

Terms and Conditions of Sale

VersaBuilt Automation Systems

1. Payment Terms

1.1 Payment Schedule: Unless otherwise agreed to, the Buyer agrees to pay 50% of the total purchase price at receipt of order. The ordering of parts, assembly, and preparation for shipment will not begin until the first 50% payment is received.

If the CNC automation system is to be installed by VersaBuilt or one of its authorized dealers, when the CNC automation system is ready to ship, the Buyer agrees to pay the remaining balance of the total purchase order minus the estimated amount for system installation. The final payment is due upon receipt of the final invoice after the system installation is complete.

If the CNC automation system is to be installed by Buyer, when the CNC automation system is ready to ship, the Buyer agrees to pay the remaining balance of the total purchase price prior to shipment of the CNC automation system.

1.2 Payment Method: The Buyer agrees to pay the total purchase price as specified in the invoice issued by the Seller. Payment shall be made in US Dollars and can be made through credit card, cash, check, or ACH as agreed upon by the Parties. Credit card payments are subject to a 3% processing fee.

1.3 Payment Due Date: The payment is due upon receipt of invoice unless otherwise specified in writing by the Seller.

1.4 Late Payment: In the event of late payment, the Seller may charge interest at a rate of 1.5% per month or the maximum rate allowed by law, whichever is lower, on the outstanding amount until payment is made in full.

1.5 Taxes: The Buyer shall be responsible for any applicable taxes, duties, or other charges imposed by any government authority related to the sale, delivery, or use of the CNC automation products.

2. System Contents and Overview

2.1 Description: The Seller shall provide a description of the CNC automation system being sold, including the specifications, features, and components included in the system, as agreed upon by the Parties.

2.2 Delivery: The Seller shall deliver the CNC automation products and system to the Buyer at the agreed-upon location or as otherwise specified in writing by the Parties. The risk of product loss or damage shall pass to the Buyer upon shipment from the VersaBuilt's facility.

2.3 Installation and Training: If installation and training services are included in the sale, the Seller shall provide such services as specified in the agreement. The Buyer shall be responsible for ensuring the availability of necessary infrastructure and resources for installation and training.

2.4 Upon receipt of complete payment, ownership of the equipment shall be transferred to the receiving party.

2.5 Shipping Fees will be added to the invoice at time of shipment, if shipment has been arranged by VersaBuilt on VersaBuilt's account.

2.6 Installation fees are calculated based on the number of hours on-site during installation, billed at an hourly rate.

3. Warranty and Performance Expectations

3.1 Warranty: The Seller warrants that the CNC automation products and systems provided by VersaBuilt shall be free from defects in material and workmanship for a period of one year from the date of delivery. This warranty covers both parts and labor, with on-site labor exclusion noted below. If any defects are identified within this period, the Seller shall, at its discretion, repair or replace the defective products or system. Systems are not eligible for return after shipment.

3.2 Limitations: The warranty shall not cover defects or damages caused by misuse, improper maintenance, unauthorized modifications, accidents, or any actions beyond the Seller's control. The warranty is also subject to the Buyer's compliance with the recommended operating and maintenance procedures provided by the Seller.

3.3 On-Site Labor Exclusion: The warranty provided by VersaBuilt Automation Systems does not cover on-site labor for repair or replacement of defective products. If warranty service requires labor, the Buyer has two options:

3.3.1 The Buyer may choose to perform the necessary labor at their own expense and with their own qualified personnel.

3.3.2 Alternatively, the Buyer may send the defective part back to VersaBuilt Automation Systems for repair or replacement, subject to the terms of this warranty.

3.4 Shipping Costs for Parts Sent Back to VersaBuilt: In the event that the Buyer chooses to send the defective part back to VersaBuilt for repair or replacement, the shipping costs for sending the part to VersaBuilt shall be the responsibility of the Buyer. The shipping method and costs shall be agreed upon between the Buyer and VersaBuilt before returning the part.

3.5 Inspection and Return Process: Before returning any defective part, the Buyer must contact VersaBuilt Automation Systems to obtain authorization and shipping instructions. The Buyer is responsible for proper packaging to prevent damage during transit.

3.6 Timely Return: The Buyer must return the defective part within a reasonable time frame after receiving authorization for the return. Failure to do so may result in the warranty claim being voided.

3.7 Repair or Replacement: Upon receiving the defective part, VersaBuilt Automation Systems shall, at its discretion, either repair or replace the part covered by the warranty.

3.8 Shipping Costs for Replacement: If the warranty claim is approved, VersaBuilt Automation Systems shall cover the shipping costs for returning the repaired or replacement part to the Buyer.

