

General sales conditions

Doc. Nr. GSC.LMS.01 Rev.01 dtd. April 2008

ACCEPTANCE OF YOUR COMPANY'S ORDER IS EXPRESSLY MADE CONDITIONAL ON YOUR COMPANY'S ASSENT TO THE TERMS AND CONDITIONS ON THE FACE AND REVERSE SIDES OF THIS INVOICE, WHICH TERMS AND CONDITIONS INCLUDE, WITHOUT LIMITATION, DISCLAIMERS OF WARRANTIES AND LIMITATION OF LIABILITY PROVISIONS. IF YOUR COMPANY DOES NOT ASSENT TO SUCH TERMS, THERE IS NO CONTRACT.

Lumson USA Corp.'s ("Company") acceptance of your company's order is expressly conditioned upon your company's assent to the following terms and conditions and in the event any of such terms and conditions conflict with the terms and conditions contained in your company's order, the conflict will be resolved in favor of the terms and conditions contained herein:

1. Conformity. This invoice ("Invoice") acknowledges the type and quantity of goods ordered by your company ("Purchaser") as interpreted by Company. Purchaser's silence indicates Purchaser's acceptance and the correctness of this Invoice. However, if the goods shipped do not conform to the type and quantity ordered as reflected on the face hereof, they will be deemed to have been shipped merely as an ACCOMMODATION in an effort to serve the needs of Purchaser.

2. Limitation and Disclaimer of Warranties and Liabilities. (a) Subject to the provisions and qualifications hereof, Company warrants only to Purchaser that on the date of shipment the goods sold pursuant hereto (the "Goods") will conform to Company's applicable Specifications in effect on the date of shipment. The warranty period will be for a period of twelve (12) months after shipment from Company's applicable plant, unless another period is specified in writing by Company (the "Warranty Period"). The term "Specifications" means the Company's applicable specification sheets concerning a particular Good, as designated by Company from time to time. Conformance to the Specifications will be based on Company's then applicable test and performance criteria and measurement calculations.

Company shall not be liable or responsible for any Goods sold to Purchaser which do not conform to the Specifications if such non-conformity is caused in whole or in part by imperfections which are inherent in the raw materials used to manufacture such goods.

(b) Since use of the Goods may vary dependent upon the types of materials inserted in the Goods by Purchaser and Purchaser's differing product component configuration attributes, requirements, environments and method of inserting materials into the Goods, it is hereby acknowledged and agreed that there are many variables affecting the proper selection and use of the Goods. These variables must be analyzed on a case by case basis by competent representatives of Purchaser who are familiar with the specific attributes of the Purchaser's intended use of the Goods so that the proper selection and use of the Goods can be determined, it being understood that such variables may, among other things, adversely affect the performance and reliability and the applications for which such Goods were manufactured. It is further acknowledged and agreed that Company has not given any advice or made any representations or warranties, express or implied, in connection with the Goods with the exception of the express warranty set forth in paragraph 2(a). Moreover: (i) any instructions given by Company in connection with the selection or use of the Goods are guidelines only and do not constitute a warranty, express or implied; and (ii) any preliminary quality testing of the Goods (and/or review of test data provided to Company by Purchaser) is done by Company as an accommodation only. Accordingly, Purchaser is ultimately responsible for determining the compatibility of the Goods with respect to Purchaser's intended use of the Goods.

As a result of the foregoing, Purchaser shall be barred from any recovery against Company, including, without limitation, any recovery under the express warranty specified in paragraph 2(a) by reason of improper selection, use and compatibility of the Goods with respect to the particular materials inserted into the Goods and their subsequent use by Purchaser's end-users and Company shall have no liability on account thereof.

Further, Purchaser shall also be barred from any recovery (including, without limitation, any recovery under the express warranty specified in paragraph 2(a) and Company will have no liability on account of any of the following or the use of the affected Goods: (1) any Goods which have been subject to accident, negligence, alteration, abuse, tampering, misuse, improper operation, improper storage (including, without limitation, exposure to weather), improper maintenance or the like; (2) unreasonable use, use of Goods beyond normal fashion, failure to maintain Goods in good condition and repair, or the like; (3) any Goods which are not used with compatible materials or in appropriate environments; (4) any Goods which are used outside of applicable service, pressure, temperature or other ranges or applications for which they were manufactured, as specified by Company; (5) Permissible Defects (as defined below); (6) failure to comply with Performance Conditions; (7) failures of or defects in Goods caused by another component or material inserted into the Goods; (8) natural events, including without limitation, fire, subsidence, folds, lightning, hurricanes, hail, windstorm, earthquakes, tornadoes, cyclones and any other Acts of God; (9) physical penetration, vandalism, damage or attack by any party, or foreign objects or agents including, without limitation, animal and plant life.

