

ONLINE POWER, INC. is herein called the “Seller”. The person, firm or corporation to whom of which this quotation is made is or acceptance is provided is herein called the “Buyer”. Products listed on the Seller’s offer and the Buyer’s acceptance are herein called the “Products”.

1. ACCEPTANCE

No order issued by the Buyer as a result of this quotation or otherwise shall be binding on the Seller unless acknowledged in writing or by virtue of the Seller’s performance, and thereupon shall become a binding contract under the terms and conditions set forth herein and/or in the Seller’s acceptance form. No changes in or revisions to this quotation or the prices, delivery dates, terms, conditions, model and/or specifications stated or referred to on the face or attached herein stated by the Buyer in its purchase order, or otherwise, shall be binding upon the Seller if in conflict with the terms and conditions, the prices, delivery dates, model and/or specification stated or referred to herein and/or in the Seller’s acceptance unless expressly agreed to in writing subsequent to the Seller’s acceptance.

Acceptance of the Buyer’s purchase order is subject to review of the Buyer’s credit status, the Seller, at any time prior to shipment of goods, reserves the right to require security for payment. The Buyer agrees that security may take the form of a security interest in the goods sold and agrees to execute a Financing Statement should the Seller decide such security is warranted.

2. PRICES

The Buyer agrees that if the Buyer hereafter makes any change in the quantities scheduled for shipment from those shown on the face hereof, the price of such units or parts may be changed to meet the Seller’s price applicable to the changed quantities scheduled.

Prices stated herein do not include any tax, excise, duty or levy now or hereafter enacted or imposed by any governmental authority on the manufacture, sale, delivery and/or use of account and the Seller will add all such assessments to the price stated if no proper exemption certificate is received relieving the Seller of the responsibility for paying or collecting such assessments.

Buyer will pay to Seller all cost and fees associated with change orders and cancellations.

Unless otherwise agreed in writing by the Seller, all prices are FOB origin. Title and risk of loss to all articles sold by the Seller to the Buyer shall pass to the Buyer upon delivery thereof by the Seller to a carrier for shipment to the Buyer subject to any security interest retained by the Seller.

All quotations and proposals are valid for 60 days.

3. DELAY

The Seller shall not be liable or responsible for damage, loss, delays or defaults in deliveries due to Acts of God, public enemies, laws, regulations or orders of the federal, state or local governments or their agencies, fires, accidents, strikes or labor troubles, riots or insurrection, unusually severe weather, or material or transportation shortages. The Seller shall also not incur liability or responsibility for delays in obtaining materials or supplies due to such causes or for other causes beyond the Seller’s control, nor shall the Buyer cancel or have the right to cancel its purchase order because of delays or defaults in deliveries due to such causes.

4. WARRANTY

The Seller warrants to the Buyer (defined for the purposes of this section only as the first purchaser for use, and not for resale) that all products furnished under this order and which are manufactured by the Seller will conform to final

specifications, drawings, samples and other written descriptions approved in writing by the Seller and will be free from defects in materials and workmanship. These warranties shall remain in effect for a period of twenty-four (24) months, with 13-24 month being in effect subject to a valid executed factory, authorized preventive maintenance visit, after delivery to the Buyer. If the Seller installs the equipment or supplies technical direction of installation by contract, said twenty-four (24) months shall run from the completion of installation provided that the installation is not unreasonably delayed by the ultimate Buyer. Parts replaced or repaired in the warranty period shall carry the unexpired portion of the original warranty. A unit placed with the Buyer on consignment and then later purchased will be under warranty for twenty-four (24) months, from the time the Seller receives notification of the Buyer's intent to purchase said consigned item. The foregoing in its entirety is subject to the provision that in no case will the total warranty period extend beyond thirty (30) months from date the Seller ships equipment from the point of manufacture.

