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PURCHASE ORDER TERMS AND CONDITIONS

General

This Order constitutes the offer by Luxel Corporation, herein referred to as Buyer, and may be accepted by Supplier, the stipulated provider of Goods pursuant to this Order, only in accordance with the terms hereof. Any acceptance herein of an offer of Supplier, or any confirmation herein of a prior agreement between Buyer and Supplier, is expressly made conditional on Supplier's assent to the additional or different terms contained herein. This Order may be accepted by Supplier by commencement of work, shipment of goods, or furnishing of services hereunder. Dispatch of Supplier's acknowledgement form or other written document will also act as an acceptance if it agrees with this Order with respect to the description, amount, price and time of delivery of the goods or services ordered. Notwithstanding any waiver in any instance, or any oral agreement, or any instructions, terms and conditions that may be contained in any quotation, acknowledgement, invoice or other written document of Supplier, no addition to, waiver for the future or modification of, any of the provisions herein contained shall be of any force or effect unless made in writing and executed by Buyer.

Price

The price shall not be higher than that appearing on the face of this Order, or if no price appears thereon, then no higher than that last price quoted to Buyer by Supplier for similar articles, material, goods, parts, services, work or other deliverables (collectively, "Goods"). Prices of the Goods shall not exceed Supplier's lowest prices in effect at the date of shipment for comparable Goods in comparable quantities.

Packaging and Shipment

No charge will be allowed for packing, crating, cartage or storage unless otherwise designated in this Order. Goods shall be suitably packed to secure the lowest transportation costs and conform to the requirements of common carriers and any applicable specification. Supplier shall be liable for and shall promptly refund to Buyer the amount of any loss or damage due to Supplier's failure to properly preserve, pack, package or handle such products. Shipment shall be made in accordance with Buyer's instructions on the face of this Order. Supplier shall place this Order number on the outside of each shipment hereunder and on all documents relating to such shipment. Supplier's serial numbers must be shown on all shipping papers and invoices, where applicable. Supplier shall be liable to Buyer for any increase in transportation charges resulting from Supplier's failure to utilize the specified method of shipment or carrier.

Warranty

Supplier warrants to Buyer and its customers that all goods or services furnished pursuant to this Order will be free from defects in material and workmanship and will be in conformity with the requirements of the Order, including drawings and specifications, if any, and reasonably fit for the purpose disclosed in this Order or in such drawings and specifications, and Supplier further warrants that such goods or services will be merchantable and fit for the purpose for which they are sold, and where design is Supplier's responsibility, will be free from defects in design, and that Supplier has good, unencumbered title to the products and has conveyed such good, unencumbered title to Buyer. The foregoing warranties are in addition to all other warranties, whether express or implied, and will survive delivery, inspection, acceptance or payment by Buyer. All warranties shall run to Buyer and its customers. Buyer's approval of Supplier's design or material shall not be construed to relieve Supplier of the warranties set forth herein. Without limitation of any rights which Buyer may have at law by reason of any breach of warranty, goods which are not as warranted may at any time within twelve (12) months after delivery be returned at Supplier's expense. Buyer at its option may require Supplier either to replace such goods at no increase in price (Supplier must pay all repacking, transportation and handling charges both ways) or to refund the purchase price and any charges in connection therewith.

Inspection and Acceptance

Buyer reserves the right to inspect all Goods prior to shipment by Supplier. Supplier shall permit employees or representatives of Buyer and Buyer's customer to have access to Supplier's facilities in order to perform said inspections at all reasonable hours provided that written notice is provided 24 hours in advance. At the time of

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inspection, Supplier shall make available to such representatives copies of all drawings, specifications, other technical data and any other relevant records applicable to the Goods ordered. All Goods shall nevertheless be received subject to final inspection and approval by Buyer after delivery at destination. Final inspection and acceptance shall be within 60 days at the discretion of the Buyer's location of manufacturer for which the Goods are intended. Defective Goods may be returned at Buyer's option for refund, credit or replacement at Supplier's expense. At Buyer's option inspection may be performed on a statistical sampling basis. If the number of defects in the selected sample exceeds the allowable defects, the entire lot of Goods will be rejected. The rejected Goods may at Buyer's option be 100% inspected at Supplier's expense. Buyer's inspection, or lack of inspection, shall not affect any express or implied warranties, nor shall Buyer waive any rights to return Goods which contain latent defects discovered in the testing of Buyer's products containing such Goods.

