



PURCHASE ORDER TERMS AND CONDITIONS

The following Terms and Conditions shall be applicable for all Rand purchase orders placed. The only Rand Technology ["Rand"] employees authorized to issue, amend or cancel a Rand purchase order are its (1) Buyers, (2) Chief Executive Officer, and/or (3) Chief Financial Officer. Accordingly, it is seller's express responsibility to assure that this purchase order is issued by one of the aforementioned authorized Rand employees. Issuance by an unauthorized Rand employee may result in Rand not honoring the purchase order.

1. **ACCEPTANCE** - Commencement of performance pursuant to this purchase order constitutes acceptance hereof by seller. If delivery dates cannot be met, seller must inform Rand in writing not later than ten [10] business days from the date hereof seller's best possible delivery for acceptance.
2. **TIME OF DELIVERY** - Rand's production schedules are based upon delivery to Rand at 15225 Alton Parkway, Suite 100, Irvine, California 92618, by the date specified on the face of the purchase order. Time is therefore of the essence of this purchase order. If deliveries are not made at the time agreed upon, Rand reserves the right to cancel or to purchase elsewhere and hold seller accountable therefor. Acceptance of late deliveries shall not be deemed a waiver of Rand's loss or damage resulting therefrom, nor shall it act as a modification of seller's obligation to make further deliveries in accordance with the delivery schedule.
3. **PRICE; PAYMENTS** - The price of the products and/or materials is that specified on the front of this purchase order. Payment will be according to the terms specified on the front of the purchase orders.
4. **QUANTITIES** - Unless otherwise provided, the products and materials purchased hereunder may be delivered in one or more shipments, providing that all products and materials are received by Rand by the date specified herein.
5. **TAXES** - Except as may be otherwise provided in the purchase order, the contract price includes all applicable Federal, State and Local taxes in effect on the date of this purchase order. In case of new taxes or increased rates on the repeal of taxes or the reduction of rates, the contract price shall be adjusted accordingly. Upon production of an exemption resale certificate in the appropriate form for the jurisdiction of Rand's place of business and any jurisdiction to which the products and materials are to be shipped hereunder. Rand shall not be responsible for payment of any sales taxes.
6. **SELLER'S WARRANTIES** - Seller warrants all products or materials delivered hereunder to be free from defect in material or workmanship, to be in good working order, and to conform strictly to the specifications, drawings, or samples specified or furnished. At Rand's option, seller shall promptly either repair or replace defective items after receipt of Rand's written notice of a defect, or Rand may reject any defective items and obtain from seller a full refund or credit for any payments therefore plus transportation charges for their return. This warranty shall survive any inspection, delivery acceptance of, or payment by Rand for the products, materials or services. Seller further warrants (1) that all products, materials and/or services furnished hereto are free and clear of all liens and encumbrances, and (2) seller has full right, power and authority to sell and transfer title to all such products, materials and services to Rand.
7. **PACKING AND MARKING** - Seller shall be responsible for safe and adequate packing of the items. Seller shall separately number all cases and packages, showing the corresponding number on invoices. An itemized packing slip bearing the purchase order number shall be placed in each container. No extra charge shall be made for packing material unless authority therefor is set forth in the order.
8. **TITLE AND RISK OF LOSS** - All shipments will be made F.O.B. seller's shipping dock. Delivery will be deemed complete and risk of loss or damage to all the items shall pass to Rand upon delivery to the carrier.
9. **INSPECTION** - Inspection shall be made by Rand at the time and place of delivery. If material specifications are not met, the nonconforming material may be returned at seller's expense, including handling and transportation costs, and risk of loss. Rand may, at its sole discretion, cancel this purchase order, and seller accepts liability for any loss or increased expenses caused Rand due to any such cancellation and issuance of a replacement purchase order.
10. **TRANSPORTATION** - Unless otherwise specified or agreed to by Rand, seller shall ship via the carrier specified by Rand, freight collect on Rand's account. Rand shall bear the expense of any transportation insurance covering its risk of loss. Seller shall bear the expense of any abnormal or premium transportation charges, unless such services are specifically requested and approved by an authorized Rand employee.
11. **ROUTING INSTRUCTIONS** - Any losses accruing from deviation from Rand's routing instructions will be borne by and charged to seller.
12. **EVIDENCE OF SHIPMENT** - Seller shall forward to Rand, with the invoice, the express receipt or bill of lading, signed by the carrier, evidencing the fact that shipment has been made.
13. **PATENT INDEMNITY** - Seller shall indemnify and hold harmless Rand, its customers, and those for whom Rand may act, from and against all legal expenses that may be incurred, as well as all damages, losses and costs which may be assessed against or borne by Rand, by reason of any and all actions or proceedings charging infringement of any patent, trademark, or copyright by reason of the sale or use of any items delivered hereunder. If the use or sale of any item with respect to which seller indemnifies Rand is enjoined as a result of such action or proceeding, seller, at no expense to Rand, shall obtain for Rand and its customers the right to use and sell said items or shall substitute equivalent items. In the event that seller is unable to secure an equivalent item as a substitute, seller, will indemnify Rand and its customers for any kind and all losses or damages sustained by reason of such injunction and infringement.
14. **SELLER'S INDEMNIFICATION** - Seller agrees, at its expense, to reimburse, indemnify, hold harmless and defend Rand, its officers, agents, and employees, against any and all damages, losses, and expenses, including reasonable attorneys' fees, and any and all claims, liabilities or penalties, including but not limited to claims of bodily injury, property or other damage, arising out of any use, possession, consumption or sale of said products, materials or services and from any failure of seller to perform under the purchase order. Seller shall obtain adequate insurance to cover its liability under the purchase order.
