

PLEASE READ THIS FORM CAREFULLY. THE TERMS AND CONDITIONS SET FORTH ON ALL PAGES OF THIS FORM CONSTITUTE THE ENTIRE AGREEMENT BETWEEN BUYER AND SELLER.

1. Governing Provisions

All quotes purchases or releases from Seller shall be governed exclusively by these terms and conditions of sale ("Ts&Cs"). Acceptance of Buyer's purchase order is made only on the express understanding and condition that, insofar as these Ts&Cs conflict with any other purchase order, order forms, acknowledgement forms or other document issued by the Buyer which may contain terms in addition to or at variance with these Ts&Cs it is expressly understood that and agreed that such documents shall not add to nor vary these Ts&Cs.

2. Orders

Customer shall purchase Products by issuing a written purchase order signed by an authorized representative, indicating specific Products, quantity, price, total purchase price, shipping instructions, requested delivery dates, bill-to and ship-to addresses, tax exempt certifications, if applicable, and any other special instructions. Orders are to be submitted to Seller via FAX, e-mail, any delivery or mail service.

3. Purchase Order Changes

All requested changes to an accepted purchase order must be submitted to the Seller in writing and are subject to Seller's acceptance. In the event that such changes or additions are accepted by Seller, Seller may revise the price and dates of delivery.

4. Reschedule and Cancellation

Products scheduled for shipment more than 30 days after the current date can be rescheduled once. Entire ordered quantity must be released within 12 months after receipt of the order. Products scheduled for delivery more than 45 days after the current date may be cancelled upon approval of Seller, subject to 100% bill back of all costs incurred to the time of cancellation.

5. Prices

Prices for Products and/or Services, whether specified in Seller's price list or schedule, written quotation, or acknowledgement are subject to change without notice. Such prices shall be adjusted and the invoices will reflect Seller's prices for the Products and/or Services in effect when the Products are shipped and/or the Services are provided. All prices are exclusive of taxes, customs, duties, transportation, and insurance, which are to be borne by the Buyer.

6. Payment

All amounts are payable in US dollars only. Seller may require payment in advance by wire transfer, certified or cashier's check, or approved credit card. With Seller's approval, payment terms are net thirty (30) days from date of Seller's invoice. Invoices are to be paid in full without deductions for debits, short pays or other credit amounts. No discounts are authorized. Credit may only be applied if the approved credit memo is on the account at the time of payment. Buyer shall be liable for all expenses, including attorneys' fees, relating to the collection of past due amounts. If any payment owed to Seller is not paid when due, it shall bear interest, at a rate to be

determined by Seller, which shall not exceed the maximum rate permitted by law, from the date on which it is due until it is paid. Seller shall have the right, among other remedies, either to terminate this sale or to stop Products in transit or to suspend further performance under these terms and conditions and/or other agreements with Buyer. Should Buyer's financial condition become unsatisfactory to Seller, cash payments or security satisfactory to Seller may be required by Seller prior to shipment or for future deliveries for Products theretofore delivered. If such cash payment or security is not provided, in addition to Seller's other rights and remedies, Seller may discontinue deliveries.

7. Delivery

All shipments will be FCA (INCO Terms 2000) point of shipment. All risk of loss and damage shall pass to the Buyer upon delivery of the products to the carrier. Delivery and shipment dates are estimates only, are not guaranteed, and are determined from the date the Buyer's purchase order is accepted by the Seller. Seller's failure to ship or deliver as scheduled shall not entitle the buyer to cancel a purchase order or to damages of any kind. In no event will Buyer be liable for any premium transportation, re-procurement, or special, incidental or consequential damages (including but not limited to loss of profit) due to any failure to deliver or delay in delivery however caused.

8. Title

Title to products sold hereunder shall pass to Buyer upon delivery of the products to the carrier.

9. Products

Seller reserves the right to change designs and specifications for the Products which do not affect form fit or function of the Products without prior notice to Buyer. Buyer also reserves the right to discontinue the manufacture of any product. Seller agrees to use reasonable commercial efforts to assist Buyer in selecting a suitable alternative. Buyer acknowledges that certain products offered by Seller are subject to minimum buy quantities.

10. Warranty

Seller warrants the products to be free from defects in materials and workmanship for a period of 6 months from the date of shipment. Seller's sole obligation for non conforming product shall be to repair or replace such products at a location designated by the Seller or to credit the purchase price of such products at the Seller's sole option.

EXCEPT AS SET FORTH ABOVE, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, OF ANY NATURE WHATSOEVER, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

11. Life Support Policy

Seller's products are not designed, intended, authorized or warranted suitable for use in life support applications, devices or systems. Buyer agrees not to use the purchased products for life support applications, devices or systems, and further agrees to indemnify, and hold harmless Buyer and it's agents from and against any and all actions, suits, proceeding, costs, expenses, damages and liabilities including attorney's fees arising out of in connection with this section .