The liability of the Seller hereunder is limited to replacing or repairing at the Seller's factory or on the job site at the Seller's sole option. Any product, part or parts which have been returned to the Seller and which are defective or do not conform to such specifications, drawings or other written descriptions shall be replaced, provided that such part or parts are returned by the Buyer within ninety (90) days after such defect is found. Items affected by factors other than defective equipment such as filters, fuses, or light bulbs are not covered by this warranty. Parts replaced or repaired in the warranty period shall carry the unexpired portion of the original warranty. Warranty service will be provided during normal working hours. Additional charges will be assessed to the Buyer for service outside normal hours or for additional costs incurred in order to comply with local labor contracts. All items returned to the Seller for repair or replacement must be sent freight prepaid to its factory and will be returned to the Buyer freight collect. The Buyer must obtain the Seller's Returned Materials Authorization prior to returning items. The above conditions must be met if warranty is to be valid. The Seller will not be liable for any damage done by unauthorized repair work, unauthorized replacement parts, or from any misapplication of the item or for damage due to an accident, abuse or an Act of God.

In no event shall the Seller be liable for loss, damage or expense directly or indirectly arising from the use of the units or from any other cause, except as expressly stated in this warranty. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. THE SELLER DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OF THE GOODS OR OF THE FITNESS OF THE GOODS FOR ANY INTENDED PURPOSE. The Seller is not liable for, and the Buyer waives any right of action it has or may have against the Seller for any consequential or special damages arising out of any breach of warranty and for any damages the Buyer may claim for damage to any property or injury or death to any person arising out of its purchase or the use, operation, or maintenance of the product. The Seller will not be liable for any labor subcontracted or performed by the Buyer for preparation of item under warranty for return to the Seller's factory or for preparation work for field repair or replacement. Invoicing of the Seller for labor either performed or subcontracted by the Buyer will not be considered as a liability by the Seller.

The Seller's obligations under this warranty are conditioned upon timely receipt of all payments in strict accordance with payment terms, time being of the essence in this regard. During the time while the Seller has not received any amount overdue, the Seller shall have no obligation under this warranty. The expiration date of the warranty shall not be extended upon payment of the overdue amount.

This warranty may be modified only in writing, signed by an officer of the Seller and shall extend to the Buyer as defined in this section but to no one else. Accessories supplied by the Seller but manufactured by others carry any warranty the manufacturers of such accessories have made to the Seller and which can be passed on to the Buyer.

Buyer has not relied and shall not rely on any oral representation regarding the Product sold hereunder and any oral representation shall not bind Seller and shall not be part of any warranty.

5. PATENT PROTECTION

The Seller agrees to hold the Buyer and its customers harmless only against infringement of patents covering the material or part in the form sold by the Seller provided the Buyer or its customer promptly notifies the Seller of any claim or litigation and tenders to the extent of the Buyer ability to do so, the defense thereof to the Seller. The Buyer agrees to hold the Seller harmless from any liability of the Seller for infringement of patents by reason of manufacture according to the Buyer's specific design or by reason of the incorporation of said part in a more comprehensive assembly than sold by the Seller, provided the Seller promptly notifies the Buyer of any claim or litigation and tenders to the extent of the Seller's ability to do so, the defense thereof to the Buyer and/or the government where government contracts are involved.

6. CANCELLATION OR CHANGES

The Buyer shall have the right by written order to make changes in specifications or delivery schedules once agreed upon. If such changes alter the amount due under the purchase order or the time required for performance, an equitable adjustment of the price and/or time for performance shall be made. Changes, engineering or otherwise, affecting the function or performance of the articles ordered shall not be made without consent of the Seller in writing. Cancellations for the convenience of the Federal Government may be affected and cancellation charges paid as required by applicable Federal statutes or regulations. If either the Buyer or the Seller should be declared insolvent, a receiver should be appointed for all or a substantial portion of the assets of either party by a court of competent jurisdiction, or if there should be filed in any such court and not dismissed within thirty (30) days any application or petition for adjudication of such insolvency or bankruptcy, or for the appointment of such a receiver, or involving the resetting or extension, however termed, of the obligations of the Buyer or the Seller, or if either the Buyer or the Seller should make an assignment of all or a substantial portion of its property for the benefit of its creditors, then upon the happening of any of such events, the other party may cancel any order placed by the Buyer with the Seller immediately by notice in writing sent to the opposite party by registered mail at its last known business address, or by personal service upon such party.