15. **SPECIFICATIONS** - Any specifications, drawings, notes, instructions, engineering notices, or technical data referred to in the purchase order shall be deemed to be incorporated herein by reference as if fully set forth.
16. **TITLE TO DRAWINGS AND SPECIFICATIONS** - Seller shall use any drawings and/or specifications furnished by Rand to seller only in connection with the purchase order, and shall not disclose such drawings and specifications to any person, firm or corporation other than Rand or seller's employees, subcontractors, or governmental inspectors. Seller shall upon Rand's request or upon completion of the purchase order, promptly return all drawings and specifications to Rand.
17. **CONSIGNMENT** - Specifications, parts, components and samples furnished to seller by Rand on other than a change basis shall be held by seller on consignment, and upon the completion of the order shall be returned to Rand or otherwise satisfactorily accounted for. Unless otherwise agreed, seller, at its expense, shall insure all such items for the reasonable value thereof against loss or damage of any kind.
18. **BANKRUPTCY** - In the event of any proceeding, voluntary or involuntary, in bankruptcy or insolvency by or against seller, including any proceeding under the Federal bankruptcy act or in the event of the appointment, with or without seller's consent, of an assignee for the benefit of creditors, or a receiver, or if seller otherwise becomes financially insolvent, Rand may elect to cancel any unfulfilled portion of the purchase order without further liability.
19. **COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS** - Seller shall comply with all applicable Federal, State and Local laws and ordinances, and all lawful orders, rules and regulations thereunder, including, but not limited to, the applicable provisions of the fair labor standards act of 1938 as amended (29 USC201-219). The occupational safety and health act (OSHA). The worker's compensation act, and all regulations and standards and any amendments issued pursuant thereto seller warrants that the items delivered shall comply with the foregoing, and agrees to indemnify Rand and Rand's customers for any loss or damage sustained because of seller's noncompliance.
20. **ASSIGNMENT** - Seller shall not delegate any duties, nor assign any rights or claims under the purchase order, or for breach thereof, without prior written consent of Rand, and any such attempted delegation or assignment shall be void. All claims for moneys due or to become due from Rand shall be subject to deduction by Rand for any setoff or counter claim arising out of any Rand's purchase orders with the seller, whether such setoff or counter claim arose before or after any such assignment by the seller.
21. **MODIFICATION OF ORDER** - Purchase orders contains all the agreements and conditions of sale, and no course of dealing or usage of the trade shall be applicable unless expressly incorporated in the order. The terms and conditions contained in the order may not be added to, modified, superseded, or otherwise altered except by a written modification signed by an authorized representative of Rand and delivered by Rand to seller. Each delivery shall be deemed to be only upon the terms and conditions contained in the order, notwithstanding any terms and conditions that may be contained in any acknowledgment, invoice, or other form of seller, and notwithstanding Rand's act of accepting or paying for any delivery or similar act of Rand.
22. **BINDING EFFECT** - The purchase order and the acceptance thereof shall be a contract made in the state of California and governed by the laws thereof.
23. **NO WAIVER OF CONDITIONS** - Rand's failure to insist upon strict compliance shall not be deemed to be a waiver of any right, and waiver of a right under the order shall not constitute a waiver of any other right or waiver of any other default under the order. Waiver of any right or remedy may only be done by written agreement signed by a duly authorized officer of Rand.
24. **NOTICES** - Any notice required or permitted to be given by either party hereto to the other shall be personally delivered, or sent certified or registered mail at the address stated on the purchase order and shall be deemed to have been given when deposited in the United States mail with postage prepaid.
25. **REMEDIES CUMULATIVE** - Any and all remedies conferred by this contract are understood to be cumulative with all rights and remedies available under the uniform commercial code and are in addition to any rights and remedies available under principles of law and equity. Such rights shall not impair in any manner the rights and remedies of either party incident to any obligation collateral or ancillary to this contract.
26. **CAPTIONS** - The captions and headings in the purchase order are for convenience and reference purposes only and shall not be construed to define or limit any of the terms or provisions herein.
27. **SEVERABILITY** - In the event that any one or more of the provisions contained herein shall for any reason be held to be unenforceable in any respect under the laws of the State of California or of the United States of America, such unenforceability shall not affect any other provision of the purchase order but the purchase order shall then be construed as if such unenforceable provision had never been contained herein.
28. **ATTORNEY'S FEES** - In the event of a dispute between seller and Rand, the prevailing party shall be entitled to reasonable attorneys' fees and court costs in any action instituted to enforce or interpret this contract.
29. **AEROSPACE SPECIFIC REQUIREMENTS** - Seller will notify Rand if shipped product is subsequently found to be nonconforming; Seller will notify Rand of changes in product definition; Seller will provide right of access to rand, our customer, and regulatory authorities to all facilities involved in the order and to all applicable records; Seller will retain all quality records pertaining to Rand purchase orders for a minimum of 10 years.
30. **PRODUCT IMPOUNDMENT AND FINANCIAL RESPONSIBILITY** - Seller and Rand hereby agree that fraudulent/counterfeit parts have no value and any contract documents establishing a transaction involving fraudulent/counterfeit parts shall be declared null and void. Seller has the right to agree with, or verify, Rand's findings. Seller and Rand hereby agree that if the OCM determines the suspect parts are authentic, then the decision is "final." Furthermore, seller and Rand agree that if a mutually-agreeable testing laboratory determines that the electronic parts supplied are suspect/fraudulent/counterfeit, then the decision is "final." Rand will then retain the possession of the parts for subsequent destruction.
31. **FOR CALIBRATION SERVICE PROVIDERS** - Calibration of inspection equipment shall be performed traceable to National Institute of Standards and Technology (NIST). Certificates of Calibration shall be provided with each calibration.

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