12. Patent Indemnity

Buyer shall indemnify, defend and hold harmless Seller. Seller will defend any claim, suit or proceeding brought against Buyer so far as it is based on a claim that any Product supplied hereunder infringes a copyright or an existing patent (as of the effective date of this Agreement) within the United States, if notified promptly in writing of the claim and given full authority, information, and assistance for the defense. If such claim has occurred, or in Seller's opinion is likely to occur, Buyer agrees to permit Seller, at Seller's option and expense, either to procure for Buyer the right to continue using the Product or to replace or modify the same so that it becomes non infringing, or, if neither of the foregoing alternatives is reasonably available, remove the Product and refund Buyer the price thereof as depreciated or amortized by an equal annual amount over the lifetime of the Product as established by Seller. Seller has no liability for any claim based upon the combination, operation, or use of any Product supplied hereunder with equipment, devices, or software not supplied by Seller, or for any claim based upon alteration or modification of any Product supplied hereunder.

Buyer shall defend and hold Seller harmless against any expense, judgment or loss for alleged infringement of any patents, copyrights or other proprietary rights which result from Seller compliance with Buyers designs, specifications or instructions.

13. Export

Buyer shall obtain all licenses, permits and approvals required by any government and shall comply with all applicable laws, rules, policies and procedures of the applicable Government, and other competent authorities. Buyer will indemnify and hold harmless Seller for any violation or alleged violation by Buyer of such laws, rules, policies or procedures. Buyer shall not transmit, export or re-export, directly or indirectly, separately or as part of any system, the Products or any technical data (including processes and services) received from Seller, without first obtaining any license required by the applicable Government, including without limitation, the United States Government and/or any other applicable competent authority. By accepting delivery, Buyer agrees that none of the Products or technical data supplied by Seller under this Agreement will be sold or otherwise transferred to any US-embargoed destination, any entity subject to a US denial order, or made available for use by or for, any military end-user, or in any military end-use located in or operating under the authority of any country identified in Country Group D:1 under Supplement No. 1 to Part 740 of the EAR without a US license. Buyer also certifies that none of the products or technical data supplied by Seller under this Agreement will be sold or otherwise transferred to, or made available for use by or for, any entity that is engaged in the design, development, production or use of nuclear, biological or chemical weapons or missile technology.

14. Confidential Information

Customer shall hold confidential and shall not use or permit others to use any confidential information identified as such in writing or orally by Seller or information which Buyer knows or has reason to know is confidential, proprietary or trade secret information of Seller.

15. Limitation of Liability

Nothing in this Agreement shall limit Seller's or its suppliers' liability to Buyer for (1) personal injury or death caused by its negligence or (2) Seller's liability in the tort of deceit. All liability of Seller and its suppliers shall be limited to money paid to Seller under this Agreement.

16. Force Majeure

Seller shall not be liable for any delay in performance or inability to perform occasioned by any causes beyond its control or beyond the control of its suppliers, manufacturers, processors, or finishers including but without limiting the generality of the foregoing, fires, strikes, lockouts, labor difficulties, earthquakes, typhoons, embargoes, floods. Delays by carriers, orders, rules or regulations of any foreign and /or domestic governmental authorities, trade associations or any other agency having control over export or import, voluntary quotas, restrictions, controls, unavailability or shortage or delay of any transportation. Intervention of any such cause(s) shall give Seller the right, without liability to Buyer of any kind to terminate this contract with respect to all or any portion of the products or services affected thereby, or upon removal of the cause, to resume deliveries in such proportions as it may determine until the entire quantity purchased hereunder has been delivered.

17. Assignment

Seller expressly reserves the right to assign or subcontract all or any portion of a purchase order without Buyer's consent.

18. Arbitration

Any dispute or claim arising out of, or in connection with, this Agreement the parties shall first make a good faith attempt to resolve the matter through their management. In the event such good faith negotiations fail to settle the dispute shall be finally settled by binding arbitration in San Diego, California. The arbitrator shall apply the laws of the State of California, without reference to rules of conflict of law or statutory rules of arbitration, to the merits of any dispute claim. The parties agree that, any provision of applicable law notwithstanding, they will not request, and the arbitrator shall have no authority to award, punitive or exemplary damages against any part. Each part shall pay its own expenses associated with the arbitration. Judgment t on the award rendered by the arbitrator may be entered in any court of competent jurisdiction.

19. Severability/Waiver

In the event any of the provisions of these Ts&Cs become subject to revision or nullification by ruling of an appropriate court of competent jurisdiction, the remaining terms and conditions herein shall remain in full force and effect. The failure of Seller to enforce the provisions hereof or exercise an option herein shall not be construed as a waiver of such provision or option or affect Buyer's ability to enforce or exercise such provision or option.

20. General

The laws of the State of California, USA govern this contract. This contract is the complete and exclusive statement of the agreement between parties and supersedes all proposal, oral or written, and all other communications between the parties relating to the subject matter of this Ts&Cs. Any Ts&Cs of any purchase order or other instrument issued by Buyer in connection with this contract, which are, in addition to, and consistent with or different from the terms and conditions of this contract shall be of no force or effect. Only a written instrument duly executed by authorized representatives of the Seller and buy may modify this contract.