Non-Conforming Materials

Non-conforming material/product found by Buyer will be reported to the Supplier on a serialized Discrepant Material Report (DMR) form. Where the non-conformity requires rework to bring the product into conformity with product requirements, Buyer holds the discretion to either perform the necessary rework to be charged back Supplier at an hourly rate of \$60 (USD) or return the product to Supplier to be reworked at their cost.

When returning reworked material to Buyer, the DMR number shall be referenced on the packing slip and a copy of the DMR shall be attached to expedite Buyer handling. When a Corrective Action is issued to Supplier, a response shall be completed within fourteen (14) calendar days from receipt of the Corrective Action Report. Failure to respond to a Corrective Action Request may result in refusal to accept further delivery until an adequate response is provided. No further purchase orders will be issued to a Supplier who ignores a request for a Corrective Action response. Reasonable extensions of time may be granted when valid written requests are provided by the Supplier.

Delivery and Risk of Loss

Buyer's production schedules and commitments to its customers are dependent upon the agreement that deliveries of the Goods covered by this Order will occur on the required delivery date shown on the face hereof. Supplier shall be responsible for all damages of any kind incurred or suffered by the Buyer which were caused by a delay of Supplier in meeting delivery schedules. Supplier shall also be responsible for all premium logistics cost resulting from Supplier's inability to meet delivery schedules. This includes all premium cost incurred in getting product to the Buyer. Supplier agrees to notify Buyer immediately in the event it appears that Supplier may not meet the delivery schedule and shall set forth the reasons for the delay (actual or potential), the steps being taken to remedy the delay, and the schedule that Supplier believes it will be able to meet.

Buyer's receipt of notice shall not constitute approval of the delay or the proposed revised delivery schedule or a waiver of the delivery schedule in the Order. Unauthorized advance shipments and shipments other than for the quantity ordered are returnable at Supplier's expense. Identification of the Goods shall occur at the moment Supplier accepts this Order. Supplier shall not be excused from performing its obligations hereunder if the Goods identified are destroyed. Delivery shall not be deemed complete until the Goods have been actually received by Buyer at its facility. The risk of loss and damage in transit shall be upon Supplier and shall not pass to Buyer until received at Buyer's facility in a condition in accordance with the terms of this Order. The cost of all return shipments shall be borne by Supplier. Unless otherwise agreed in writing, Supplier shall not make any material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet Buyer's delivery schedule, except at Supplier's own risk. It is Supplier's responsibility to comply with this schedule, but not to anticipate Buyer's requirements.

Taxes

Except as may be otherwise expressly provided in this Order, the price includes all applicable national, provincial, federal, state and local taxes. If and where sales tax is not specifically included as a part of this Order, it is a resale

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purchase and sales tax does not apply. If the Seller does not have an applicable copy of Buyers' resale certificate, the Seller shall notify Buyer to obtain it.

Changes

Buyer may at any time, by written direction (including without limitation by email or facsimile), make changes in the drawings, specifications, quantities, delivery location or schedules, method of shipment or packaging, or, prior to the delivery date, suspend its purchase of products and services hereunder. Should any such change increase or reduce the cost of, or the time required for performance of, an Order, an equitable adjustment will be made in the contract price or delivery schedule. Any requests for an increase in the contract price or an extension in delivery schedule must be made within ten (10) working days from the date of such written direction. Failure to agree upon an equitable adjustment shall not relieve the Supplier from proceeding without any delay in performance under this Order, as changed. Where any material is made obsolete or excess as a result of any change for which Supplier makes a claim, Buyer shall have the right to prescribe the manner of disposition of such property.

