



ADVANCED TEST EQUIPMENT CORPORATION
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RENTALS • SALES • SERVICE • SOLUTIONS

TERMS AND CONDITIONS FOR RENT WITH OPTION RENTAL

General Terms

The following are the terms and conditions applicable to rental, sales, and service of equipment from Advanced Test Equipment Corporation, Advanced Test Equipment Rentals, Advanced Test Equipment Sales, and Advanced Test Equipment Service. These entities herein after will be referred to as A.T.E. It is agreed and understood that proper legal jurisdiction and venue resides in San Diego, CA for all agreements entered into henceforth. These terms and conditions will prevail over any similar or conflicting terms and conditions of customer.

Acceptance of equipment by customer constitutes the exclusive and binding agreement by the customer to be bound by these terms and conditions covering the purchase or rental of the goods, equipment and or service of such goods and equipment ordered. The term "equipment" means all hardware, software, firmware, manuals, accessories, options, pouches and containers related to the products set forth.

Customer will be in default thereunder if it fails to pay any sum due to A.T.E within payment terms granted, or fails to timely perform any other obligation owing to A.T.E., or if any bankruptcy or similar proceedings under federal or state law are filed by or against customer. Upon the occurrence of any default, A.T.E. will: (1) terminate the rental of all products or equipment rented to customer under any and all agreements, (2) require customer to assemble and return all such products and/or equipment, or repossess all such products and/or equipment, and (3) recover from customer all amounts payable hereunder.

A.T.E. does not have any duty to account to customer for the proceeds of any disposition of equipment subsequent to return or repossession. All rights and remedies of A.T.E. on default are cumulative and will be exercised simultaneously or successively. No waiver of any one default will waive any other or subsequent default.

Customer indemnifies and holds A.T.E. harmless for any damage done by rented or leased equipment to other equipment projects or personnel and will insure A.T.E. against any such liability.

Customer is responsible for all loss, theft, mysterious disappearance, damage due to fire, flood, wind, or any other cause while equipment is in customer's possession or in transit via any common special carrier or courier.

Specific Terms and Conditions for Rent with Option agreements (R.W.O.)

1. A rent with option agreement is an operating lease NOT a capital lease.
2. Customer will be invoiced for possession of equipment, NOT use. Equipment is in customer's possession once equipment leaves A.T.E.'s shipping dock to customer's designated ship to location up until equipment is received back on A.T.E.'s receiving dock, contingent upon customer fulfilling rental term and all equipment passing lab inspection.
3. Customer has the option to continue the rental after the original rental term has expired.
4. The payment term, rental term, rental rate, billing period, purchase price, and percentage of monthly rental payment(s) that may apply to the purchase of equipment (SEE ACCRUING EQUITY TOWARDS PURCHASE PRICE) must be confirmed in writing between A.T.E. and customer prior to processing and shipping equipment to customer.
5. The payment term is defined as the timeliness for when payment is to be made to A.T.E. by customer for rental services provided by A.T.E. A.T.E. offers payment terms as follows: (a) payment in advance, (b) payment upon receipt of invoice, (c) Net 10 terms from invoice date, and (d) Net 30 terms from invoice date.

6. The rental term is defined as the number of billing period(s) the customer is obligated to pay to A.T.E. A.T.E. DOES NOT PRORATE BILLING PERIOD(S) FOR EQUIPMENT RETURNED WITHIN ORIGINAL RENTAL TERM.
7. The rental rate is the price in U.S. Dollars, the customer agrees corresponds to each billing period.
8. The billing period is defined as the A.T.E. billing cycle the customer will be invoiced for possessing A.T.E. equipment. A.T.E. offers 1 billing period to its' customers for R.W.O. agreements:
 - a. Monthly Rental Period: Customer is invoiced on a 30-calendar day billing cycle. After original rental term has expired customer is invoiced on a monthly basis but rental is prorated on a per day basis, except when exercising purchase option.
9. The purchase price is the original sale price that the customer and A.T.E. have agreed to in writing.
10. The R.W.O. invoice the customer will receive from A.T.E. is based upon the agreed to payment term, original rental term, billing period, purchase price for equipment without accrued equity, description of equipment, and the rental rate. Shipping and or taxes will be included as necessary.
11. Customer assumes full responsibility for compliance with all federal, state, and local regulations and safety practices and procedures.
12. Customer assumes full responsibility for reading and following all supplied manuals, instructions, warning labels, and insuring that all personnel coming in contact with equipment are properly instructed and trained in its use.