For purposes hereof, the term "Permissible Defects" means Company's standard manufacturing deviations as defined by Company from time to time. The term "Performance Conditions" means the conditions and assumptions contained in the Specifications or other data or literature which are required to be satisfied in order for Goods to meet enumerated guidelines contained therein.

(c) In the event a defect is discovered or should have been discovered from which it is reasonable to conclude that damage, either personal, property or economic, may result, the continued use of the suspect goods will constitute an assumption of the risk and a bar to any recovery against Company, including, without limitation, any recovery for breach of any express warranty.

(d) PURCHASER'S SOLE AND EXCLUSIVE RIGHTS AND REMEDIES IN CONNECTION WITH THE LIMITED WARRANTY CONTAINED IN PARAGRAPH 2(a) ARE ALSO LIMITED TO THE RIGHTS AND REMEDIES EXPRESSLY SET FORTH IN PARAGRAPH 3.

(e) IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION OF THE EXPRESS TERMS OF PARAGRAPH 2(a). THE EXPRESS WARRANTIES SET FORTH IN PARAGRAPHS 2(a) AND 18(a) AND THE OBLIGATIONS AND LIABILITIES OF COMPANY THEREUNDER ARE EXCLUSIVE AND ARE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES CONCERNING INFRINGEMENT OR THE LIKE AND WARRANTIES ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING AND USAGE OF TRADE.

(f) It is hereby expressly understood and agreed that unless a statement is specifically identified in this Invoice as a warranty, the statements made in this Invoice relating to the Goods are not express warranties and do not form a part of the basis of the bargain but are merely Company's opinion or commendation of the Goods. Any description of the goods specified in this Invoice and any description of goods contained in any and all brochures, pamphlets or other literature of Company, whether delivered before or after the date hereof, are not intended to be warranties. Instead, they are for the sole purpose of identifying such goods; and such descriptions are not part of the basis of the bargain, and do not constitute a warranty that the Goods shall conform to those descriptions. The use of any sample, model or drawing is for illustrative purposes only, conformity of the Goods to such sample, model or drawing is not part of the basis of the bargain, and is not a warranty that the Goods will conform with the sample, model or drawing. No affirmation of fact or promise made by or on behalf of Company, whether or not in this Invoice, shall constitute a warranty that the Goods will conform to the affirmation or promise.

(g) COMPANY NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE SALE OF GOODS HEREUNDER. GOODS FURNISHED BY COMPANY BUT NOT PRODUCED BY COMPANY WILL CARRY ONLY THE WARRANTY OF THE MANUFACTURER, IF ANY.

Lumson USA Corp.

Ph.# +1 (516) 829-0570 - 45 N. Station Plaza, Suite 101 - Great Neck, NY 11021
EIN: 20-5414633 - www.lumson.com - lumson@lumson.com

(h) Purchaser acknowledges that Company has acted in good faith in making the warranty contained in paragraph 2(a). Purchaser further acknowledges that such warranty is intended to be the only warranty of Company. In the event of a conflict of warranty, the rules of section 2-317 of the New Jersey Uniform Commercial Code ("UCC") shall be applied to determine the dominant warranty, and Company shall be excused from performance on the conflicting non-dominant warranty.

