

Acme Testing Co. Conditions Of Offer:

(Effective 14 February 2006)

1. ACCREDITATIONS/REGISTRATIONS: Acme Testing Co.'s Quality Management System has been Registered to the requirements of ISO 9001:2000(E) by QMI under Certificate Number: CC1828-010083 (Acme, WA Facility) and by IQNET under Certificate Number CA-CERT-0015487-010083. Acme Testing Co. has been Accredited by the American Association for Laboratory Accreditation [A2LA] to the general test laboratory competence requirements of ISO 17025:2005(E), and, for its technical competence in the area of Electrical (EMC) testing. Acme Testing Co.'s specific Scopes of Accreditation in the area of Electrical (EMC) testing are detailed on A2LA Accreditation Certificate Numbers: 0829-01 (Acme, WA Facility) and 0829-02 (Spokane Valley, WA). Also, Acme Testing Co. has been validated by both the USA's National Institute of Standards and Technology [NIST] and the European Union [EU] as a "Conformity Assessment Body" [CAB] under Article 10.2 of the EU's EMC Directive (89/336/EEC, as Amended). This gives Acme Testing Co. the legal status of an EMC Directive Competent Body. Additionally, Acme Testing Co. is a "NEMKO Direct Program" Authorized EMC Laboratory under NEMKO EMC Laboratory Authorisation No. ELA-195a. Also, Acme Testing Co. is approved to perform Medical Device EMC Testing in accordance with the EU Medical Device Directive [93/44/EEC] by virtue of being an Authorized Electro-Medical EMC Laboratory under NEMKO EMC Laboratory Authorisation No. ELA-195b. *[Note: NEMKO is an EU Notified Body for the both the EMC Directive and the Medical Device Directive].* In addition, Acme Testing Co.'s Test Facilities are Registered with the USA's Federal Communications Commission [FCC] under Registration Number: 90420 (Acme, WA Facility), Canada's Industry Canada [IC] under File Number: IC3251 (Acme, WA Facility), Taiwan's Bureau of Standards, Metrology and Inspection [BSMI] under Lab Codes: SL2-IN-E-032R (Acme, WA Facility) and SL2-IN-E-061R (Spokane Valley, WA Facility). Acme Testing Co.'s Registrations and Accreditations are legally recognized by the governments of Australia, New Zealand, and Hong Kong, under the terms of a variety of Mutual Recognition Agreements between the USA and other nations. Furthermore, Acme Testing Co. has been successfully audited by the Vehicle Certification Authority [VCA] of the UK's Ministry of Transport, and is a VCA-Approved Laboratory (under Facility Appraisal Register Number: FAB005) for the performance of EMC Tests to the requirements of the EU's Automotive EMC Directive [95/54/EC]. Acme Testing Co.'s A2LA Scopes of Accreditation also include MIL-STD-461A/B/C/D/E, CISPR 12 and RTCA DO-160D. All items Quoted herein are within the Scope(s) of one or more of our Accreditations/Registrations/Authorizations/Approvals unless noted otherwise in the body of the Quotation or in these Conditions of Offer.

2. BOOKING TIME, CONFIRMING BOOKINGS and CANCELLATION POLICY: Time is required to be booked in either four (4) hour or eight (8) hour blocks, normally 8am-12pm, 1pm-5pm, etc. Laboratory Test time is charged at \$200.00 per hour for general EMC Testing and at \$225 per hour for Military and Commercial Aerospace testing and for Radio Transmitter/Transceiver Testing. (However, please note that "Firm, Fixed Price" Quotations are also available). The minimum general EMC Testing charge is \$800 (i.e. 4 hours). The minimum Military and Commercial Aerospace testing and Radio Transmitter/Transceiver Testing charge is \$900 (i.e. 4 hours). All fees and charges are quoted in US funds. If a Client cancels any booking within the five-(5) working day period before the booked test date, the Client will be subject to a full charge for the scheduled time if we are unable to sell that time to another customer. However, if Client re-schedules for a later date, then 50% of this cancellation charge will be credited back to Client's account when the re-booked time is invoiced. Unless other arrangements have been made, bookings will be confirmed ONLY upon receipt of a valid, authorized Purchase Order, or, an authorization signature on the Quotation. On approval of credit, our normal terms are Net 15 days; however, on Projects that are estimated or firm fixed price quoted at more than \$10,000, Acme Testing Co. requires a 50% "Start of Job" milestone payment prior to Project Start. Immediate Payment Cash Discounts are available to those Clients who pay their invoices *in full on or before the end of the Quoted Testing*. Payment may be rendered via Company Check, by Wire Transfer, or by Visa or MasterCard.

3. PRICING AND EXPIRATION OF OFFER: The prices quoted herein are based on Acme Testing Co.'s current published Price List, and include all applicable discounts. This offer is subject to the conditions of offer as stated herein, and to all other mutually agreed-to terms and conditions of any resultant purchase order (P.O.). A signed and agreed-to P.O. containing or referencing these Conditions Of Offer or, an authorization signature on the Quotation must be in place prior to the start of testing. This offer is valid for a period of 60 days from the date of receipt.

4. PAYMENT TERMS: As stated above, on approval of credit, our terms are Net 15 days. However, on Projects that are estimated or firm fixed price quoted at more than \$10,000, Acme Testing Co. requires a 50% "Start of Job" milestone payment prior to Project Start. Immediate Payment Cash Discounts are available to those Clients who pay their invoices *in full on or before the end of the Quoted Testing*. Payment may be rendered via Company Check, Wire Transfer, or by Visa or MasterCard.

