | |
| DELIVERY: | | To be determined, depending on availability, options, tooling and acceptance criteria. | | |
| TRAINING WEBSITE: | | http://www.index-werke.de/ic/index/dienstleistung/kundenschulungen/index.htm | | |

INDEX Corporation
14700 North Point Blvd.
Noblesville, IN 46060

TERMS AND CONDITIONS OF SALE

Acceptance by Seller of Buyer's Purchase Order for all goods to be sold by Seller to Buyer (the "Goods") is conditioned on Buyer's agreement to the following terms and conditions. All orders are subject to acceptance by an authorized representative of Seller, a Connecticut Corporation headquartered in Noblesville, Indiana, evidenced by Seller's written Order Acknowledgement addressed to Buyer. If such terms and conditions are not acceptable, Buyer must notify Seller within (5) days from the date hereof, otherwise Seller agrees that the following terms and conditions shall be the exclusive terms and conditions of sale except as otherwise expressly agreed to in writing by Seller.

1. PRICES:

- A. Are subject to change without notice at any time prior to the written acceptance by Seller of Buyer's Order;
- B. Become firm upon Seller's acceptance of the Order as evidenced by Seller's Order Acknowledgement, unless escalation terms are conditions precedent to Seller's acceptance of the Order;
- C. Are F.O.B.U.S. port of entry unless specifically otherwise agreed to in a written document signed by the Seller.
- D. Are subject to an increase (to be invoiced at a future date) equal in amount to any tax, tariff or other charge imposed upon the Goods by any person (except for taxes measured by the income of Seller) that Seller may be required to collect or pay arising out of the sale of the Goods;
- E. May be adjusted by Seller if the value of the currency in which Seller must pay the purchase price of the Goods, or any parts thereof, rises more than five percent (5%) between the date of Buyer's order for the Goods and delivery thereof to Buyer.

2. DELIVERY: Delivery date or shipping schedules are **Approximate, based upon the most recent information available to Seller** and may be adjusted by Seller upon receipt of subsequent information.

3. VALIDITY OF QUOTATION: The quotation for the Goods given by Seller to Buyer is valid for sixty (60) days from the date of the quotation unless otherwise specified in writing signed by Seller.

4. SPECIFICATIONS AND PERFORMANCE: Descriptions, specifications, drawings, and similar documentation relating to the Goods, issued by or on Seller's behalf, ARE NOT WARRANTED, AND SELLER IS NOT BOUND THEREBY, UNLESS EXPRESSLY SO CONFIRMED BY SELLER IN WRITING. SELLER'S PRODUCTION DATA IS NOT WARRANTED. IN NO EVENT SHALL SELLER BE RESPONSIBLE FOR PERFORMANCE DATA OR STANDARDS RELATING TO GOODS SOLD HEREUNDER, WHETHER SUCH DATA OR STANDARDS ARE SUPPLIED BY SUBCONTRACTORS OR PERSONS OTHER THAN SELLER. If the Goods are to be subject to acceptance tests before shipment, the terms of such tests must be approved by Seller in writing prior to acceptance by Seller of the Order for such Goods, otherwise the tests, if any, described in the Order shall be the only tests applicable. Tolerances relating to the Goods are based on Seller's assumption that all material used in connection with the manufacture of the Goods was properly processed through previous operations, and that locating surfaces will permit the quoted tolerances within the applicable production rate estimated by Seller.

5. INSTALLATION: The unpacking, cleaning and assembly of all Goods sold hereunder, all electrical and other connect Rev. 7-01-04 p thereof at the initial point of installation shall be perform expense. The start-up of Goods shall be performed by Seller at its expense. Prices quoted for the Goods include one (1) each Operator's Handbook, Spare Parts Book, Programming Instructions, Tool Holder Book.

6. TERMS OF PAYMENT: SECURITY AGREEMENT: Upon acceptance of the Order by Seller, Buyer shall promptly pay to Seller thirty percent (30%) of the purchase price which shall not be refunded. Buyer shall pay