Pricing and Payment Term

13. Customer agrees that prices specified by seller are acceptable and are presumed to be fair and reasonable.
14. All payments must be paid in United States dollars, unless requested otherwise from customer and approved by A.T.E. The payment term is to be paid in advance, unless requested otherwise from customer and approved by A.T.E.
15. If customer requests a payment term other than payment in advance, customer must cooperate in the completion and submission of credit statements to A.T.E.'s accounting department.
16. For domestic customers (United States), a minimum billing of \$150.00 is required to request a credit account with A.T.E.
17. For international customers (outside United States) other than Canada, a minimum billing of \$1,000.00 is required to request a credit account. Canada is subject to a \$500.00 minimum billing to request a credit account.
18. All credit evaluations are predicated upon customer's credit worthiness, credit history, financial stability, and ability to pay, and are determined without prejudice to race, religion, sex, national origin, age, or any other characteristic protected by law. All credit evaluations are final.
19. If credit terms are granted, any sums not paid within the payment term are subject to a 1.5% finance charge per month, or what the current law permits.
20. Any invoice that remains unpaid after the due date is considered delinquent.
21. Payment for R.W.O. invoices must be received by A.T.E. prior to the expiration of the billing period stipulated on the invoice to avoid equity penalty assessment(s) and finance charge(s).
22. If customer defaults on payment, the R.W.O. agreement will be annulled and any and all equity will be forfeited. Additionally, the R.W.O. agreement reverts to a straight rental and customer loses all purchase option privileges.
23. Non payment or delinquent payment annuls any and all warranties.
24. Customer understands and agrees that all required collection fees, legal expenses and interest will be charged to debtor in the event of default, or failure to pay by debtor.
25. No installment or payment plan is expressed or implied and total amount is due according to the payment term established in writing with customer prior to shipment of equipment.
26. A.T.E. does not modify a payment term once established between customer and A.T.E without A.T.E.'s consent. Any subsequent invoices that transpire must be paid according to the original payment term unless otherwise authorized by A.T.E.
27. In the event subsequent payment terms are negotiated and customer defaults on present payment term, A.T.E. will rescind present payment term, effective immediately, while reinstating the initial payment

term established, including but not limited to: terms of pre-payment, credit card, upon receipt, net 10, net 15, or net 30.

28. In the event customer defaults on payment, A.T.E., will terminate the R.W.O. agreement and repossess all A.T.E. equipment at customers expense.

Credit Card Orders

29. By customer completing an A.T.E. ***Credit Card Authorization Form*** for equipment rental, customer is bound by A.T.E.terms and conditions and hereby authorizes A.T.E. to charge the referenced credit card for the entire rental duration and any cost(s) related thereto, including but not limited to: missing accessories and/or damage to equipment.
30. If customer fails to return missing items, acknowledge, and/or remedy damage to equipment within time permitted by A.T.E., customer hereby authorizes A.T.E. to charge customer referenced credit card for all costs A.T.E. incurs that are associated with repairing and/or replacing missing items.

Title of R.W.O. Equipment

31. Title remains with A.T.E. until customer executes their request to purchase equipment and fulfills all payment obligations to A.T.E.
32. Customer will keep equipment free from all liens, levies, and encumbrances up until title of equipment transfers from A.T.E to customer.
33. Customer will not remove, deface or obscure any identification labels on A.T.E. equipment, including but not limited to, serial numbers and or asset numbers, up until title of equipment transfers from A.T.E to customer.
34. Customer will not make any alterations, additions, modifications, or improvements to R.W.O. equipment and will only use it for the purpose and in the manner it was intended, up until title of equipment transfers from A.T.E to customer.

Geographic Location

35. R.W.O. equipment will be kept at customer's designated place of business (original ship to address) unless a change in geographical location is authorized by A.T.E, up until title of equipment transfers from A.T.E to customer.

Starting and terminating a Rent with Option

36. The obligation to pay a R.W.O. agreement will commence on shipment date and terminate once equipment arrives back on A.T.E.'s receiving dock, contingent upon equipment passing lab inspection and customer fulfilling original rental term, or customer exercising their purchase option and satisfying all payment obligations to A.T.E. for R.W.O. equipment.
37. The R.W.O. agreement will remain in effect after the original rental term has expired or until customer properly exercises their purchase option. If for any reason customer maintains possession of equipment after original rental term and has NOT exercised their purchase option, customer will be obligated to pay rent to A.T.E. for any subsequent billing periods that transpire.
38. Upon receipt of equipment, customer is obligated to notify A.T.E. within time allowed to report any equipment damage, failures, or discrepancies (SEE REPORTING DISCREPANCIES UPON RECEIPT OF EQUIPMENT).