Confidentiality

Supplier shall not, without first obtaining written consent of Buyer, advertise, publish or issue any news release or make any public announcement or denial or confirmation concerning the fact that the Supplier has furnished or has contracted to furnish to the Buyer the Goods. Supplier agrees that all drawings, specifications, designs, data and all other business, product, technical and financial information furnished by Buyer to Supplier shall remain the sole property of the Buyer and shall be disclosed to others by Supplier only as (and to the extent) required for performance of this Order. Upon completion of the work, Supplier shall return any such drawings, specifications, designs, data or other information together with all copies and make no further use either directly or indirectly of any such drawings, specifications, designs, data or information derived therefrom without Buyer's prior consent.

Indemnity Clause

Supplier agrees to indemnify, save harmless and defend Buyer and its officers, directors, agents, employees, successors and customers from and against any and all suits, claims, damages, costs, and attorney's fees arising out of or in connection with an infringement or claimed infringement of any United States patent, trademark or copyright in the manufacture, use or sale of the equipment or materials furnished under this Order. In case said equipment or material is in such suit, or in final adjudication elsewhere, held to constitute infringement, and the use thereof is enjoined, Supplier shall, at its own expense, either procure for Buyer the right to continue using said equipment or material, or at the option of Buyer either replace same with equally efficient non-infringing equipment or material, or modify it without impairing its efficiency so it becomes non-infringing, or remove said equipment or material and refund the purchase price and the transportation and installation costs thereof.

Compliance with Laws and Regulations

Supplier and all persons furnished by Supplier shall comply at their own expense with all applicable federal, state, local and foreign laws, ordinances, regulations and codes, including the identification and procurement of required permits, certificates, licenses, insurance, approvals and inspections (collectively "Laws") in performance under this Order. Supplier agrees to provide Buyer with a certificate affirming compliance with applicable Laws that the Buyer shall request, and the Supplier further agrees to indemnify Buyer and its officers, directors, agents, employees, successors and customers against and to hold harmless from any loss or expense arising from Supplier's noncompliance with any applicable Law.

Environmental Matters

Supplier represents, warrants, certifies, and covenants that none of the Goods supplied under this Order contain minerals, chemicals or substances, the use of which is restricted in any jurisdiction to which the Goods are to be shipped, unless in amounts permitted by the applicable jurisdiction. Supplier shall: (a) if and as requested by Buyer,

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include with shipments of Goods the material composition data related to all homogenous material contained within such Goods; and (b) assist Buyer, as necessary in Buyer's reasonable opinion, in Buyer's attempts to comply with its obligations, if any, under applicable Laws.

Force Majeure

Neither party shall be held responsible for any delay or failure in performance of any part of this Order to the extent such delay or failure is caused by flood, strike, civil, governmental or military authority, act of God, or other similar causes beyond its control and without the fault or negligence of the delayed or nonperforming party or its subcontractors provided that (i) such party gives the other party prompt notice of the reason for delay or failure of performance and (ii) takes reasonable steps to mitigate the duration of the delay or failure of performance. In the event a party's delay or non-performance continues for a period of at least fifteen (15) days, the other party may terminate this Order without liability. Supplier's liability for loss or damage to Buyer's material in Supplier's possession or control shall not be modified by this clause.

Termination for Convenience

In addition to all other rights and remedies, Buyer shall have the right to terminate this Order, in whole or in part, without cause, upon notice in writing (including without limitation by email or facsimile) to Supplier.

Buyer shall have no liability for termination of this Order provided that Buyer gives written notice (including without limitation by email or facsimile) to Supplier (i) at least two business days prior to the scheduled shipment date of Standard Goods or (ii) at least thirty days prior to the scheduled shipment date of Custom Goods. For the purpose of this Section, "Standard Goods" shall include all Goods which Supplier regularly maintains in inventory, and "Custom Goods" shall include all other Goods.

