TERMS AND CONDITIONS OF PURCHASE

1. **Acceptance:** This order is for the purchase and sale of the goods (herein referred to as the "Articles") and/or services described on the front hereof and is the Buyer's offer to Seller. Acknowledgement or shipment of goods by Seller to Buyer shall constitute Seller's acceptance of such order, including all of the terms and conditions set out herein. In the absence of such acknowledgement, commencement of delivery of the Articles and/or services and acceptance of such deliveries by Buyer shall constitute a firm contract on the terms and may only be accepted on conditions hereof. This order is subject to the following terms and conditions and terms in Seller's acceptance addition to or not identical with the following terms and conditions will NOT become part of the order contract unless there is a signed overriding agreement between the parties prepared by Buyer.

2. **Certification:** In the event that the Articles are chemicals, the parties agree as a condition precedent to Buyer's obligations under this purchase order, Seller shall furnish buyer with a certificate of origin of the Articles which shall provide sufficient information to completely trace the title and possession of the Articles from their manufacturer to their delivery to Buyer, and Seller shall furnish Buyer with a certification of analysis which shall indicate the complete chemical composition of the Articles, where said chemical Articles are "hazardous substances" as defined by the Occupational Safety and Health Administration, U.S. Department of Labor. Seller shall furnish Buyer with the requisite Material Safety Data Sheet for each Article (hereafter "MSDS"). Failure of Seller to furnish either of the above certificates or the MSDS at the time of delivery of the Articles to Buyer shall totally relieve Buyer of all obligations under the Purchase Order or, prescribed by law.

3. **Packing:** The Articles shall be packed and shipped by Seller in accordance with Buyer's instructions and good commercial practice and so to insure that no damage shall result from weather or transportation.

4. **Warranty-Product:** Seller warrants that all the Articles will be free from defects in material and workmanship, will come to specifications, drawings, other descriptions and to accepted samples, will be merchantable and, if ordered for a stated purpose, will be fit for such purpose. Seller also warrants that to the extent the Articles are not manufactured pursuant to detailed designs furnished by Buyer, they will be free from defects in design. Such warranties, including warranties prescribes by law, shall run to Buyer, its successors, assigns and customers, and to users of Articles for a period of one year after delivery or such longer period as may be prescribed by law or additional agreement.

5. **Warranty-Price:** Seller warrants that the prices charged Buyer, as indicated on the front side hereof, are no higher than prices charged on orders places by others for similar quantities on similar conditions subsequent to the last generally announced price change. In the event Seller breaches this warranty, the prices of the Articles shall be reduced accordingly retroactively to date of such breach.

6. **Warranty-Title:** Seller warrants that he/she has good, clear and equitable title and ownership to all goods shipped. Any deviation from this condition of sale and Seller shall be responsible for all costs and fees incurred in the return, cure, shipment of, or investigation of claim(s) of said goods in regards to ownership thereto. Additionally, seller shall be responsible for attorney fees and court costs for any associated breach of warranty title issues where buyer is successful in prosecuting or settling hereto.

7. **Patent Infringement Indemnity:** To the extent the Articles are not manufactured in accordance with the Buyer's designs, Seller shall defend, indemnify, and hold harmless Buyer, its successors, assigns, customers and users of its products from and against any claim, loss, damage or expense arising out of any infringement or claim of infringement of any letters, patent, trade name, trade mark, copyright or trade secrets by reason of the sale or use of any Articles purchased hereunder. Buyer shall promptly notify Seller of any such claim.

8. **Buyer-Furnished Property:** Seller shall not use, reproduce, or appropriate for, or disclose to anyone other then Buyer, any material, tooling, dies, drawings, designs, and other property or date furnished by Buyer at all times Seller shall bear the risk of loss of damage to such property furnished by Buyer unless such loss or damage is solely, directly, proximately caused by Buyer's negligence. All such Buyer-furnished property shall remain in Buyer at all times Seller shall bear the risk of loss of damage to such property furnished by Buyer unless such loss or damage is solely, directly, and proximately caused by Buyer's negligence. All such Buyer-furnished property, together with spoiled and surplus materials, shall be returned to Buyer at termination or completion of this order unless Buyer shall otherwise direct.

9. **Termination:**

   a. Buyer may cancel this order in whole or in part, without liability to Buyer, if deliveries are not made at the time and place and in the quantities specified, or in the event of a breach or failure of any of the other terms or conditions hereof.
   b. Buyer may terminate this order in whole or in part, at any time for its convenience, by notice to Seller in writing. On receipt by Seller of such notice, Seller shall, and to the extent specified therein, stop work hereunder and the placement of subcontracts, terminate work under subcontracts outstanding hereunder, and take any necessary action to protect property in Seller's possession in which buyer has, was to or may acquire an interest. Any termination claim must be submitted to buyer within sixty (60) days after the effective date of termination.
   c. Any cancellation or termination by Buyer, whether for default or otherwise, shall be without prejudice to any claims for damages or other rights of Buyer against Seller.
   d. Buyer shall have the right to audit all elements of any termination claim and Seller shall make available to Buyer on request of all books, records, and papers relating thereto.

10. **Changes:** Buyer at any time may make changes in the quantities ordered or in the specifications or drawing relating to the Articles or may change or amend any other term or condition of this order, in which event an adjustment will be made to any price, time or performance, and/or provisions of this order required to be changed thereby. Any claim for such an adjustment must be made within fifteen (15) days from the date of receipt by Seller of such change.