Accruing Equity towards the Purchase Price

39. In order for customer to receive maximum equity credit for rental payment(s), the payment(s) must be received by A.T.E. prior to the expiration of the billing period stated on the invoice.
40. If payment is not received by A.T.E. prior to the expiration of the billing period stipulated on the invoice, A.T.E. will assess a 1% equity penalty after the last day of the billing period, for each day the invoice remains unpaid.

41. A.T.E.'s only obligation to customer regarding generation and mailing of invoice(s) is to insure that the invoice will be generated and mailed via United States Postal Service at least 20 days prior to the expiration of the billing period stipulated on the invoice.
42. A.T.E. is not responsible for any payment delays that result in assessment of penalties caused by, customer not receiving the invoice(s), A.T.E. not receiving payment from customer, or any other occurrences that result in payment delays. IT IS CUSTOMER'S SOLE RESPONSIBILITY TO INSURE THAT A.T.E. RECEIVES PAYMENT PRIOR TO THE EXPIRATION OF THE BILLING PERIOD TO AVOID PENALTY ASSESSMENTS.
43. Equity applied toward purchase price on one item of equipment is non-transferable and applies exclusively to that item, unless equipment is invoiced as a system or the equipment is replaced by A.T.E. due to equipment failure that is not due to customer abuse, negligence, or operator error.
44. Maximum equity accrual is 90% of the purchase price, unless otherwise agreed to in writing.
45. In the event customer decides NOT to exercise their purchase option, and returns equipment to A.T.E. as an end of rental, any accrued equity is forfeited by customer and cannot be applied to any subsequent rental agreements or transferred to any other equipment.

Modifications to Billing Period(s) or Rental Rate(s)

46. A.T.E. DOES NOT MODIFY BILLING PERIOD(S), RENTAL TERM(S), OR RENTAL RATE(S) FOR RENT WITH OPTION AGREEMENT(S).

Exercising an option to purchase R.W.O. Equipment

47. Customer cannot execute an option to purchase equipment until the original rental term has expired.
48. Customer may not exercise their option to purchase if there are any past due invoices or any other monies owed to A.T.E.
49. Customer must notify A.T.E. in writing of their intent to exercise their purchase option.
50. INTENT TO EXERCISE PURCHASE OPTION DOES NOT CONSTITUTE A TERMINATION OF RENTAL.
51. Once customer has satisfied all conditions to exercise their purchase option A.T.E. will do the following:
 - a. Determine the end of rental date. The rental termination date will be on the last day of the current billing period, contingent upon customer fulfilling original rental term.
 - b. Issue sale invoice to customer. The sale invoice the customer will receive from A.T.E. will total the original purchase price, less permissible equity that applies towards the purchase price.
52. A.T.E. will retain title of equipment until A.T.E. receives full payment from customer of sale invoice for R.W.O. equipment, all outstanding rent, shipping, taxes, installation fees, and other monies due to A.T.E. in association with R.W.O. equipment.
53. In the event customer defaults on payment for the sale invoice, A.T.E. will void the sale invoice issued to customer and reinstate the rental as a straight rental with no purchase option, and invoice customer for any lapsed, current, and future billing period(s) that transpire. All accrued equity will be forfeited and customer loses all purchase option privileges.

Security Deposits

54. Security deposits are predicated upon customer's credit history and worthiness and are determined without prejudice of race, religion, sex, national origin, age, or any other characteristic protected by law.
55. Security deposits are required by A.T.E. as collateral to secure rental equipment shipped to customer.
56. Security deposits are held by A.T.E. until all rental equipment is returned to A.T.E., all rental equipment passes lab inspection, and customer has paid all outstanding invoices due to A.T.E.
57. In the event customer returns rental equipment damaged and or customer has unpaid invoices due to A.T.E., A.T.E. without protest or permission from customer will deduct all or as much of security deposit required to pay any outstanding payment obligations.
58. Once all payment obligations to A.T.E. are satisfied by customer A.T.E. will refund all or the remaining balance of the security deposit back to customer within 30 business days.

59. Customer CANNOT apply security deposit as payment to ANY outstanding invoices including but not limited to; (a) last billing period, (b) damage to equipment or (c) missing manuals or accessories.