In the event Buyer fails to give notice within the time period set forth above, Supplier shall immediately cease work, terminate any subcontracts, and deliver to the Buyer all completed and partially completed Goods or raw material and work-in-process, or otherwise dispose of such Goods, work in process and raw material in accordance with the Buyer's instructions. Supplier shall promptly comply with Buyer's instructions respecting each of the foregoing without awaiting payments of any amounts from Buyer. Buyer's liability to Supplier shall be limited to: (i) the price provided in the order for all Goods which have been completed prior to termination and which are accepted by Buyer, if produced in no greater amounts than to satisfy the delivery schedule on the face of this Order; plus (ii) to the extent commercially reasonable and accepted by Buyer, actual expenditures on the uncompleted portion of this Order including cancellation charges paid by the Supplier on account of commitments made under this Order; provided that Supplier has (immediately upon notice of termination) taken all reasonable steps to mitigate cost resulting from termination.

Notwithstanding the foregoing, Supplier's liability shall not exceed the total price provided for herein for finished Goods delivered under this Order. Supplier shall submit to Buyer within ten (10) days of notification of the termination any and all unavoidable material costs resulting from Buyer's termination. No cost submitted beyond that date shall be compensable to Supplier.

Termination for Default

In addition to the rights conferred in **Force Majeure**, Buyer may terminate this Order for default, without any liability to Supplier, if Supplier fails to make any delivery in accordance with the schedule set forth herein or for failure to comply with any of the other requirements or terms and conditions of this Order or for failure to make progress under this Order so as to endanger performance of this Order. In the event of termination for Supplier's default, Buyer may procure elsewhere Goods which are similar to those terminated, and on such terms as Buyer may deem appropriate, and Supplier shall be liable for excess re-procurement costs. Further, Supplier shall be liable to Buyer for any other remedies prescribed by law or equity.

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Assignment

None of the work to be performed under this Order shall be assigned nor shall Supplier subcontract for completed or substantially completed Goods called for by this Order without Buyer's prior written consent.

Waiver

Failure of Buyer to insist upon performance of any terms of this Order or to exercise any right hereunder shall not be construed as a waiver or relinquishment of the future performance of any such term or condition or the future exercise of such right.

Setoff

Supplier agrees that Buyer shall have the right to set-off against amounts which may become payable by Buyer to Supplier under this Order or otherwise, any amounts which Supplier may owe Buyer.

Hold Harmless

Supplier shall to the fullest extent permitted by law, indemnify, defend and hold Buyer and its officers, directors, agents, employees, successors and customers harmless from and against any and all potential claims, liabilities, demands, penalties, forfeitures, suits, judgments and the associated costs and expenses (including attorney's fees), which Buyer or its officers, directors, agents, employees, successors and customers may hereafter incur, become responsible for or pay out as a result of death or personal injury (including bodily injury) to any person, destruction or damage to any property, contamination of or adverse effects on the environment and any clean up costs in connection therewith, or any violation of governmental law, regulation, or orders, caused, in whole or in part, by (a) Supplier's breach of any term or provision of this Order, (b) any negligent or willful acts, errors or omissions by Supplier, its employees, officers, agents, representatives or subcontractors in the performance of this Order, or (c) Supplier's Goods. Notwithstanding Supplier's immunities under applicable state worker's compensation and industrial insurance acts, Supplier specifically undertakes to indemnify, defend and hold Buyer harmless from potential claims or liabilities asserted against Buyer by Supplier's employees. Supplier shall maintain such insurance against public liability and property damage as will protect Buyer against the aforementioned risks and Supplier shall maintain worker's compensation insurance in the minimum amount of \$500,000.00 (USD) per occurrence covering all such personnel while on Buyer's premises.

Buyer's Property

Except as otherwise specified by Buyer in writing, all tools, dies, gauges, fixtures and other items required to execute this Order shall be supplied by Supplier. Any such items paid for by Buyer or furnished to Supplier without cost to Supplier, (i) shall be the property of Buyer, subject to removal by Buyer at any item without cost upon demand, (ii) shall be used only in filling orders from Buyer, (iii) shall be kept separate from all of Supplier's other materials or tools and (iv) shall be clearly identified as property of Buyer. Supplier assumes all liability for loss of damage to Buyer's property save wear and tear. Supplier shall maintain full insurance coverage against loss or damage of such Buyer property shall (upon Buyer's request) supply Buyer with a detailed statement of such property, and shall not remove, dispose or pledge as security any of Buyer's property without Buyer's prior written consent.