11. **Compliance With Laws:** In filing this order, Seller shall comply with all applicable federal, state, and local laws governmental regulations and orders seller specifically warrants and guaranties to Buyer:

   a. That the Articles are in compliance with Section 5 and 12 of the Federal Trade Commission Act and are properly labeled as to content as required by applicable Federal Trade Commission Trade Practice Rules;
   b. That the Articles are in compliance with the provision of the Fair Packaging and Labeling Act;
   c. That the Articles are no adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, as amended, or within the meaning of any applicable state or local law in which the definitions of adulteration and misbranding are substantially similar to those contained in the Federal Food, Drug and Cosmetic Act, or are not Articles which may no under the provisions of sections 404 or 505 of said Act to be introduced into interstate commerce, or which may not under substantially similar provisions of any state or local law be introduced into commerce;

d. That the Articles are in compliance with the Consumer Product Safety Act of 1972, as amended, and all rules, regulations and standards thereunder;

e. That the Articles are in compliance with the Federal Insecticide, Fungicide, and Rodenticide Act as amended by the Federal Environment pesticide Control Act of 1972, and all rules, regulations and standards issued hereunder;

f. That the articles are not hazardous substances, or if they are hazardous substances are no misbranded hazardous substances or banned hazardous substances within the meaning of the Federal Hazardous Substances Act including the Federal Caustic Poison Act and the Poison Prevention Packaging Act, as amends and all rules regulations and standards issued thereunder;

g. That all Articles furnished hereunder will be produced and sold in compliance with all the applicable required of the Fair Labor Standards Act as amended, including Sections 6, 7, and 12, and the regulations and orders issued under Section 14 thereof, and that it will certify such compliance on each invoiced submitted in connection with this invoice.

h. That the articles are not misbranded under the provisions of the Wool Labeling Act;

i. That it will comply with all applicable Equal Employment Opportunity requirements including those set for in Section 202 of the Executive Order 11246 as amended, which requirements are incorporated herein by reference;

j. That the Articles are no manufactured or sold in violation of the Occupational Safety and Health Act of 1970 as amended, all rules, regulations and standards issued thereunder;

k. That reasonable and representative tests made according to the procedures prescribed in (1) Section 49 of the Flammable Fabrics Act as amended, and all rules, regulations and standards issued thereunder, (2) any applicable codes of the National Fire Prevention Association (N.F.P.A.) or in (3) any applicable state of local laws substantially similar to the Flammable Fabrics Act or which adopt the test provided for in any applicable code of the N.F.P.A., show that fabrics used or contained in the Articles wearing apparel or related material and fabrics otherwise subject to said Act codes or laws at the time of their shipment or delivery by Seller, conform to such of the above mentioned flammability standards as are applicable thereto.

12. Indemnity and Insurance:

a. A Seller shall defend, indemnify and hold harmless Buyer, its employees, customers and users of the Articles from and against any claim, loss, damage or expense arising out of the purchase and/or use of the Articles purchase hereunder, and/or arising out of Seller's (or its subcontractor's) work or performance hereunder, and Seller shall procure and maintain liability insurance, with contractual liability coverage, with minimum limits of $250,000 per claim/500,000 per indident/100,000 property damage per incident or with such higher limits as Buyer shall reasonably request. Seller shall, on or before delivery of the Articles purchased hereunder, furnish to Buyer a Certificate of Insurance evidencing the foregoing coverage's and limits, if specifically requested by buyer.

b. Seller shall defend, indemnify and hold harmless Buyer from and against the assessment by any third party of any liquidated damages or proven actual damages arising out of the failure of Seller to timely deliver the Articles purchased hereunder.

c. Seller shall defend, indemnify and hold harmless Buyer, its employees, customers and users of the Articles from and against any claim, loss (including the cost of any Articles lost by libel, condemnation or voluntary recall), damage or expense arising out of any claim or finding by the United States of America or any state or local government or any agency or instrumentality thereof that the Articles are not as herein guaranteed and warranted

13. Setoff: Buyer may set off any amount due from Seller to National Test Equipment, Inc. whether or not under this order, against any amount due Seller hereunder.

14. Assignment: Seller shall not assign this order or any interest herein, including any performance or any amount, which may be due or may become due hereunder, without Buyer's prior written consent.

15. **Subcontracting:** If any articles are to be made to Buyer's design, all subcontracting by Seller with respect thereto shall be subject to Buyer's written approval.

16. **Advertising:** Seller shall not advertise or publish the fact that Buyer has placed this order without Buyer's prior written consent except as may be necessary to comply with a proper request for information from an authorized representative of any governmental unit or agency.

17. **Controlling Law**: This order and the performance of the parties hereunder shall be controlled and governed by the laws of the state of California.

18. **Notice of Labor Disputes:** Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to buyer. Seller shall insert the substance of this paragraph in any subcontract hereunder so that each subcontract shall proved that in the events its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify Seller of all relevant information with respect to such dispute.

19. **Trademarks:** Buyer warrants that all of the trademarks Buyer requests Seller to affix to the Articles purchased are those owned by Buyer, and it is understood Seller shall no acquire or claim any rights, title, good will or interest therein, or use any of such trademarks on any Articles produced for itself or anyone other than the buyer.

20. **Risk of Loss:** Risk of loss or damage to the Articles shall be on Seller until said Articles have been delivered to and accepted by buyer, notwithstanding any other terms contained herein. All Articles will be received by Buyer subject to its right of inspection and rejection. Buyer shall be allowed a reasonable period of time to inspect the Articles and to notify Seller of nonconformance with the terms and conditions of this order. Buyer may reject Articles, which do not conform to the terms and conditions of this order. Articles so rejected may be returned to Seller, or held by buyers, at Seller's risk and expense.

21. **General:** All warranties shall be construed and conditions as well as warranties. No waiver of a breach condition or provision. No modifications or changes in, or departure from, or waiver of the provisions of this order shall be valid or binding unless approved by Buyer in writing. This order shall constitute the entire agreement between the parties.