7. APPLICABLE LAW

Any provision which the Buyer is required to insert in this order by virtue of any valid federal or state law, or any valid rule or regulation issued thereunder, if specifically submitted in writing by the Buyer to the Seller before its acceptance of the order and if approved by the Seller in writing shall be deemed embodied therein by reference when this order is accepted.

Notwithstanding the above, this quotation or acceptance and any resulting agreement shall be governed by and interpreted in accordance with the laws of the state of California.

Regardless of the state to which products are shipped, because OnLine Power is a California corporation doing business in California, these Term & Conditions, and all rights and obligations hereunder, shall in all respects be interpreted, enforced and governed by and under the laws of the State of California.

8. DRAWINGS

The Seller's prints or drawings attached heretofore or hereafter furnished by the Seller to the Buyer in connection with the obtaining or performance of the Buyer purchase order are the property of the Seller and represent a proprietary article in which OnLine Power retains any and all patent and other rights, including exclusive rights of use and/or sale. Possession of such prints or drawings does not convey any permission to manufacture the article or articles shown therein or reproduce such prints or drawings, such permission to be granted only by specific authorization, in writing, signed by an officer or other authorized agent of OnLine Power thereof.

The Seller grants no license, express or implied, by virtue of drawings or materials provided by the Seller, other than the right of the Buyer to use the specific materials provided in the form delivered by the Seller.

In the event drawing approval is required to commence fabrication, price and delivery schedule is subject to readjustment if approval is not received by the Seller within (30) days after the Seller submittal.

9. SPECIFICATIONS

a. If the Seller's model number appears on the face hereof, notwithstanding any correspondence from the Buyer referencing contrary information, then only the Seller's specifications and/or drawings for such model shall be applicable to the articles furnished under such order.

b. If only the Buyer part number appears on the face hereof, notwithstanding any correspondence from the Buyer confirming that number, then only such specifications as have been agreed upon in writing by the Buyer and the Seller prior to the date hereof shall be applicable to the products furnished under such order and no other additional specifications and no warranty or performance, including duration or length of time of performance, (except as to such performance or duration or length of time thereof as is included in specifications agreed upon in writing by Buyer and Seller prior to the date hereof) shall be applicable to the Product furnished by Seller under such order.

10. ERRORS

The terms and conditions hereof shall control over any purchase order or subsequent agreement or documents in direct conflict. Stenographic or clerical errors in this quotation are subject to correction.

11. PAYMENT

Payment terms are net thirty (30) days after shipment. Absent of contrary agreement, partial shipments will be payable as they occur. When the equipment is ready for delivery, if the Buyer fails to provide shipping instructions or otherwise withholds direction for the delivery of the equipment, the equipment will be placed in storage, shipment will be considered accomplished and the 30-day payment period will begin. Payment in full will then be required before actual shipment to the Buyer can be made. At the end of the 30-day period, an extra charge of 3 percent per month will begin, covering the cost of storage, insurance and the use of capital.

12. DEFAULT

In the event of a default by Buyer of any of its obligations hereunder, Buyer agrees to pay all costs and expenses incurred by Seller in connection therewith, including but not limited to, reasonable attorney's fees, costs of suit and costs associated with repossession of merchandise and interest payment of 1.5% per month. The Buyer's obligations hereunder are incurred and shall be performed in Los Angeles County.

STANDARD FACTORY ACCEPTANCE TESTING IS INCLUDED IN THE PRICE QUOTED. SPECIAL TESTING OR WITNESS TESTING ARE EXTRA COST ITEMS.