5. INVOICING PROCEDURE: Please note that our normal Invoicing Procedure is as follows: On successful completion of the EMC Testing detailed in the Quotation (or on Line # 1 of the Pricing Paragraph of the Proposal Cover Letter, as applicable), Acme Testing Co. will separately Invoice for the total balance due on *all* Line Items (i.e. both Tests and Test Reports) on terms of *Net 15 Days from the date of our Invoice*. If the product(s) fail the EMC Testing quoted herein, authorized Mitigation Engineering and/or Retesting efforts (if any) will be separately Invoiced for on a weekly basis, or, on completion (as appropriate), on terms of *Net 15 Days from the date of our Invoice*. Unless Acme Testing Co. is directed in writing to do otherwise, Test Reports will not be produced if a product fails its EMC Tests. *Please note that in all cases, Invoices that remain unpaid after 30 days will incur a 1.5 % monthly interest charge, retroactive to the original invoice date.*

6. MITIGATION: In the event that the Client's product does not pass the tests proposed herein, Acme Testing Co. can, OPTIONALLY, provide *additional* assistance - i.e. *Mitigation Engineering/Retesting Support Services* (including engineer and facilities), which are available on an hourly basis at a rate of \$200.00 *per* hour (\$225 *per* hour for Military and Commercial Aerospace and Radio Transmitter/Transceiver Mitigation Engineering/Retesting). Such additional beyond-scope work will not be undertaken without written (including telefaxed) approval from the Client. However, the legally binding authority to proceed with and to guarantee payment for any Mitigation Engineering efforts and all Retesting efforts that will subsequently be required, shall be presumed to be delegated to the Client's Technical Representative, if such person is on-site at Acme Testing Co.

7. NOT A DESIGN AGENT: Acme Testing Co.'s Services are offered and provided exclusively on a fee-for-service basis, *and NOT as a design agent*. Acme Testing Co. cannot and will not guarantee that a Client's equipment will "pass" any particular test. Notwithstanding this, however, Acme Testing Co. may, upon request, offer *Consulting Engineering Support Services* at a rate of \$120.00 *per* hour for those specific cases where a Client firm requires significant assistance with EMC requirements analysis, EMC test planning, or with EMC-related pre-design activities.

8. CUSTODY AND TEST DAY: The Client shall provide the equipment to be tested by Acme Testing Co. no later than **8:00 AM** on the scheduled test day. Testing shall be scheduled at our mutual convenience. Once testing has begun, the System being tested *must* remain at Acme Testing Co.'s facilities until testing is completed; otherwise, the results of previously completed tests may be declared invalid due to the breaking of the "Chain of Custody". In addition, Acme Testing Co.'s quotation for the services to be provided assumes an unbroken test sequence period. In the event a test sequence is in process, Acme Testing Co. may elect to finish that test sequence regardless of the time of day. Specifically, if Acme Testing Co. is performing a test and the Client is there to witness the test; the Client is expected to stay until that test sequence is complete. This may result in a test day that is longer than the traditional (8) hour workday.

9. ORDER OF TESTING: Testing shall be scheduled at the mutual convenience of Acme Testing Co. and the Client. However, when performing the Tests proposed herein, Acme Testing Co. reserves the absolute right to determine the order of tests to be performed, the testing procedures to be used, and the facilities and equipment to be employed, unless otherwise stated in this Proposal or in a mutually agreed Test Plan or in the Purchase Order (P.O.).

10. DAMAGE TO CLIENT-PROVIDED EQUIPMENT: Certain required elements of the EMC/Product Safety testing programs undertaken within the scope of this Proposal may involve the deliberate exposure to, application of, or induction of high currents and/or high voltages and/or high RF Field Strengths to Client-owned and/or Client-supplied equipment. The levels of these stresses may result in damage to or destruction of the Client-owned and/or Client-supplied equipment, particularly in the event that this equipment is being tested to determine if such damage/destruction will occur at specified threshold levels. Also, in some cases, Client-owned and/or Client-supplied equipment may be completely or partially disassembled for purposes of inspection, problem mitigation, and/or test documentation by photographic or other means. *In no event, however, shall Acme Testing Co. be held liable for any costs incurred by the Client (including Consequential damages) as a result of the damage to, or destruction of, Client-owned and/or Client-supplied equipment that occurs as a direct or indirect result of Acme Testing Co.'s disassembly and/or testing and/or problem mitigation and/or documentation activities.*

11. OBLIGATION TO REMOVE CLIENT-PROVIDED EQUIPMENT AND PASSAGE OF TITLE TO EQUIPMENT WHEN NOT REMOVED: Unless otherwise agreed in writing, all items of Client-provided equipment [irrespective of original ownership or origin] (including hardware, software, manuals, etc.) *must* be removed from Acme Testing Co.'s premises within 30 calendar days after the completion of the testing quoted herein. All packing, shipping, and insurance costs for the removal of such items shall be borne by the Client. Exclusive, irrevocable and lien-free title shall automatically pass to Acme Testing Co. in the event that any Client-provided items [irrespective of original ownership or origin] are left at Acme Testing Co. beyond 30 calendar days after completion of the testing quoted herein. Client-provided items [irrespective of original ownership or origin] that are left at Acme Testing Co. beyond 30 calendar days after the completion of the testing will be destroyed, disposed-of without warning, or modified for Acme Testing Co. laboratory use. In no case shall Acme Testing Co. be held liable for such actions.