

WHETHER LIABILITY ARISES FROM BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE) BY OPERATION OF LAW, OR OTHERWISE.

12. INDEPENDENT PARTY.

12.1 Contractor's relationship with MTS is that of an independent contractor, and nothing in this Agreement shall be construed as creating any other relationship. Contractor is not authorized to make any representation, contract or commitment on behalf of MTS. Contractor will secure, at Contractor's sole cost, worker's compensation insurance, disability benefits insurance, and any other insurance required by law. MTS will not provide, nor will it be responsible to pay for, employee benefits to Contractor or employees of Contractor. Contractor acknowledges and agrees to pay all required taxes, whether federal, state or local in nature, including, but not limited to, income taxes, FICA, payroll or self employment taxes, unemployment compensation taxes, and any other fees, charges, licenses, or other payments required by law on any compensation paid by MTS to Contractor pursuant to this Agreement. Contractor hereby waives any right to bring a claim or action against MTS or any of its affiliates as to entitlement to any employee benefits with respect to periods of performance hereunder.

12.2 Contractor retains the sole and exclusive right to control and direct the manner or means by which the Services are performed under this Agreement, provided that Contractor at all times complies with this Agreement and shall not misrepresent MTS or its services, nor alter or extend the scope of the Services without MTS's prior written consent. MTS may require reports from Contractor regarding the Services and may review Contractor's work to the extent necessary to assess Contractor's compliance with this Agreement.

13. **SEVERABILITY.** If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, unless the deletion of such provision or provisions results in such a material change so as to cause completion of the transactions contemplated herein to be unreasonable.

14. **ASSIGNMENT; NO WAIVER; AMENDMENTS.** Contractor may not assign this Agreement or any of its rights or obligations hereunder without MTS's prior consent and any assignment without such consent shall be null and void. Subject to the foregoing, this Agreement will be for the benefit of MTS's successors and assigns, and will be binding on Contractor's assignees. A waiver of any default hereunder or of any term or condition of this Agreement shall not be deemed to be a waiver of any other default or any other term or condition. This Agreement may only be amended or modified in a writing signed by the parties.

15. **NOTICES.** All notices and other communications relating to this Agreement, including consents, shall be in writing and shall be addressed to Contractor or MTS at the addresses set forth in section 1 and shall be considered given when (a) delivered personally; (b) sent by confirmed facsimile or email; (c) sent by commercial overnight courier with written verification receipt; or (d) three (3) days after having been sent, postage prepaid, by certified mail.

16. **SURVIVAL OF OBLIGATIONS.** The rights and obligations contained in sections 6, 7, 8, 9, and 11 will survive any termination or expiration of this Agreement.

17. **COUNTERPARTS.** This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

18. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, excluding its conflict of law rules. Courts sitting in the Hennepin County of Minnesota will have exclusive jurisdiction and venue over all controversies arising out of or relating to this Agreement and the parties agree to the personal jurisdiction of such courts.

19. **COMPLIANCE WITH LAWS.** Contractor shall (a) comply with all applicable laws, regulations, rules or orders in connection with its performance hereunder; (b) not maintain any facilities that are segregated on the basis of race, color, religion, sex, or national origin and; (c) obey all applicable equal employment opportunity and affirmative action laws, regulations, and policies.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective date set forth above.

MTS Systems Corporation:

By _____
Signature

Printed Name

Title

Date

Rodney Larson DBA Far East Controls LLC:

By _____
Signature

Printed Name

Title

Date