

1. Purchase and Sale Provisions

Upon acceptance of the equipment and/or services sale proposal and quotation (the "Quotation") by the Customer (as identified on the Quotation), Dan Cox & Associates / ADI Instruments, Inc. ("Seller"), a Texas corporation, shall sell and the Customer shall purchase all of the equipment and/or related services (herein collectively called the "Equipment") described in the Quotation for the sale price specified therein in accordance with all the terms and conditions hereinafter set forth, as well as with all of the other provisions of the Quotation.

The terms and conditions described herein represent the final agreement between the Customer and the Seller notwithstanding (and taking precedence over) any inconsistent, contradictory or other and further conditions contained in Customer's purchase order or other document furnished by Customer in connection with its purchase of the goods and/or services whether such document or documents are exchanged simultaneously with the acknowledgement or prior or subsequent hereto. Seller's sales representatives are without authority to change, modify or alter the terms of this Agreement.

2. Sale Price and Payment Terms

The sale price of the Equipment specified in the Quotation does not include any applicable sales, use, excise or other similar taxes imposed by federal, state, local or other taxing jurisdiction. If any such taxes are imposed with respect to the sale of the Equipment, Customer shall pay the same. Seller may require the Customer to pay such taxes directly, or in the alternative, Seller may pay the taxes due on behalf of the Customer and obtain reimbursement from the Customer immediately upon Seller's demand. The terms of payment of the sale price of the Equipment are as set forth on the Equipment Quotation. ALL PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE. The prices for the Equipment will be those in effect at the time of acceptance of the Quotation. Unless otherwise provided in writing, the invoice amount shall be due 30 days from the date of the invoice with invoicing on shipment or when ready to ship by Seller if delivery is delayed by Customer. If, during the period of performance of the order, the financial condition (or practices) of the Customer does not justify the terms of the payment specified, Seller may demand full or partial payment in advance before proceeding with the order or satisfactory security guarantees that invoices will be promptly paid when due or, at its option without prejudice to other lawful remedies, may defer delivery or cancel this contract.

3. Cancellation and Modification of Orders

The Customer may modify or cancel its order prior to completion only with written notice to Seller, subsequently accepted in writing by Seller and upon payment to Seller for any reasonable charges to be determined by Seller. If the order is cancelled or modified, in part or in whole, at the Customer's request and with the Seller's consent, Customer will be billed for all materials purchased and all work done, in part or in whole, to the extent of the completion of this contract. Customer may not return goods without written authorization by Seller at any time. Authorized returns must be transportation prepaid and will be subject to minimum restocking charge of **25%**. Special or non-standard items are not returnable.

4. Freight

The Equipment may be delivered at the discretion of the Seller in several lots and under separate invoices. In such event, Customer shall promptly pay the proportionate amount of the total sale price of the Equipment represented by each lot indicated in the invoice furnished by Seller representing such lot. Unless otherwise specified, the sale price of the Equipment is for a single shipment, without storage, F.O.B. seller's place of shipment. Delivery to the initial Carrier shall constitute delivery to the Customer. Seller's responsibility for the Equipment ceases upon delivery in good order to such carrier and all goods are shipped at the Customer's risk.

5. Delivery And Risk of Loss

If the delivery is delayed beyond the originally scheduled date(s) due to delays by the Customer in furnishing Seller with technical information, approvals or manufacturing releases, and additional costs are incurred by Seller due to such delays, the Customer shall reimburse Seller for such added costs. If Seller fails timely to deliver any of the Equipment, Customer may cancel that portion of the Equipment which has been delayed, such right of cancellation being the Customer's sole remedy for Seller's failure or delay in making delivery. Risk of loss or damage will automatically transfer from Seller to Customer on delivery or tender of the Equipment F.O.B. Seller's place of shipment.

6. Force Majeure Respecting Deliveries by Seller

Seller will not be liable for any default, delay, reduction or failure in delivery attributable to strikes, lock-outs, disputes or disagreements resulting in labor stoppages, plant shutdowns or slowdowns at the facilities of the Seller or elsewhere, government regulations, embargo, lack or failure of shipping facilities, military service, war, delays by carriers, casualties, fires, earthquakes, floods, storms, explosions, epidemics, civil commotion or disturbances, acts of God or any other causes or conditions, whether similar or dissimilar to those enumerated, beyond the reasonable control and without the negligence of the Seller. In such circumstances, the time for delivery by Seller will automatically be extended for the period of time Seller is delayed as a result thereof.

7. Security Interest

As security for the full and prompt payment of the sale price of the Equipment, as well as all the amounts now or hereafter owing by Customer to Seller of whatever nature, Customer grants to Seller a present and continuing first priority, purchase money security interest in the Equipment. If Customer fails promptly to pay, when due, any amount payable hereunder, then Seller may, without any notice or demand of any kind and notwithstanding any other provisions or agreements to the contrary, declare all amounts then owing by Customer to Seller to be due and payable, whereupon the same will immediately become due and payable; and Seller may exercise from time to time all rights and remedies available to it hereunder or available under applicable law or in attorneys' fees, if collected by or through an attorney at law).