3. LIMITATION OF REMEDIES, WAIVER OF CONSEQUENTIAL DAMAGES. (a) EXCEPT AS OTHERWISE EXPRESSLY STATED IN PARAGRAPHS 3(b) and 7, COMPANY'S SOLE AND EXCLUSIVE OBLIGATION AND LIABILITY WITH RESPECT TO (i) ANY BREACH OF WARRANTY, EXPRESS OR IMPLIED (UNDER THIS INVOICE OR OTHERWISE), (ii) DEFECTS OR NON-CONFORMITIES OF THE GOODS OR THE TENDER THEREOF, AND/OR (iii) OTHER BREACHES OF ANY OBLIGATION OR DUTY OWED BY COMPANY HEREUNDER OR UNDER APPLICABLE LAW, AND PURCHASER'S SOLE AND EXCLUSIVE RIGHTS AND REMEDIES WITH RESPECT THERETO, SHALL BE LIMITED TO THE REPAIR OR REPLACEMENT, AT COMPANY'S OPTION, OF ANY GOODS SOLD BY COMPANY WHICH MAY PROVE TO BE DEFECTIVE WITHIN THE WARRANTY PERIOD AS A DIRECT RESULT OF SUCH BREACH OF WARRANTY, NON-CONFORMITY OR OTHER BREACH. SUBJECT TO THE PROCEDURES SET FORTH BELOW, COMPANY WILL REPAIR OR REPLACE SUCH DEFECTIVE GOODS, AS THE CASE MAY BE, FREE OF CHARGE.

The determination of whether the Goods in question are defective will be made by Company in its sole and absolute discretion, and such determination shall be conclusive and binding on Purchaser. Company will give Purchaser notice of its determination within forty-five (45) days after Company receives such goods from Purchaser as provided herein. If Company determines that the Goods in question are defective, Company will identify the specific defective goods and remedy such defects in accordance with this paragraph 3 within a reasonable time after giving notice that the Goods are defective. In the event the Company determines that the Goods in question are not defective or are otherwise not covered by the express warranty contained in paragraph 2(a), a fee shall be charged to Purchaser to cover the costs of inspecting and testing such goods and any transportation and related charges incurred by Company, and Purchaser shall pay same promptly. Company will not be liable for damaged or destroyed Goods as a result of such inspection and testing, and, to the extent feasible, any remaining Goods will be returned to Purchaser at Purchaser's expense.

In order for Purchaser to be entitled to receive the rights and remedies contained in this paragraph 3, Purchaser must, during the Warranty Period, notify Company in writing of the existence of possible defective Goods within thirty (30) days after discovery thereof or the time Purchaser should have discovered such possible defect or else such claims shall be deemed waived. Such notification shall contain a request for a return material authorization ("RMA") from Company. Within fifteen (15) days after receiving the RMA, Purchaser shall deliver the specified goods to the applicable plant designated by Company for that purpose, all as stated in the RMA, free of all liens and encumbrances. Company may initially only request a small sample of Goods in the RMA.

Purchaser shall be solely responsible and liable for all transportation, insurance, removal and installation charges and other costs and expenses incurred in connection with this paragraph 3 and shall pay for same. However, if Company determines that the Goods in question are defective and are covered by the warranty specified in paragraph 2(a), then Company shall reimburse Purchaser only for the cost of transportation for such goods, but all other costs and expenses incurred in connection with this paragraph 3 shall remain the sole responsibility and liability of Purchaser. Further, for all periods, Purchaser shall bear the risk of loss of all such goods returned pursuant to this paragraph 3. Company shall have no liability or obligation to Purchaser for loss or damage resulting from the testing, repair, replacement, maintenance, loss of use of Goods, removal or subsequent reinstallation of Goods.

Purchaser hereby acknowledges and agrees that the notice and time periods specified in this paragraph 3 regarding discovery of defects, shipment of goods to Company, notification of defectiveness and the time to effectuate remedies are the appropriate, commercially reasonable and fair time and notice periods.

(b) IF AFTER A REASONABLE NUMBER OF ATTEMPTS BY COMPANY TO REMEDY A DEFECT PURSUANT TO PARAGRAPH 3(a) AND THE REMEDY FAILS OF ITS ESSENTIAL PURPOSE OR IS OTHERWISE DEEMED UNCONSCIONABLE OR UNENFORCEABLE IN THE JURISDICTION IN WHICH ENFORCEMENT IS SOUGHT, OR IN THE EVENT REPAIR OR REPLACEMENT IS NOT APPROPRIATE OR PRACTICAL AS DETERMINED BY COMPANY IN ITS SOLE AND ABSOLUTE DISCRETION, PURCHASER SHALL, AT ITS OPTION, EITHER RECEIVE (i) A REFUND OF THE PURCHASE PRICE FOR THE DEFECTIVE GOODS; OR (ii) A CREDIT IN AN AMOUNT EQUAL TO THE PURCHASE PRICE OF SUCH GOODS, IT BEING UNDERSTOOD THAT THE REMEDIES STATED IN THIS PARAGRAPH 3(b) SHALL THEN BE PURCHASER'S SOLE AND EXCLUSIVE REMEDY.

