

ICORE INTERNATIONAL, INC.
SUPPLIER TERMS AND CONDITIONS

1. These Terms and Conditions are applicable to all purchase orders from the date of Seller's signature until Seller is otherwise notified by Icore International, Inc. in writing. Applicable Purchase Orders shall be governed by the Uniform Commercial Code and other applicable laws of the state of California which are effective and in force on the date hereof and without regard to the conflict of laws provisions thereof. It is hereby irrevocably agreed that all actions, suits or proceedings between Seller and Icore International, Inc. (hereinafter "Icore") arising out of, in connection with or relating to this Purchase Order or the interpretation, performance or breach of this purchase order, shall be litigated in the State court in Sonoma County or in the Federal court in San Francisco, within the State of California, and Icore hereby consents to such jurisdiction and hereby waives the right to transfer or change the venue of any litigation commenced in such courts, and further waives personal service of all process upon Icore on the condition that all such process is served personally or by registered or certified mail addressed to Icore at Icore's last known address. Whenever a term is defined by the Uniform Commercial Code (UCC) and is used in the Purchase Order the definition contained in the UCC is to control.
2. No terms or conditions in addition to or different from those contained in this Purchase Order shall be binding upon Icore. Any such terms or conditions are to be construed only as proposals for additions to the Purchase Order and will not become part of the Purchase Order unless expressly agreed to by Icore in writing. Acceptance of this Purchase Order must be limited to the terms and conditions contained herein. In order to become a valid and binding agreement between the parties, this Purchase Order must be accepted by Seller within seven days of the date hereof via Seller Acknowledgement. If no Acknowledgement is received within seven (7) days, this Purchase Order shall be deemed to be accepted by Seller. If this Purchase Order, or any of its conditions, are not clear and satisfactory to Seller, communicate with Icore at once. Delivery to Icore of the merchandise ordered, without Icore having cancelled this Purchase Order or Seller having given Icore written notice of Seller's acceptance hereof, shall constitute full acceptance by Seller of this Purchase Order and all of the terms and conditions contained herein. In no event shall Icore's acceptance and/or use of goods or services delivered hereunder constitute acceptance by Icore of any terms or conditions in addition to or different from those provided herein. Icore will not in any manner be responsible for material delivered or for work done on its account unless duly authorized by a formal written Purchase Order properly authorizing the delivery of such materials or the performance of such work. Icore reserves the right to cancel this Purchase Order or any portion of same if delivery is not made when and as specified. Seller agrees to obtain Icore's written approval prior to making any significant modifications (i.e. subcontracting) to its products, services and/or processes. No obligations arising under this Purchase Order shall be assigned, in whole or in part, without the written consent of a duly authorized representative of the non-assigning party. No waiver, alteration, or modification of any of the provisions hereof shall be binding unless in writing and signed by a duly authorized representative of Icore. Any waiver of strict compliance with the terms of this Purchase Order shall not be deemed a waiver of Icore's right to insist upon strict compliance thereafter. In the event of any conflict between terms typewritten on the face of this Purchase Order and those printed on this reverse side, the typewritten terms on the face shall control. The parties hereto agree to keep the terms and content of this Purchase Order confidential. This applies to this document and any documents which support this Purchase Order, such as drawings, email communications, and other applicable documentation or communications. Seller shall not disclose to any person or entity, including, but not limited to, any company affiliated with Seller and any consultant or independent contractor of Seller, reproduce or use any information furnished by Icore to Seller under these Terms and Conditions. Seller shall treat such information as secret and confidential. In the even Seller breaches its obligations under this Section 2, Seller acknowledges that Icore shall suffer irreparable damage, and therefore, Seller agrees that Icore shall have the right to seek and obtain, without any interference from Seller and without proof of actual damages, a temporary restraining order and/or preliminary injunction against Seller. At Icore's request, Seller shall destroy or return all copies of such information to Icore. An officer of Seller shall provide Icore with a written certification confirming that all copies of the information have been destroyed or returned to Icore.
3. This Purchase Order must not be filled at higher prices than shown or last quoted within authority of Icore. If price is omitted on Purchase Order, it is agreed that Seller's price will be the lowest prevailing market price. Seller warrants that the prices named are as low as any net prices now given by Seller to any other customer for like materials purchased under like conditions. All material must be as specified and will be subject to inspection and approval of Icore after delivery. The right is reserved to reject and return at the risk and expense of Seller such portion of any shipment, which may be defective or fail to comply with specifications without invalidating the remainder of the Purchase Order. Delivery of any material over and above the actual quantity specified on this Purchase Order will be at the risk of Seller and payment will not be made for such over runs unless arranged with Icore in advance in writing.
4. All warranties contained in the UCC, including without limitation the warranties of MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, shall be applicable to the goods supplied hereunder and said goods will conform to any specifications, drawings, samples or other descriptions furnished to Icore by Seller or specified by Icore. Seller warrants that all services contracted to be rendered hereunder will be rendered in a workmanlike manner and will be of quality and standard acceptable in the trade. All warranties shall survive delivery and shall not be deemed waived either by reason of Icore's acceptance of said goods or services, or by payment for them. Supplier is advised that receipt and acceptance are separate