sixty percent (60%) of the purchase price upon acceptance of the Goods by Seller, but prior to shipment of the Goods to buyer. Buyer shall pay ten percent (10%) of purchase price net thirty (30) days after acceptance/set-up of the Goods at buyer's plant, but no longer than net sixty (60) days from shipping date to buyer from seller. Buyer hereby grants to Seller a purchase money security interest in all Goods sold under this agreement and to the proceeds thereof (including insurance proceeds relating thereto and proceeds arising out of the sale thereof) to secure performance of all of Buyer's obligations arising hereunder. If payment is not made on or before the due date thereof, the unpaid balance thereof shall bear interest at the rate of eighteen percent (18%) per annum. Buyer agrees to pay Seller all of its fees and expenses incurred by it for the purpose of collecting all payments due to Seller, or in recovering possession of the Goods, including reasonable attorneys' fees and expenses. If shipments are delayed by reason of the act of Buyer, or delayed by Seller because of Buyer's account is in arrears, all payments and other indebtedness then owed by Buyer to Seller shall become due on the date that Seller is prepared to make shipment of the Goods. All Goods held by Seller for Buyer shall be at the risk and expense of Buyer. Buyer shall deliver to Seller such financing statements as it reasonably requests to perfect its security interest in the Goods, and Buyer hereby grants to Seller a power of attorney to execute and deliver on behalf of Buyer all such financing statements. The Buyer agrees to sign and deliver to the Seller a Form U.C.C.-1 to protect the security interest granted by the Buyer to the Seller in the Goods.

7. CANCELLATION: Acceptance of an Order by Seller shall be an irrevocable sale and is non-cancelable. Any cancellation must be accepted by Seller in writing, and Seller shall have the right to retain all amounts paid to it by Buyer as a nonrefundable deposit against payment of the purchase price therefore without further liability of Seller to Buyer. Buyer will be responsible for all fees and expenses (including reasonable attorneys' fees and expenses) incurred by Seller as a result of the cancellation of any Order.

8. NON-WAIVER OF DEFAULT: In the event of any default by Buyer with respect to the purchase of the Goods, Seller may decline to make further shipments of Goods without affecting its rights arising under the Order including these terms and conditions. If Seller elects to continue to make shipment of Goods to Buyer, such action shall not constitute a waiver by Seller of any of its rights or remedies for any such default.

9. TITLE: Seller shall retain title to all Goods shipped to Seller until Buyer performs all of its obligations arising hereunder.

10. ASSIGNABILITY: The terms and conditions of this agreement shall be binding upon and insure to the benefit of the successors and assignments of Seller and Buyer, and may be assigned to any successor organization or affiliate of Seller without the written consent of Buyer, but shall not be assignable by Buyer without prior written consent of Seller.

11. RISK OF LOSS: Seller shall bear the risk of loss of or damage to the Goods until delivery to Buyer at the F.O.B. point of shipment stated on Seller's Order Acknowledgment or to the F.O.B. U.S. port of entry, whichever shall occur first. Any loss or damage subsequent to such delivery shall be at the sole risk of Buyer.

12. ACCEPTANCE: Goods acceptance will take place at the Seller's plant, with the standard acceptance part. If the Buyer desires one of his parts to be considered for acceptance, the part drawing should be mailed immediately. The Seller will quote the cost for this as soon as all the required information is received. Cycle Times: Note that the quoted cycle times are estimates only, based on experience and technological data available. The Seller does expect parts to run at speeds, feeds and within the estimated time. Cycle times can only be qualified at time of set-up based on actual machinability, tool life and other factors. The feeds and

desires one of his parts to be considered for acceptance, the part drawing should be mailed immediately. The Seller will quote the cost for this as soon as all the required information is received. Cycle Times: Note that the quoted cycle times are estimates only, based on experience and technological data available. The Seller does expect parts to run at speeds, feeds and within the estimated time. Cycle times can only be qualified at time of set-up based on actual machinability, tool life and other factors. The feeds and speeds chosen are subject to review and approval by Buyer. Any alterations in material characteristic, type of tooling and coolant will affect the production times which are practical to use. The times quoted are based on 100% efficiency of the Goods and additions have to be made for tool change, material loading and other time losses incurred.

13. WARRANTY: DISCLAIMER OF IMPLIED WARRANTIES:

A. THE WARRANTIES PROVIDED HEREIN ARE THE EXCLUSIVE WARRANTIES MADE BY SELLER TO BUYER. SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED BY LAW OR USAGE. SELLER DISCLAIMS AND BUYER WAIVES, ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. BUYER ACKNOWLEDGES THAT THE DESCRIPTION OF THE GOODS OR REPAIRS STATED IN SELLER'S PURCHASE ORDER IS FOR THE SOLE PURPOSE OF IDENTIFYING THE GOODS.

B. As more specifically provided hereafter, Buyer's remedy for Seller's liability hereunder shall be limited solely to repair, replacement, issuance of credit, or refund of the purchase price upon return of Goods to Seller at Buyer's expense, which remedy shall be at Seller's option. Seller has no responsibility for reimbursing Buyer for repair or replacement costs incurred in connection with the Goods, without Seller having given prior authorization for such costs.