3.9 Exclusive Remedy: The remedies provided under this warranty are the sole and exclusive remedies available to the Buyer. The Seller shall not be liable for any other claims, including but not limited to incidental, consequential, or indirect damages arising from the use or inability to use the CNC automation products or system.

3.10 Understanding and Acceptance: The Customer acknowledges and agrees to understand and accept the functionality of VersaBuilt Automation Systems by way of published videos, datasheets and example systems. While VersaBuilt Automation Systems are designed to provide efficient cycle times and part infeed capacity within the constraints of the generalized solution for CNC machine tending, it is essential to note that VersaBuilt Automation Systems are not customized solutions for specific parts, machines, or customers. Available customizations include: customizations of infeed capacity, within reach and equipment interference limitations, custom Lathe part gripping fingers that can be mounted on existing gripper fingers, custom part infeed locators to accommodate ease of place, increased capacity, part geometry.

3.11 Generalized Cycle Times and Infeed Capacities: VersaBuilt will make best efforts for efficient cycle times within the constraints of the generalized solution for CNC machine tending. Cycle times and infeed capacities

are available to estimate with VersaBuilt provided tools as estimates to approximate typical use of VersaBuilt Mill and Lathe Automation Systems. The output values are based on a number of assumptions and are generalized for typical user part configuration options and system settings available at the time of this document's creation.

Nominal time calculations include factors such as part settle, average VersaWash cycles (for Mills), average VersaBlast (for Lathes), as well as time studies for average CNC door open/door close times, average chuck/vises open/close times, and average time to pick and place parts on the VersaCart table. The provided values are solely estimates and not intended as performance guarantees.

3.12 Mill Automation Systems with MultiGrip Technology: Mill Automation Systems are capable of tending a mix of multi-operation parts utilizing VersaBuilt's patented MultiGrip technology, enabling a generalized solution for flipping parts from one operation to the next. Parts are processed one part number at a time, machining the parts sequentially (one operation at a time), with MultiGrip Jaws pre-loaded on MultiGrip Vises in the CNC. Mill Automation Systems can tend CNC Machines with 3, 4 and 5-axis arrangements, up to 4 vises per Mill.

3.13 Lathe Automation Systems: Lathe Automation Systems are capable of tending parts one-operation at a time, as the system will not flip parts to automatically process sequential operations in a single-spindle Lathe. The system utilizes two grippers – Gripper 1 loads raw material, and Gripper 2 unloads finished parts. The finished part refers to a part that is complete through an operation, whether it is a single spindle or dual spindle lathe. For successful tending of parts, Lathe Automation Systems may require space in the turret for a Z-Push tool, a lead-in chamfer on the chuck or collet jaws, and adequate clearance between the open jaws or collet and the part being tended to accommodate robot trajectory path error, gripper part location error, and part material dimension errors.

3.14 By providing these performance expectations, VersaBuilt Automation Systems aims to ensure that the Buyer is informed about the functionality and capabilities of the CNC automation products and systems. The details help set realistic expectations for cycle times, infeed capacities, and the utilization of specialized technologies such as MultiGrip for Mill Automation Systems and the use of grippers in Lathe Automation Systems.

4. Door Interlock Requirements for CNC Machines

4.1 Door Interlock: The Buyer acknowledges and agrees that all CNC machines supplied by VersaBuilt Automation Systems must have their Door Interlocks in place and fully functional during operation.

4.2 Purpose of Door Interlock: The Door Interlock is a critical safety feature designed to prevent potential hazards, protect operators from accidental injuries and prevent damage to equipment during the operation of CNC automation products or systems. The Door Interlock ensures that the machine's operation is automatically halted when access doors or protective enclosures are opened or tampered, and prevents the automation equipment from entering the CNC while the CNC is operating, machining, actuating axes, etc, which could cause damage to the CNC and/or the automation equipment.

4.3 Compliance and Maintenance:

4.3.1 It is the responsibility of the Buyer to ensure that all CNC machines used in /conjunction with VersaBuilt Automation Systems have properly installed and well-maintained Door Interlocks at all times during operation.

4.3.2 Regular maintenance and inspection of Door Interlocks should be carried out as per the manufacturer's recommendations or in accordance with relevant safety standards and regulations.

4.3.3 In case of any damage, malfunction, or suspected non-functionality of the Door Interlock, the Buyer shall take immediate action to address the issue. Until the Door Interlock is fully repaired and restored to proper working condition, the operation of the CNC machine with VersaBuilt Automation equipment should be prohibited.

4.4 Indemnification:

The Buyer agrees to indemnify and hold harmless VersaBuilt Automation Systems from any claims, liabilities, damages, losses, or expenses arising out of the Buyer's failure to comply with the Door Interlock requirements or any incidents related to the absence or non-functionality of the Door Interlock.