PURCHASER'S RIGHTS AND REMEDIES PROVIDED IN PARAGRAPHS 3(a) AND 3(b), AND IF APPLICABLE, PARAGRAPH 7 FOR THE MATTERS STATED THEREIN, SHALL BE PURCHASER'S SOLE AND EXCLUSIVE RIGHTS AND REMEDIES HEREUNDER AND ARE EXPRESSLY MADE IN SUBSTITUTION OF ANY AND ALL RIGHTS AND REMEDIES OTHERWISE PROVIDED UNDER APPLICABLE LAW.

(c) In addition to Company's rights under section 2-508 of the UCC, Company shall have the right to cure all non-conformities of Goods and the tender thereof without regard to whether Company had reasonable grounds for believing that the tender or non-conformities would be acceptable. Company shall have such right to cure even if Company's

time to do so pursuant hereto extends beyond the initial time for performance hereunder. The parties acknowledge and agree that, to the extent this Invoice refers to more than one delivery, this Invoice is, and shall be deemed to be, an installment contract within the meaning of section 2-612 of the UCC and the parties rights and obligations hereunder shall be construed in accordance therewith, even if it is determined that this is a unitary contract with several deliveries.

(d) THE MAXIMUM LIABILITY OF COMPANY ARISING OUT OF OR RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS INVOICE SHALL BE LIMITED TO THE PURCHASE PRICE OF GOODS SOLD HEREUNDER AND ACTUALLY PAID BY PURCHASER AND RECEIVED BY COMPANY. (IN RESPECT THEREOF, PURCHASER HEREBY ACKNOWLEDGES THAT SUCH LIMITATION OF LIABILITY IS NOT SUBJECT TO THE PROVISIONS OF UCC SECTIONS 2-718, 2-719(1)(b) OR 2-719(2), AND IF AND TO THE EXTENT SUCH SECTIONS MAY BE APPLICABLE, WAIVES APPLICATION OF SUCH.) UNDER NO CIRCUMSTANCES SHALL COMPANY

BE LIABLE TO PURCHASER OR ANY OTHER PERSON FOR ANY CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, INDIRECT OR SPECIAL DAMAGES, OR LOST PROFITS, EXPENSES OR LOSSES DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY (1) BREACH OF WARRANTY, EXPRESS OR IMPLIED, UNDER THIS INVOICE OR OTHERWISE; (2) NON-CONFORMITY OF THE GOODS OR THE TENDER THEREOF; OR (3) OTHER BREACH OF ANY OBLIGATION OR DUTY OWED BY COMPANY HEREUNDER OR UNDER APPLICABLE LAW, REGARDLESS OF WHETHER THE LIABILITY RESULTED FROM ANY GENERAL OR PARTICULAR REQUIREMENT OR NEED WHICH COMPANY KNEW OR SHOULD HAVE KNOWN OF, IT BEING EXPRESSLY UNDERSTOOD THAT PURCHASER'S ONLY REMEDY SHALL BE THE REPAIR OR REPLACEMENT OR A REFUND OR CREDIT OF THE PURCHASE PRICE THEREFOR IN THE MANNER AND ONLY TO THE

EXTENT SPECIFIED IN PARAGRAPHS 3(a), 3(b) or 7, AS THE CASE MAY BE. IN THE EVENT THAT ANY OTHER TERM OF THIS INVOICE IS FOUND UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, OR ANY EXCLUSIVE REMEDY FAILS OF ITS ESSENTIAL PURPOSE, THIS PROVISION OF WAIVER BY AGREEMENT OF CONSEQUENTIAL DAMAGES SHALL NEVERTHELESS CONTINUE IN FULL FORCE AND EFFECT.

