
TERMS & CONDITIONS OF PURCHASE

- 1) **ACCEPTANCE:** All orders for the purchase and sale of the goods and/or services specified by the order, constitutes CESCA THERAPEUTICS INC.'s ("CESCA") offer to Seller. Acknowledgment of order by Seller shall constitute Sellers's acceptance of such order, including all the terms and conditions herein. In the absence of such acknowledgment, commencement of delivery of goods/services and acceptance of such deliveries by CESCA, shall constitute a firm contract. Purchase orders are subject to the following terms and conditions and no others unless there is a signed overriding agreement between the parties.
- 2) **PACKAGING:** All product shall be packed and shipped in accordance with good commercial practice, so as to insure that no damage shall result from weather or transportation.
- 3) **WARRANTY-PRODUCT:** Seller expressly warrants that product shall be merchantable within the meaning of article 2-314(2) of the Uniform Commercial Code in effect on the date of the order. Additionally, product shall conform to specifications, drawings and other descriptions contained on the order, and shall be free from defects.
- 4) **WARRANTY-PRICE:** Seller warrants that price charged CESCA for goods/services in like quantity and condition shall be consistent in price charged other customers of Seller.
- 5) **PATENT INFRINGEMENT INDEMNITY:** To the extent that goods are not manufactured in accordance with CESCA designs, Seller shall indemnify and hold CESCA, its successors, assigns and users harmless from any claimed infringement of any United States Patent, trade name, trademark or copyright which shall have been issued at the time of the execution of the order with respect to the goods and Seller shall defend the same, including any legal action thereon at its expense, including reasonable attorney's fees. CESCA shall promptly notify Seller of such claimed infringement.
- 6) **REJECTIONS:** If any of the goods are found at any time to be defective in material or workmanship or otherwise not in conformity with the requirements of an order CESCA may, at its option, correct, or have corrected the nonconformity at Seller's expense or reject and return such goods at Seller's expense and such goods shall not be replaced by Seller without suitable written authorization from CESCA.
- 7) **TERMINATION:** CESCA may terminate an order, in whole or in part without liability to CESCA if deliveries are not made at specified time or in specified quantities or in event of a breach or failure of any special conditions of an order.
- 8) **CHANGES:** CESCA may, at any time, make changes to quantities ordered or amend any other term or condition of an order; in which event an equitable adjustment may be made to price, time of performance or other provision required by Seller.
- 9) **COMPLIANCE WITH LAWS:** Seller guarantees to CESCA that any goods or services provided comply with all applicable Federal, State and Local laws and all executive regulations, rules, declarations, interpretations and orders issued thereunder.
- 10) **INDEMNITY AND INSURANCE:** Seller shall defend, indemnify and hold CESCA, its employees, customers and users of purchased goods harmless from any damage, personal injuries or death arising out of the use of goods purchased and/or arising out of Seller's work or performance and shall procure and maintain liability insurance, with contractual liability coverage with maximum limits of \$100,000/\$300,000/\$500,000 or with such higher limits CESCA shall reasonably request.
- 11) **ASSIGNMENT:** Seller shall not assign any order, in whole or in part, without CESCA's prior written consent.

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- 12) **ADVERTISING:** Seller shall not advertise or publish the fact that CESCA has placed any order, without CESCA's prior written consent, except as may be necessary to comply with a prior request for information from an authorized representative of any government unit or agency.
- 13) **CONTROLLING LAW:** All orders and the performance of the parties hereunder shall be controlled and governed by the law of the State of California, without regard to conflict of law principles. Any dispute or issue arising hereunder shall be heard, determined and resolved by an action commenced in the federal or state courts in Sacramento, California, which the parties hereby agree shall have the exclusive jurisdiction over the issues and the parties. Seller hereby agrees to submit itself to the jurisdiction of the federal and state courts in Sacramento, California and waives the right to make any objections based on the exclusive jurisdiction or venue in such courts. The California courts shall have the right to grant all relief to which each party is or shall be entitled hereunder, including all equitable relief as the Court may deem appropriate. Seller consents to service of process by registered mail.
- 14) **NOTICE OF LABOR DISPUTES:** Whenever an actual or potential labor dispute will delay or threaten to delay the timely performance of an order, Seller shall immediately give written notice thereof to CESCA.
- 15) **TRADEMARKS:** CESCA warrants that all trademarks CESCA requests Seller to affix to goods purchased are those owned by CESCA THERAPEUTICS INC. Seller shall not acquire or claim any rights, title or interest therein or use any of such trademarks on any goods for itself or anyone other than CESCA THERAPEUTICS INC.
- 16) **GENERAL:** All warranties shall be construed as conditions as well as warranties. Waiver of a breach of any provision of an order shall not constitute a waiver of any other breach or provision. No modification or change in, or departure from, or waiver of the provisions of an order shall be valid or binding unless approved by CESCA in writing.
- 17) **ATTORNEY'S FEES.** If the services of an attorney are required by either CESCA or the Seller to secure performance under this purchase order, or if any judicial remedy or arbitration is necessary to enforce or interpret any provision of this purchase order or the rights and duties of any person in relation thereto, the prevailing party shall be entitled to reasonable attorneys' fees, costs and other expenses, in addition to any other relief to which such party may be entitled. Any award of damages following judicial remedy or arbitration as a result of the breach of the purchase order or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.
- 18) **ARBITRATION.** Any dispute arising in connection with this purchase order may be finally settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment on the award rendered may be entered in any court having competent jurisdiction thereof. Either party may commence arbitration by written notice to the other party specifying the matter under dispute. All expenses of the arbitration shall be borne equally by the parties. Each party's expenses with respect to attorneys, accountants or other experts used in connection with the arbitration will be paid by the person employing such professionals.
- 19) **CHANGE NOTIFICATION.** Supplier must contact CESCA prior to initiating a change to material, process or services when not directed by a new specification/drawing revision. CESCA must evaluate and approve the effect of the change on product quality.