Warranty

60. A.T.E. warrants only that equipment when delivered will be in good operating and physical condition, unless otherwise agreed to in writing.
61. A.T.E. warranty for equipment is only valid through the duration of the rental, unless otherwise agreed to in writing.
62. The sole obligation of A.T.E. under the foregoing warranty will be to repair, or replace any equipment that fails to meet said warranty, and such obligation will constitute the sole and exclusive remedy available to customer.
63. In no event will A.T.E. be liable to customer for any consequential, incidental, or exemplary damages, such as loss of revenues, use of any equipment, damage to other equipment, cost of substitute equipment or down time costs.
64. A.T.E. is not responsible for any damages resulting from human or calibration error.
65. A.T.E. will not be responsible for any delays or failures in making repairs or replacement due to unavailability of parts or labor, strikes, delays in transportation or other causes beyond A.T.E.'s control.
66. The foregoing warranty will not apply to any damage to equipment caused by accident, abuse, negligence, or misuse by customer.
67. A.T.E. IS NOT THE MANUFACTURER OF ANY EQUIPMENT. A.T.E. DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE EQUIPMENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY.

Freight and Shipping

68. All equipment is shipped to and from A.T.E. at customer's expense, unless otherwise agreed to in writing.
69. All shipping arrangements from A.T.E. facility must be designated by customer and shipped freight collect, unless otherwise agreed to in writing.
70. Any request other than freight collect on customer account is subject to the standard freight rate of the courier or carrier.
71. It is customer's obligation to notify A.T.E. when equipment is ready for pickup or when equipment is being returned to A.T.E.
72. All equipment is shipped F.O.B. point of origin.

Insuring Equipment

73. It is customer's obligation to insure all shipments for full, new replacement value.
74. In the event appropriate insurance is not obtained it will be assumed that customer wishes to self-insure.
75. It is customer's responsibility to file damage claims with courier or carrier.

Reporting discrepancies upon receipt of equipment

76. Upon receipt of equipment, it is customer's obligation to immediately inspect equipment to confirm equipment received is (a) as stated on packing list (b) as agreed in writing between A.T.E. and customer (c) not damaged due to shipping (d) in good operating and physical condition.
77. A.T.E. only guarantees that equipment shipped to customer is as specified per written agreement between A.T.E. and customer and that equipment will be covered under A.T.E. warranty.
78. In the event there are discrepancies with packing list and equipment received by customer, customer is dissatisfied with equipment, equipment is failing, and or equipment is received damaged, customer is obligated to notify A.T.E. within time allowed as follows: A.T.E. ALLOWS 72 HOURS FROM RECEIPT OF EQUIPMENT TO REPORT ANY DISSATISFACTION WITH EQUIPMENT,

EQUIPMENT FAILURE, OR DAMAGE TO EQUIPMENT. FAILURE TO COMPLY WITH THIS OBLIGATION CONSTITUTES CUSTOMER'S ACCEPTANCE OF EQUIPMENT IN FULL AND IN GOOD WORKING AND PHYSICAL CONDITION, FORFEITURE OF RIGHT TO DISPUTE PAYMENT TO A.T.E., AND FORFEITURE OF ANY CLAIMS AGAINST A.T.E.

79. In the event customer notifies A.T.E. within time allowed and decides to return equipment, customer is required to obtain an RMA Number.
80. Customer must follow the guidelines within the Return Material Authorization terms and conditions (REFER TO RETURN MATERIAL AUTHORIZATION TERMS AND CONDITIONS).
81. In the event customer returns equipment, customer is NOT relieved of any obligation or liability until A.T.E. evaluates equipment and/or validates customer's claim(s). Additionally, customer may be subject to a restocking fee (REFER TO RESTOCKING FEE SECTION).

Restocking Fee

82. In the event customer decides to return equipment claiming dissatisfaction with equipment and has notified A.T.E. within time allowed, customer assumes responsibility to provide A.T.E. with proper documentation to support claim that equipment received was NOT as agreed to in writing between A.T.E. and customer.
83. In the event customer is unable to provide A.T.E. with proper documentation that equipment shipped was NOT as agreed to in writing between A.T.E. and customer, A.T.E. will assess a restocking fee of \$95.00 or 30% of the rental rate, whichever is greater. Restocking fees are payable upon receipt of invoice.
84. If a restocking fee applies and/or A.T.E. is unable to validate customer's claim(s), the customer assumes responsibility to pay to A.T.E. for all shipping, installation, and or any other costs incurred by A.T.E, aside from the restocking fee.