4. Delivery; risk of loss and related matters. (a) Shipping dates are approximate and are based upon prompt receipt of all necessary documentation and information. Unless another mercantile symbol is utilized on the face of this Invoice, Goods shall be delivered, (i) for sales having an ultimate destination within the United States and its territories, "F.O.B. Company's plant"; or (ii) for sales having an ultimate destination outside the United States or its territories, "ex works, Company's plant"; as designated on the face hereof, and in each instance Company is authorized to ship goods by carrier. Unless otherwise indicated, the foregoing mercantile symbols shall have the meaning ascribed to it under the UCC for sales within the United States and its territories, and under the International Commercial Terms - 2000 for sales outside the United States and

Lumson USA Corp.

Ph.# +1 (516) 829-0570 - 45 N. Station Plaza, Suite 101 - Great Neck, NY 11021
EIN: 20-5414633 - www.lumson.com - lumson@lumson.com

its territories. Payment shall be due within thirty (30) days after the later of the date of shipment of the goods in question or the date Company issues an invoice therefor. At Company's option, Company may, for any reason, suspend the credit term specified above for any delivery and may demand cash payment on delivery or impose other payment terms including, without limitation, pre-payments. Notwithstanding anything to the contrary contained herein, Company reserves the right, under any circumstances, to delay deliveries indefinitely and to allocate production and deliveries of Goods among its various customers in Company's sole discretion or, if applicable, in accordance with the Defense Priorities and Allocation Systems Regulations (15 CFR Part 700). Such allocation may or may not be on a pro-rata basis and may be such that no allocation is made to Purchaser.

(b) Unless otherwise specified on the face of this Invoice, delivery shall occur and risk of loss of the Goods shall pass to Purchaser upon delivery of Goods, at Company's applicable plant, to a carrier or the truck of Company or Purchaser, as the case may be. Further, for purposes of this Invoice, "shipment" shall also be deemed to occur upon such delivery, loading Goods onto trucks at Company's plant and transportation of such goods shall be at Purchaser's sole risk and expense. In the event Purchaser breaches any provision hereof or otherwise repudiates its obligations hereunder, the risk of loss of identified Goods at Company's plant shall immediately pass to Purchaser.

(c) Company shall have the right to deliver the entire order at one time or in portions from time to time within the time of delivery specified in paragraphs 7 and 8. Payment for partial shipments shall be due thirty (30) days after the later of the date of such partial shipment or the date Company issues an invoice therefor. The price for partial shipments will be pro-rated as determined by Company and reflected on its invoice. Any delivery or portion thereof not made in accordance with this Invoice shall not effect any fulfilled parts thereof, nor entitle Purchaser to reject subsequent deliveries, nor entitle Purchaser to off-set any invoices of Company.

(d) Without Company's prior written consent (which consent may be withheld for any reason), orders for Goods may not be rescheduled or cancelled by Purchaser and the Goods are not returnable, except that Purchaser may return defective Goods pursuant to Company's RMA policy as specified in paragraph 3. Accordingly, Purchaser shall not

have the right to accelerate, postpone, reschedule, cancel or otherwise modify the delivery dates and related shipments of Goods specified on the face hereof, other than as provided in paragraph 7. If Purchaser attempts to do so, it will be deemed to have repudiated this contract.

5. Price. Except as otherwise specified on the face hereof, the purchase price for the Goods shall be the list price for such goods as reflected on Company's price list at the time of shipment. In addition to the purchase price, Purchaser shall be responsible for any and all transportation costs, insurance and all applicable federal, state and local sales, use, property, excise and other taxes, duties or governmental charges imposed on or with respect to the Goods, except taxes levied on Company's net income. To the extent permissible, New Jersey state sales tax will not be imposed on goods identified as samples on the face hereof. In the event of new taxes or increased rates which are applicable to the transactions contemplated hereby, the invoice issued to Purchaser shall be subsequently adjusted if necessary and Purchaser shall immediately pay any difference. Notwithstanding any prices specified on the face hereof, Company reserves the right to charge prices prevailing at the time of shipment for goods scheduled to be shipped on this Invoice more than six (6) months from the order entry date on Company's records.

6. Title. Solely for the purpose of reserving a security interest in the Goods, Company retains title to such goods until they are paid in full by Purchaser. Such retention of title by Company shall not affect the passage of risk of loss as specified in paragraph 4.

