

CONDESSA, INC
TERMS AND CONDITIONS

1. Acceptance and Provisions. Condesa, Inc., a California corporation ("Seller"), agrees to sell to Buyer certain goods (the "Goods") that are described in the attached Purchase Acceptance (the "PA"), but only according to these terms and conditions (these "Terms"). The earliest of any of the following events shall represent Buyer's consent to and acceptance of these Terms: (a) failure to object to these Terms within five days of the date of the delivery of the PA or acknowledgement of the PA by Buyer; (b) acceptance of the Goods; or, (c) issuance of the first payment for the Goods. The PA, these Terms and any quotation made by Seller, if any, comprise the complete and exclusive contract and agreement for the sale of the Goods to Buyer (the "Contract"). If conflict arises between any terms and conditions of those documents, the foregoing shall be their order of precedence.

2. Price and Payment. Unless otherwise noted, Seller's quoted prices exclude all charges and expenses connected to carriage of the Goods to Buyer and all taxes and customs duties relating to the sale of the Goods. Buyer shall pay Seller in U.S. funds within **15 days** of the date of Seller's invoice. Buyer's purchase order, if any, and the PA create an express security agreement, and Buyer hereby grants to Seller a security interest in the Goods, until Buyer pays the entire Purchase Price for the Goods. Seller may invoice Buyer upon the earlier of shipment, or notice of readiness to ship. If Buyer is not located in the U.S.A., upon Seller's request Buyer shall provide Seller with an acceptable letter of credit ("LOC") in the amount of the purchase price, issued or confirmed by Seller's designated major U.S. bank, with an expiration date 30 days after shipment and partial drawings permissible. All LOC payments shall be made upon presentation either of invoice, or bill of lading or warehouse receipt. If Buyer does not pay Seller on the agreed dates of payment, Buyer shall pay Seller 1_ percent of the unpaid balance monthly. In addition to charging such interest, Seller may cancel or reschedule delivery of Goods if Buyer is in default of payments or any other material term of this Contract.

3. Acceptance of Goods. Buyer shall be deemed to have accepted the Goods 24 hours after delivery of the Goods to Buyer. Any defects in material or workmanship shall be provided for under the warranty in Section 6.

4. Title and Risk of Loss. Delivery shall be EXW Seller's plant, (ex works Incoterms 2000). Full risk of loss (including transportation delays and losses) passes to Buyer upon delivery, regardless of whether title has passed to Buyer or transport is arranged or supervised by Seller. Loss, damage, or destruction of Goods that occurs while the risk of such loss or damage is Buyer's does not relieve Buyer of its obligation to pay Seller for the Goods.

5. Delivery. Seller will substantially meet quoted delivery dates, which are estimated based on conditions known at the time of quotation. Seller shall not be liable for any delay in delivery. If Seller experiences supply and material shortages or other manufacturing delays, Seller may ship partial shipments of Buyer's orders and invoice Buyer for those partial shipments. Buyer may cancel, without each party incurring liability to the other, an order that is not delivered within 60 days of its delivery date (proposed by Buyer and accepted by Seller).

6. Limited Warranty. Seller warrants that the Goods will be free from defects in material and workmanship for 12 months from the date of delivery. To the extent that the Goods incorporate third-party parts, Seller shall pass on Seller's warranty to Buyer subject to the terms and conditions of Seller's warranty. Warranty repairs shall be warranted for the remainder of the original warranty period. Buyer shall report defect claims in writing to Seller immediately upon discovery, and in any event, within the warranty period. Buyer must return Goods to Seller within 30 days of Seller's receipt of a warranty claim notice and only after receiving Seller's Return Goods Authorization. Seller shall, at its sole option, repair or replace the Goods. If Goods were repaired, altered or modified by persons other than Seller, this warranty is void. Conditions resulting from normal wear and tear and Buyer's failure to properly store, install, operate, handle or maintain the Goods are not within this warranty. Repair or replacement of Goods is Seller's sole obligation and Buyer's exclusive remedy for all claims of defects. If that remedy is adjudicated insufficient, Seller shall refund Buyer's paid price for the Goods and have no other liability to Buyer. All warranty repairs must be performed at Seller's authorized service center using parts approved by Seller. Buyer shall pay costs of sending Goods to Seller on a warranty claim and Seller shall pay costs of returning Goods to Buyer. The turnaround time on repairs will usually be 30 working days or less. Seller accepts no added liability for additional days for repair or replacement. Buyer is not relying on Seller's skill or judgment to select Goods for Buyer's purposes. **SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

7. Confidentiality and Intellectual Property. All intellectual property, including, but not limited to, technical and commercial information, data, schematics, designs, production techniques, and ideas ("IP") Seller has supplied or shall supply Buyer, excluding public domain information or information that Buyer lawfully possessed in tangible form before receiving such information from Seller, is proprietary to Seller and disclosed to Buyer in confidence only to assist Buyer to evaluate and use the Goods. Buyer shall not disclose or make such IP available to any other person, or use such IP except for such limited purpose. Any sketches, models or samples submitted by Seller shall remain Seller's property. Sale of Goods to Buyer does not convey a license, implied or otherwise, under any patent, copyright, trademark or trade secret in which Seller has an interest, nor does it convey rights to

any descriptive data, including but not limited to, Seller's drawings, schematics, software, secrets, processes, or tooling.