8. Warranties And Remedies

Subject to the limitations hereinafter set forth, Seller warrants to Customer that the Equipment manufactured by the Seller will be free from defects in material and workmanship under normal use and service for a period of one year. There is NO WARRANTY in cases of damage in transit, negligence, abuse, abnormal usage, misuse, accidents, normal wear and tear, damage due to environmental or natural elements, failure to follow Sellers' instructions or improper installation, storage or maintenance. Customer shall make claims of any nature whatsoever for breach of the foregoing limited warranty regardless of whether a defect is patent or latent, by written notice to Seller within 10 days after Customer discovers such defect, setting forth in detail the nature of the defect. Customer's right to make claims for breach of limited warranty will terminate upon the expiration of such notice period, and all claims for defects will thereafter be barred. Upon Customer making a satisfactory written proof of claim with Seller, Seller may fully discharge its obligation under the limited warranty by making the necessary repairs or, at Seller's option, supplying replacement parts within a reasonable period of time thereafter, all at Seller's expense. No payment or allowance will be made for labor costs, parts or other charges of Customer or of third parties for making repairs or replacements, nor will Seller accept Equipment returned for credit, unless written authorization is obtained in advance from Seller. This warranty does not cover parts furnished but not produced or manufactured by Seller, and Seller's sole obligation with respect to such parts shall be limited to assigning or transferring to Customer any written warranty extended to Seller by the manufacturer of such parts to the extent such warranty may reasonably be assigned or transferred. However, Seller does not adopt, guarantee or represent that the manufacturer will comply with any of the terms of the warranty of such manufacturer.

9. Limits of Warranties, Remedies and Obligations

SELLER AND CUSTOMER AGREE THAT THE EXPRESS WARRANTIES IN THE PRECEDING SECTION ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES (INCLUDING, WITHOUT LIMITATION), ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SELLER HERBY DISCLAIMS AND EXCLUDES ALL OTHER SPECIAL OR OTHER DAMAGES. SELLER'S AGGREGATE LIABILITY WITH RESPECT TO A DEFECTIVE PRODUCT AND THIS CONTRACT SHALL BE LIMITED TO THE MONIES PAID TO SELLER BY CUSTOMER UNDER THIS CONTRACT. Further, Seller makes no representations or warranty that the Equipment complies with, or that it will perform or operate in accordance with, the requirement of the law, code, statute, regulation, rules or ordinance of any federal, state, local or other governmental authority (including, but not limited to, any pollution control agency). Seller neither undertakes nor has any obligation to obtain permits, licenses or approvals from any such governmental authority or agency concerning the Equipment or concerning the installation, operation or use thereof. Only such safety devices that are specified in the Quotation will be furnished by Seller to Customer. Customer shall at its expense, obtain and install all other safety devices required or desirable due to the nature of the Equipment or due to the Customers operation of the Equipment. Seller hereby disclaims, and Customer hereby releases Seller from, all liability arising out of improper use of the Equipment or from the absence of proper safety devices respecting the Equipment. In no event will Seller

be liable for claim, loss, damage or expense arising out of the sole or contributory negligence of Customer, its employees, agents, engineers, architects, or other contractors, and Customer will indemnify, defend and save Seller harmless therefrom (including, but not limited to, payment of Seller's reasonable attorneys fees).

10. Entire Agreement

All rights and remedies of the Seller, whether provided for herein, or conferred by law, or in equity, or by statute, or otherwise are cumulative and not alternative, and can be enforced successively or concurrently. This agreement cannot be amended except by a subsequent writing signed by Seller. Seller will not be deemed to have waived any of tis rights or remedies hereunder unless such waiver is in writing and signed by Seller. No delay or omission by Seller in exercising any of its rights or remedies is to be deemed to be a waiver thereof, and a waiver in writing on one occasion will be effective only in that specific instance and only for the precise purpose for which given. All communications hereunder must be in writing and are to be deemed to have been duly given and to be effective upon delivery to the party to whom directed. All communications hereunder must be in writing and are to be deemed to have been duly given and to be effective upon deliver to the party to whom directed. Communications that are sent by U.S. mail, first class, certified, return receipt requested, postage prepaid, are deemed to have been delivered 3 days after being so posted. None of the Customer's obligations hereunder may be assigned or delegated without the prior written consent of the Seller. All of the provisions hereof are severable from each of the others; and if any provision hereof is prohibited or unenforceable under applicable law, such provision will be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder thereof or the remaining provisions hereof. The captions herein are for the convenience of reference only and not to be used in construing the provisions hereof. The Quotation shall be governed by and construed according to the laws of the State of Texas, including, without limitation, the Uniform Commercial Code as adopted in Texas.