Payment

Invoices shall be paid on delivered and accepted Goods in accordance with the terms in this Order; due dates for payment shall be computed from the later of the date on which (i) Buyer receives a correct invoice or (ii) Buyer receives the Goods described in such invoice. Payment shall be deemed made (for the purpose of earning any discount offered by Supplier or otherwise) on the date Buyer's check is mailed to Supplier. Partial payments may be made if specifically authorized in writing by Supplier. Payment of the invoice shall not constitute acceptance of the product and shall be subject to an appropriate adjustment for failure of Supplier to meet the requirements of this Order. Supplier shall pay, without charge to Buyer, any federal, state, or local tax or other government charge or assessment relating to the production, sale or shipment of any of the products hereunder.

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Gratuities

Supplier warrants that neither it nor any of its employees, agents or representatives has offered or given any gratuity to Buyer's employees, agents or representatives with a view towards securing favorable treatment with respect thereto

Government Contracts

In the event that the goods ordered herein are to be used in whole or in part for the performance of government contracts and where the dollar value of said goods exceeds, or may in any one year exceed \$50,000 (USD), the Supplier further agrees that in connection with the performance of work, under this contract, Supplier (subcontractor) agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or disability. The aforesaid provision shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Supplier (subcontractor) agrees to post hereafter in conspicuous places, available to employees and applicants for employment and notices setting forth the provisions of this non-discrimination clause.

Limited Liability

Notwithstanding anything else herein to the contrary and regardless of whether any remedy herein would fail of its essential purpose, Buyer shall not be liable to Supplier under any contract, negligence, strict liability or other legal or equitable theory for (i) any incidental, indirect, special, exemplary, punitive or consequential damages or lost data or lost profits, (ii) any amounts in excess of the aggregate amount to be paid by Buyer for Goods hereunder or (iii) any matter beyond Buyer's reasonable control.

Miscellaneous

Except as otherwise provided herein, any notice, approval or consent required or permitted hereunder shall be (i) in writing, (ii) delivered by hand or by overnight courier service to the respective addresses of the parties as set forth in this Order (or such other addresses a party may designate in writing); and (iii) effective upon actual delivery, or upon attempted delivery if receipt is refused. If any provision of this Order shall be judicially determined to be unenforceable or invalid, that provision shall be limited or eliminated to the minimum extent necessary so that this Order shall otherwise remain in full force and effect and enforceable. Except as provided herein, the failure to enforce any provision herein or right or remedy on any one occasion shall not be construed as a waiver on any other occasion. The relationship of Supplier and Buyer is, and shall at all times be, that of independent contractor. Except as provided herein, no term or condition of this Order may be amended or deemed to be waived, except by a writing signed by both parties that refers to this Order. No right or obligation under this Order (including the right to receive monies due) may be assigned by Supplier without the prior written consent of Buyer, and any purported assignment without Buyer's consent shall be void. The contract resulting from this Order shall be construed in accordance with the laws of the state of Washington without regard to conflict of law principles. The parties agree that any controversy arising under this Order shall be determined exclusively by the federal or state courts of Washington. The parties hereby submit to the exclusive jurisdiction of any court of competent jurisdiction in the state of Washington and agree to venue in King County, Washington. The parties hereby waive any argument relating to the convenience of forum. This Order shall be construed as if jointly drafted by both parties. The rights and remedies herein provided are in addition to those available to either party at law or in equity. The following Sections shall survive the termination of this Order: **Warranty, Taxes, Changes, Confidentiality, Indemnity Clause, Compliance with Laws and Regulations, Environmental Matters, Termination for Convenience, Termination for Default, Setoff, Hold Harmless, Limited Liability and Miscellaneous.**