Return Material Authorization (RMA)

85. An RMA form must be completed and signed by customer for failed, damaged, or dissatisfaction with A.T.E. equipment. NO RMA NUMBER OR REPLACEMENT UNIT(S) ARE PROVIDED UNTIL THE RMA FORM IS COMPLETED AND SIGNED BY AN AUTHORIZED EMPLOYEE OF CUSTOMER.
86. If customer requests replacement of failed in field equipment prior to inspection by A.T.E. laboratory, such request is considered a NEW request for rental of A.T.E. equipment and is bound by the aforementioned terms and conditions for equipment rental.
87. A.T.E. is ONLY responsible for associated costs to remedy any equipment failure that is not due to customer abuse, negligence, or operator error. These costs are limited to equipment repair/replacement and transportation to and from customer location via NON-Priority shipping method, contingent upon customer requesting return of equipment once it is repaired or replaced. All returns must be shipped to A.T.E., prepaid by customer, which are reimbursable to customer upon absolving customer of abuse, operator error, and/or negligence.
88. If upon lab inspection there is evidence of customer abuse, negligence, or operator error, the customer is liable for all transportation costs, evaluation fees, rental charges for replacement unit(s) (if applicable), and repair charges. Additionally, the rental will continue uninterrupted until equipment is repaired to meet manufacturer's specifications, or until the expiration of the rental term or current billing period, which ever is greater will be used.

Rent with Option Returns

89. No Return Material Authorization number is required for a return NOT associated with equipment failure, damage, or customer dissatisfaction with rental equipment (SEE REPORTING DISCREPANCIES AND OR RETURN MATERIAL AUTHORIZATION SECTION TO ADDRESS THESE MATTERS).
90. Customer must return all equipment, manuals, and accessories prepaid.
91. Customer must return all equipment, manuals, and accessories to terminate rental.

92. All items should be shipped to Advanced Test Equipment, 10401 Roselle Street, San Diego, CA 92121.
93. Customer assumes all liability for shipping damage due to improper handling, packaging, and or loss of equipment by courier or carrier.
94. All rental equipment must be returned to A.T.E. during normal business office hours. A.T.E.'s normal business hours are Monday—Friday, 8:00am to 5:00pm Pacific Standard Time, excluding holidays. A one—day grace period will be permitted for delivery attempts to A.T.E. on a holiday.
95. All equipment must be returned to A.T.E in the same condition as shipped. In the event customer returns equipment with additional components, parts, and/or modifications to equipment, customer will be liable for any costs A.T.E. incurs to return equipment to the same condition as originally shipped to customer. A.T.E. HAS NO OBLIGATION TO CUSTOMER TO RETURN ANY COMPONENTS AND/OR PARTS INSTALLED. FURTHERMORE, A.T.E. IS NOT LIABLE FOR ANY RELATED COSTS INCURRED BY CUSTOMER FOR THE COMPONENTS, PARTS, AND OR MODIFICATIONS TO THE EQUIPMENT.
96. Partial equipment returns are permitted by A.T.E. However, in order to terminate the R.W.O. rental the: (1) equipment returned must have an exclusive rental rate, (2) customer must have fulfilled original rental term, (3) equipment must pass lab inspection, and (4) equipment can NOT be a component of a system rental.
97. In the event A.T.E. receives a partial return and the equipment is a component of a system R.W.O., the system rental rate will continue until: (1) customer fulfills original rental term, (2) all equipment passes lab inspection, and (3) all equipment components of the system rental are returned. FURTHERMORE, THE PERCENTAGE OF EQUITY FOR RENTAL PAYMENTS WILL BE ADJUSTED IN PROPORTION TO INDIVIDUAL EQUIPMENT PURCHASE PRICE THAT IS STILL OUT ON RENT. ALL EQUITY ACCUMULATED FOR RETURNED EQUIPMENT WILL BE FORFEITED AND NEGATED FROM TOTAL ACCUMULATED EQUITY OF SYSTEM R.W.O.
98. In the event equipment is returned damaged, defective, or is missing manuals and/or accessories, customer will be required to pay for all costs associated with repairing and/or replacing equipment, missing manuals and/or accessories, including but not limited to; labor, parts, and/or replacement costs for equipment, and/or manuals and accessories. Additionally, customer will be obligated to pay all rental fees for damaged equipment, and/or missing items until all repairs and/or replacement of equipment, or missing items are completed, and equipment is once again available for rental.

Taxes

99. Prices do not include taxes. Taxes will be added to the invoice as required by law and will be billed and collected accordingly.
100. Customer is obligated to pay all federal, state, and local taxes without limitation, unless proper tax exemption documentation is provided by the paying entity.

I HAVE READ AND ACCEPT THE ABOVE TERMS AND CONDITIONS TO BE BINDING IN ALL DEALINGS WITH A.T.E.

FOR (COMPANY NAME) _____

BY (PRINT NAME) _____ **TITLE** _____

SIGNATURE _____ **DATE** _____

THE ABOVE TERMS AND CONDITIONS ARE SUBJECT TO CHANGE WITHOUT NOTICE.

EFFECTIVE DATE: 01/25/02