By including this section, both VersaBuilt Automation Systems and the Buyer acknowledge the importance of maintaining Door Interlocks in CNC machines for safety purposes. This clause helps ensure that both parties understand their responsibilities concerning Door Interlocks, fostering a safe and secure environment for CNC machine operation.

5. Liability

5.1 Limitation of Liability: The Seller's liability, whether in contract, tort, or otherwise, arising out of or in connection with the sale of CNC automation products or systems shall be limited to the total purchase price paid by the Buyer. Limitation of liability applies to direct damages only.

5.2 Indemnification: The Buyer agrees to indemnify, defend, and hold harmless the Seller from any claims, liabilities, damages, losses, or expenses arising out of the Buyer's use, misuse, or modification of the CNC

automation products or system. It is the the Buyer's responsibility for obtaining any necessary licenses, permits, or approvals related to the use or installation of the CNC automation system.

5.3 Third-Party Components: The Seller may incorporate third-party components or software in the CNC automation system. The Seller shall not be liable for any defects, performance issues, or damages related to such third-party components or software, and the Buyer agrees to look solely to the respective manufacturer or licensor for any claims or remedies.

6. Risk Assessment and Safety Compliance

6.1 Risk Assessment Requirement: The end-user of VersaBuilt Automation Systems is required to complete a comprehensive risk assessment of the entire automation system before its implementation. The risk assessment should identify potential hazards associated with the use and integration of the equipment within the end-user's specific manufacturing or production environment.

6.2 End-User Responsibility: The complete use and integration of the automation system, including its proper installation, operation, and safety implementation, are the sole responsibility of the end-user or the final integrator designated by the end-user.

6.3 Compliance with Safety Requirements: The end-user must ensure that the entire system is implemented in strict accordance with the safety requirements set forth in the applicable standards and regulations of the country, state, and/or province where the system is installed and used.

6.4 Adherence to Local Laws and Regulations: The end-user is solely responsible for ensuring compliance with all applicable safety laws, regulations, and industry standards within the country where the automation system is to be used. This includes, but is not limited to, safety standards related to machine operation, personnel safety, equipment maintenance, and emergency procedures.

6.5 Elimination of Significant Hazards: The end-user must take all necessary steps to eliminate or mitigate significant hazards identified during the risk assessment process. These safety measures should be implemented to safeguard personnel, machinery, and the overall manufacturing or production process.

6.6 Indemnification: By agreeing to the purchase and use of VersaBuilt Automation Systems, the end-user acknowledges and agrees to indemnify and hold harmless VersaBuilt Automation Systems, its affiliates, agents, and employees from any claims, liabilities, damages, losses, or expenses arising from the use, misuse, or



integration of the automation system, and from any failure to comply with safety requirements or applicable laws and regulations.

The inclusion of this section emphasizes the critical role of the end-user or final integrator in ensuring the safe and proper use of VersaBuilt Automation Systems. By requiring a risk assessment and emphasizing compliance with safety regulations, this section encourages a proactive approach to safety and legal compliance, protecting both the end-user and VersaBuilt Automation Systems from potential liabilities and risks associated with the automation system's usage.

7. Shipping Terms

7.1 FOB Boise: All shipments of VersaBuilt Products, unless otherwise explicitly agreed to in writing by both Parties, shall be shipped FOB Boise, Idaho, USA.

7.2 FOB Definition: FOB (Free On Board) Boise means that the ownership and risk of loss or damage to the automation systems shall transfer from VersaBuilt Automation Systems to the Buyer when the products are loaded and delivered to the carrier at the specified location in Boise, Idaho.

7.3 Shipping Responsibilities: The Buyer shall be responsible for all shipping and transportation arrangements and costs from the FOB point in Boise, Idaho, to the final destination specified by the Buyer.

7.4 Insurance and Loss: Any insurance coverage for the shipment, as well as any risk of loss or damage during transit, shall be the sole responsibility of the Buyer. VersaBuilt shall not be liable for any loss or damage that occurs after the products have been delivered to the carrier at the FOB point.

7.5 Inspection upon Receipt: Upon receipt of the shipment, the Buyer is responsible for promptly inspecting the products for any damages or discrepancies and must notify VersaBuilt of any issues within a reasonable time frame.

8. Governing Law and Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho . Any disputes arising out of or in connection with this Agreement shall be exclusively submitted to the competent courts of the State of Idaho .

V E R S A



9. Entire Agreement

This Agreement constitutes the entire understanding and agreement between the Parties with respect to the sale of CNC automation products or systems and supersedes all prior agreements, understandings, or representations, whether written or oral. No modification or amendment to this Agreement shall be valid unless made in writing and signed by both Parties.