8. Sample Products. If Seller delivers "prototype," "sample," "for approval," or other similarly designated goods (Sample Goods), it is an express condition that the Sample Goods are without warranty of any kind, express or implied, including but not limited to the warranty in Section 6. Sample Goods and related documentation are exclusively Seller's IP and shall remain confidential. Seller's delivery of Sample Goods to Buyer neither creates nor transfers any license, implied or express, of Seller's IP. Buyer will disclose Sample Goods only to such of Buyer's employees who need such disclosure to carry out testing and evaluation to which Seller has agreed and to no consultants without Seller's prior written approval. Buyer will provide Seller with all reports and results from Buyer's testing and evaluation of Sample Goods. **SELLER DISCLAIMS WARRANTY OF FITNESS FOR PARTICULAR PURPOSE AND MERCHANTABILITY.**

9. Limitation of Liability. **SELLER SHALL IN NO EVENT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF OR RELATING IN ANY WAY TO THE CONTRACT, OR ANY DEFECT IN OR FAILURE OF, THE GOODS, INCLUDING BUT NOT LIMITED TO, CLAIMS BASED UPON LOSS OF USE, LOST PROFITS OR REVENUE, INTEREST, LOST GOODWILL, INCREASED EXPENSES OF OPERATION, COST OF REPLACEMENT GOODS, OR CLAIMS OF BUYER OR BUYER'S CUSTOMERS, WHETHER OR NOT BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE. SELLER'S MAXIMUM LIABILITY UNDER THIS CONTRACT SHALL NOT EXCEED THE PAID PRICE FOR THE GOODS UPON WHICH SUCH LIABILITY IS BASED AND ALL SUCH LIABILITY SHALL TERMINATE NO LATER THAN ONE YEAR FROM THE DATE OF DELIVERY OF THE GOODS.**

10. Applicable Law. The Contract shall be governed by the law of the State of California, exclusive of its conflicts of law principles. Any disputes arising out of this Contract that cannot be informally resolved shall be adjudicated exclusively in Los Angeles County, California, in any court of competent jurisdiction. Each of the parties expressly consents to jurisdiction in Los Angeles County, California. This Contract is expressly conditioned on the exclusion of the application of the United Nations Convention on the International Sale of Goods.

11. Termination. Except as expressly provided in Section 5, Buyer may cancel its order or extend scheduled delivery only upon terms accepted in writing signed by Seller. Buyer either shall compensate Seller for damages resulting from cancellation, including but not limited to, out-of-pocket costs, lost profit, and allocable overhead, or pay a restocking and cancellation fee of 25% of the purchase price, whichever is greater. Seller may, at its option and without either incurring liability to Buyer or prejudicing Seller's rights to other available remedies, either cancel or reschedule Buyer's order, if Buyer either is in default of payment obligations to Seller under this or any other agreement, or becomes insolvent, is the subject of bankruptcy proceedings, or ceases to do business. Buyer's obligations under these Terms shall survive termination of this Contract.

12. Waiver. Failure by a party to insist on performance of any provision shall not be a waiver of the rights or remedies available in the event of a subsequent default by the other party.

13. Force Majeure. Seller shall not be liable in any manner for failure to perform caused by war, riot, fire, flood, volcano, earthquake, or any act of God or failure by any third-party hardware, software, wiring, electrical system or utilities, acts of the Buyer or its customer, delays in transportation, inability to obtain necessary labor or materials from usual sources, or other causes beyond the reasonable control of Seller.

14. Trademarks and Publicity. Buyer agrees that it will not use any of Seller's names or trademarks without Seller's prior written permission. Buyer hereby allows Seller to use its name in publicity regarding the Goods.

15. Limitation on Time. All claims of action by Buyer against Seller shall be filed against Seller within one year from the date of the event(s) that gave rise to the claim(s) or be discharged and barred forever.

16. Entire Agreement. The Terms, together with the Purchase Acknowledgement, supersede all prior representations, warranties, demonstrations, discussions, advertisements, understandings, writings, and agreements between the parties, including without limitation, requests for quotations, printed purchase order terms and conditions and releases, with respect to the Goods.

17. Export Laws. The Goods are subject to U.S. Government export laws and regulations. Buyer shall not export, re-export or transfer the Goods received from Seller without strictly complying with all such laws and regulations. Seller makes no representation or warranty regarding the issuance of export licenses for the Goods.