entities. Receipt of product does not constitute acceptance until product has been fully inspected and is deemed fit for its intended purpose by Icore Quality Standards. All material must be delivered as specified and will be subject to inspection and approval of Icore after delivery. Icore reserves the right to reject all or any part of any shipment or merchandise or to cancel the Purchase Order or any portion of the same which does not conform to this Purchase Order in quality, quantity, price, identity, date of delivery, or otherwise, but acceptance of any non-conforming shipment or merchandise shall not impair any rights or remedies available to Icore in law or equity for breach of contract. Seller agrees to repair or replace any nonconforming material within five (5) business days of notification of such rejection. Seller agrees to provide Icore with a freight account number of Seller's choice to be used when nonconforming material is being returned to Seller for repair or replacement to effect Seller's responsibility for freight costs under these conditions. Seller agrees that Icore may choose to repair non-conforming material. Icore may offset all costs incurred by Icore for labor and parts used in connection with any such repairs against any and all amounts otherwise due to Seller, or at Icore's option, may bill Seller directly for such costs.

5. Icore shall be permitted to reschedule the delivery of products without any charge or liability by providing Seller with written notice thereof at any time prior to the scheduled date of delivery and/or completion set forth in this Purchase Order. Icore may cancel an Order for the products/parts/services at any time upon written notice to Seller. Such cancellation shall become effective immediately upon Seller's receipt of such notice. Seller shall immediately stop work on the terminated portion of the Order and shall notify any sub-suppliers to also stop work. If Icore cancels an order within the stated lead time for the products for reasons other than breach of contract, Icore shall pay Seller for Seller's reasonable out-of-pocket costs necessarily incurred in the performance hereof which are properly allocable in the terminated portion of the Order under U.S. generally accepted accounting practices; provided, however, that Seller must, in good faith, use its best efforts to mitigate such out-of-pocket costs by commercially reasonable means. Any claim for payment for such costs must be submitted in writing to Icore within thirty (30) days of receipt of Icore's notice of cancellation, thoroughly documented by invoices or other applicable documents, after which time such claim shall be deemed to have been waived. Icore may audit all elements of any such cancellation claim. Seller shall make available to Icore, upon request, all books, records, and papers relating thereto, in a form readable by Icore. The remedies set forth in this Section 5 shall be Seller's sole and exclusive remedies for Icore's cancellation.
6. Seller hereby acknowledges that time is of the essence with respect to the delivery of the products and materials set forth under this Purchase Order. Seller shall prepare for shipment and suitably pack all products to prevent damage or deterioration. Seller shall comply with any special packaging instructions set forth in the applicable Purchase Order for the products and materials. Seller shall (i) ship the products and materials to Icore's destination(s) designated by Icore in its Purchase Order, (ii) see that all subordinate documents and all packages and shipping papers bear a reference to the applicable Purchase Order, (iii) enclose a packing memorandum with each shipment, and, when more than one package is shipped, identify the package containing the memorandum; and (iv) render separate invoices for each shipment to Icore's billing address specified in each Order. Seller shall immediately notify Icore of any circumstance that may cause a delay in the delivery of the products and materials, stating the estimated period of delay and the reasons therefor. Delay shall be deemed Excusable when caused by unforeseeable circumstances beyond the reasonable control and without the fault or negligence of Seller or of its suppliers. The delivery of such products and materials shall be extended for a period to be determined by the parties after an assessment by Icore of alternate work methods. Excusable Delays may include, but are not limited to, acts of God, war, riots, acts of government, fires, floods, epidemics, quarantine restrictions, freight embargoes, strikes, or unusually severe weather, but shall exclude Seller's noncompliance with any rule, regulation or order promulgated by any governmental agency for or with respect to environmental protection. Notwithstanding the foregoing, Icore expects Seller to continue production, recover lost time and support all schedules as established under a recovery plan established by the parties. If delivery of any products or materials is delayed by an Excusable Delay for more than thirty (30) days, Icore may, without incurring any liability, cancel all or part of any Purchase Order with respect to the delayed products and materials. If delivery of any products or materials are delayed for any reason other than an Excusable Delay, Seller shall use best efforts to remedy such delay, including, without limitation, working overtime, and utilizing expedited shipping means where all such additional costs and expenses incurred by Seller to remedy such delay shall be borne by Seller. In addition, Seller agrees that should such a delay occur, Icore may either (i) terminate, without any charge or liability whatsoever to Icore, such portion of the Purchase Order as is not timely delivered or completed and any other Purchase Orders not yet delivered or (ii) extend the scheduled delivery date. If Icore decides to extend the scheduled delivery date to a later date, Seller shall reduce the purchase price of the delayed products and materials by an amount equal to two percent (2%) of the purchase price per day for each day that such products and materials are not delivered or completed by the scheduled delivery date.
7. Seller agrees that Icore may enter Seller's plants and facilities at all reasonable times to conduct inspections and tests of the products, materials, work-in-progress, and to review quality control procedures providing that Icore affords Seller prior notice of the intended visit. In the event that Icore determines in good faith, after such inspection, that Seller's quality control procedures are insufficient to insure consistent acceptable quality, Icore shall so advise Seller, specifying the deficiencies that Icore believes exists and reasonable proposals for correction. In the event that Seller fails to effect the suggested correction or reasonably satisfy Icore as to the lack of need for such correction within thirty (30) days, Icore may terminate, in whole or in part, this Purchase Order, and any outstanding Purchase Orders without liability or consequence. Seller shall include in its subcontracts issued in