C. EXPRESS PARTS AND SERVICE WARRANTY: Provided (a) Seller is given written notice from Buyer of any defect in, or malfunction of, the Goods within one (1) year commencing from the F.O.B. U.S. place of shipment or the delivery date of the Goods to the F.O.B. U.S. port of entry, as the case may be, as stated on Seller's Order Acknowledgment, whichever shall first occur and (b) such notice is given to Seller within ten (10) days after Buyer becomes aware of any such defect or malfunction, Seller, at its option, will:

1. Without charge, and within a reasonable period of time after receipt of such written notice, inspect such Goods. If Seller, in its sole judgment, determines that such defect or malfunction was caused by misuse, neglect, improper installation, repair, alteration or accident with respect to the Goods, Seller will have no obligation to Buyer hereunder.

2. If after Seller inspects the Goods, Seller determines that the Goods are covered by the Warranty granted hereunder; it will at its expense, perform the required service and/or obtain and install the required replacement parts to correct such defect or malfunction. All forwarding freight charges for warranty parts are the responsibility of INDEX Corporation unless special same day shipping arrangements are requested by the buyer. Return freight charges for warranty parts are the responsibility of the Buyer.

D. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR LOSS OR PROFITS, LOSS OF USE, OR DAMAGES OF ANY KIND BASED UPON A CLAIM FOR BREACH OF WARRANTY, OR FOR FAULTY WORKMANSHIP OR MATERIALS, INCLUDING WITHOUT LIMITATION, CONSEQUENTIAL DAMAGES OR INCIDENTAL DAMAGES, EVEN IF SUCH LOSS OR DAMAGE IS CAUSED BY SELLER'S NEGLIGENCE OR OTHER FAULT. NO OBLIGATION OR LIABILITY OF SELLER SHALL ARISE OUT OF SELLER'S RENDERING OF TECHNICAL ASSISTANCE OR SERVICE IN CONNECTION WITH THIS AGREEMENT.

14. PATENT INDEMNITY: In the event any lawsuit is commenced against Buyer based on a claim that the Goods sold to Buyer hereunder infringe

any validly issued United States letters patent, Seller will assume all costs for the defense of, and any damages (other than consequential or incidental damages) awarded against Buyer in, any such action, provided Buyer gives timely written notice to, and uses its best efforts to cooperate with Seller in, the defense of such claims, and Buyer authorizes Seller to exercise the sole control of all aspects of the defense of such actions, settlements and all negotiations relating thereto. The foregoing indemnity shall not apply if the alleged infringement results from Buyer's use of Seller's products in combination with other products not purchased hereunder.

15. TRADE SECRETS: The drawings, computer programs, technical publications and other documents which Seller provides to Buyer relating to the Goods contain trade secrets and confidential proprietary know-how belonging to the Seller. Buyer agrees that it:

A. Will not disclose, or permit its employees or agents to disclose, such trade secrets or confidential proprietary know-how to any other party; and

B. Will not sell, license, lease, loan or otherwise directly or indirectly transfer the use of any such information without Seller's prior written approval.

16. SEVERABILITY AND SURVIVAL OF TERMS: Any term or condition hereunder which is determined by a court of competent jurisdiction to be prohibited or unenforceable in any jurisdiction shall, as to such prohibition or unenforceability, be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining terms and conditions of sale.

17. MODIFICATION: No addition to, or modification of, any of these terms or conditions shall be binding upon Seller unless made in writing and signed by a duly authorized representative of Seller. These terms and conditions constitute the entire agreement of the parties hereto with respect to the sale of the Goods sold hereunder, and supersede all prior discussions, agreements and understandings of any nature whether written or oral, with respect thereto, and no conditions, warranties or representations other than as expressly provided herein shall be binding upon Buyer or Seller.

18. SERVICE: Services rendered by Seller's representatives in excess of those provided with the original installation of the Goods shall be paid for by Buyer in accordance with the attached Schedule of Field Service and Installation Charges. Buyer assumes all responsibility for injuries and accidents to Seller's representatives in Buyer's facility, and will provide safe and suitable working conditions for Seller's personnel.

19. EXCUSE FOR NONPERFORMANCE: Seller shall not be responsible for any failure to perform its obligations with respect to the Goods arising from causes beyond Seller's control. These causes shall include, but not be limited to: fire, war, insurrections, acts of God, explosions, accident, labor disputes or shortages of material, delays in transportation, inability to secure raw materials or machinery for the manufacture of Goods, acts of any government or any agency thereof or judicial action.