connection with a Purchase Order for the products and materials a like provision giving Icore and its authorized representatives the right to enter the plants and facilities of Seller's subcontractors.

8. Seller agrees to maintain material certifications for a period of seven (7) years and to make these certifications available to Icore immediately upon Icore's request in a format to be specified by Icore at the time of request.
9. Title to all tools, equipment, dies, jigs, or other materials, if any, either paid for or furnished by Icore in connection with this Purchase Order herewith shall at all times remain with Icore unless agreed to otherwise in writing by Icore. Such property shall be maintained by Seller in good and usable condition (including calibration requirements as specified by the manufacturer of said equipment), reasonable wear and tear excepted, and Seller shall be responsible for any loss or damage thereto and shall at all times keep the same insured for its full insurable value. Seller shall not include any charge (including amortization or depreciation) for such property in the price of any products or materials manufactured. Such property shall be plainly marked or otherwise adequately identified by Seller as the property of Icore and shall be stored separate and apart from Seller's property to the extent possible. Said property shall not be removed from Seller's premises, nor used for any purpose other than that for which furnished or acquired, without the prior written approval of Icore. Icore may, at all reasonable times, inspect such property and Seller's records with respect thereto and take possession of such property on demand with or without legal process and without liability. Seller agrees to waive, and does hereby waive, any lien that it may have or may hereafter have on such property and agrees to execute one or more Uniform Commercial Code financing statements with respect to such property showing Icore's title thereto whenever so requested by Icore. Such property shall be deemed to be moveable chattels and shall not become annexed. Seller shall indemnify Icore against any and all costs and expenses, including without limitation, attorney's fees, arising out of the use of such materials by Seller.
10. Seller agrees to fully indemnify and hold Icore harmless from any and all liability, claims, demands, costs and expenses on account of personal injuries, including death, property loss or damage to others (including, but not limited to, Seller and employees of Seller), breach of contract, warranty, tort, public or product liability, and/or any other liability, arising out of or in any manner connected with the performance of this Purchase Order, during or following the term of this Purchase Order, whether such injury, loss or damage shall be caused solely by the negligence of Icore, its employees or agents, solely by the negligence of Seller, its employees, agents or subcontractors and/or their respective employees or agents, or whether such injury, loss or damage shall be caused by any combination of the negligence of Seller and/or third persons with that of Icore, its employees or agents; and Seller shall, at its own expense, defend any and all actions based thereon and shall pay all attorneys fees and costs and other expenses arising therefrom. Without limiting the generality of the foregoing, the parties agree that, whether as a result of breach of contract, warranty, tort (including negligence or patent infringement) or otherwise, Seller shall be liable for any special, consequential, incidental, indirect or exemplary damages relating to this Purchase Order, including, but not limited to, contractual liability of Icore to its customers, liability of property damage or personal injury, loss of profit or revenue, loss of use of items purchased via this Purchase Order or any associated equipment, cost of capital, cost of substitute goods, facilities, services or replacement power, downtime costs or claims of Icore's customers or other third parties for such damages.
11. Seller agrees to fully indemnify and hold harmless Icore, its agents and employees, from any and all liability, claims, demands, costs and expenses, including attorneys fees, legal costs and expenses, from any claim, demand or lawsuit regarding infringement by the goods of any patent, trademark or copyright issued to any party by the United States or any foreign country, or because of any claim of adulteration or other defective condition in any manner involving the goods, or because of any act or failure to act by Seller arising out of the services performed or to be performed by Seller, or any claim thereof, provided prompt written notice be given to Seller of the bringing of any claim, lawsuit or action.
12. Seller shall carry Workmen's Compensation and Comprehensive General Liability insurance with minimum limits of \$250,000 per person, \$500,000 per occurrence and \$1,000,000 aggregate for bodily injury and \$500,000 property damage, or the minimum statutory limits, whichever is higher. This coverage shall include insurance to cover sublet work, if any. In addition, said insurance shall include coverage for products and completed operations protection including vendors' coverage. Seller shall be responsible for insuring any consigned materials against loss and/or damage. Said insurance shall be placed with companies satisfactory to Icore. Seller shall submit certificates of insurance covering all required insurance to Icore for approval before beginning said work. These certificates must indicate a 10-day certified mail cancellation and shall indicate the contractual liability under this Purchase Order is specifically insured. In case of failure to furnish said certificates of insurance, as aforesaid, Icore may terminate this Purchase Order.
13. Seller guarantees that all goods furnished hereunder are produced, labeled, marked and shipped in compliance with all applicable valid Federal, State and local laws, ordinances and regulations, including without implying any limitation, rules, guides and rulings of the Federal Trade Commission, all environmental laws and regulations, and in the case of imported goods, the Tariff Acts of the United States, and are not thereunder adulterated, misbranded, falsely invoices or misleadingly advertised. To the extent of any of the following Federal laws or similar State laws are applicable to the goods furnished hereunder, Seller agrees to comply with these laws, and the guarantees contained in such laws or regulations issued thereunder are hereby incorporated in this Purchase Order by reference as though fully set out herein, and shall be continuing and binding upon Seller: Fair Labor Standards Act; Fair Packaging and Labeling Act; Occupational Safety and Health Act of 1970; Caustic Poison Act; Hazardous

Substances Labeling Act. Seller further agrees to defend, indemnify and hold harmless Icore, its agents and employees from all claims, liabilities, losses, damage and expenses, including attorneys fees, sustained or incurred because of the failure of said goods to comply with the provisions of this paragraph. Further, Seller shall be responsible for obtaining any permits required to perform its obligations under this Purchase Order.

- 14. If Seller shall default in any respect or become insolvent, or if a petition in bankruptcy or insolvency is filed by or against Seller under any state or Federal law, or if a receiver or trustee is appointed for Seller, or if Seller executes an assignment for the benefit of creditors, Icore, in addition to other rights or remedies, may terminate and cancel this Purchase Order, in whole or in part, at any time. If Seller or Seller's applicable product(s) becomes insolvent for reasons aforementioned in this Section 14, or through sale or incorporation of the entire company or the manufacturing entity, or through product obsolescence, Icore reserves the right to retain all manufacturing knowledge, rights, patents, and/or all other "work product" necessary to maintain product availability. Seller agrees to notify Icore of any such pending action at least 180 days prior to the start of such action. Seller agrees to afford Icore time and materials necessary for "end of life" purchases (in the event of product obsolescence), and time and materials necessary to maintain Icore's operations in the event of a company sale or manufacturing transfer.
- 15. Seller will not discriminate against any employee or applicant for employment because of race, color, religion, sex, handicap, age, veteran status, national origin, or for any other illegal reason. Seller will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex, handicap, age, veteran status, national origin, or any other legally protected status. Seller will comply with all provisions of Executive Order 11246 of September 24, 1965 and with the rules, regulations, and relevant orders of the Secretary of Labor. Seller certifies that he does not and will not maintain for his employees any facilities at any of his establishments which are segregated on the basis of race, color, religion, sex, handicap, age, veteran status, national origin, or any other legally-protected category, and that he does not and will not permit his employees to perform their services at any location under his control where segregated facilities are maintained. In the event of Seller's noncompliance with the nondiscrimination clauses of this Purchase Order or with any of such rules, regulations, or order, this Purchase Order may be canceled, terminated or suspended in whole or in part, at Icore's discretion. Seller will include the provisions of this Paragraph 15 in event subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965 so that such provisions will be binding upon each subcontractor or vendor.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed on the respective dates entered below.

ICORE INTERNATIONAL, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____