7. Delays. Except as otherwise provided in paragraphs 3(c) and 8, Purchaser is entitled to cancel only that portion of any order which is excessively delayed, it being understood that time is not of the essence. Upon such cancellation, Purchaser shall only be entitled to a credit of the purchase price paid to Company for the portion of the order which has been canceled by Purchaser as a result of such excessive delay. Such remedy shall be Purchaser's sole and exclusive remedy with respect to late deliveries, and is expressly made in substitution of all other rights and remedies otherwise provided under applicable law. However, if this remedy is deemed to fail of its essential purpose, paragraph 3(b) shall apply in the alternative. Purchaser acknowledges and agrees that Company shall not be liable or responsible for any resulting backcharges incurred by Purchaser on account of any such delays.

To invoke such cancellation, Purchaser must give Company ten (10) days prior written notice thereof provided, however, that (i) the Goods are not specially manufactured, or (ii) Company has not manufactured or shipped the Goods in the interim. In the event the Goods are specially manufactured, Purchaser may invoke such cancellation, provided, however, that Company has not commenced manufacturing, or made commitments for the procurement of the Goods or underlying raw materials.

8. Force Majeure. (a) Notwithstanding any provision herein to the contrary, Company shall not be liable or responsible for any delay in or failure of delivery of the Goods by reason of force majeure, including, but not limited to, Company's inability to obtain raw materials from suppliers or to obtain same on a timely basis, or as a result of interruption of transportation, delays in delivery, governmental regulation, labor disputes, strikes, war, fire, flood, accidents, acts of God, civil disturbance, quota restrictions or any other cause beyond Company's control, whether or not such cause be of the same class or kind as those enumerated above, such enumeration being expressly understood to be in addition to other causes or classes of causes beyond Company's control. In the event of the occurrence of any such causes, Company shall have the right to allocate production and deliveries among its customers in such proportions as it deems appropriate, in its sole and absolute discretion.

(b) In the event Company is unable to make timely delivery of all or a portion of the Goods, by reason of any events or occurrences referred to in this paragraph 8, Purchaser must accept delivery of the Goods whenever Company is able to make such delivery regardless of the duration of the delay in delivery of the Goods, or Company may, in its sole and absolute discretion, cancel the undelivered portion of this Invoice without liability.

9. Limitation of Action. No action or proceeding at law, in equity or otherwise shall be commenced by Purchaser against Company for Company's alleged breach of warranty (express or implied) under this Invoice or otherwise, failure to deliver conforming goods or other breach of any obligation or duty owed by Company hereunder or under applicable law, unless: (i) Purchaser notifies Company in writing at the address specified in this Invoice within thirty (30) days from the date of such alleged breach or failure to deliver conforming goods, provided Company does not remedy or correct the breach or non-conformity within sixty (60) days from the receipt of the notice; and (ii) such action or proceeding is commenced by Purchaser within twelve (12) months from the date the breach or non-conformity occurs for any action whether in contract, negligence or strict products liability, other than breach of warranty, regardless of the Purchaser's lack of knowledge or, in the event of breach of warranty, within twelve (12) months from the date the breach occurs or from the expiration of the Warranty Period, or applicable statute of limitations period, whichever occurs first. Notwithstanding the foregoing, nothing contained in this paragraph shall be construed to abridge or limit the express warranty contained in paragraph 2 hereof.

10. Design Protection. Purchaser has no right, title or interest in or to (i) the Specifications and other technical information concerning the Goods or the proprietary information contained therein, (ii) designs of Goods, (iii) Goods Process Technology or (iv) any related improvements of any of the foregoing (the foregoing items (i) – (iv) are collectively, the "Lumson Property"). Purchaser, as a special inducement to Company, agrees not to directly or indirectly copy or reproduce any Lumson Property, and further agrees that it

will not disassemble, decompile or reverse engineer the Goods or otherwise misappropriate or utilize the Lumson Property. The Lumson Property shall be kept confidential by Purchaser and Purchaser shall not disclose same to any other Person nor shall same be used by Purchaser for any purpose other than to purchase Goods from Company. All Lumson Property and tooling supplied or purchased by Company shall be and remain the exclusive property of Company and/or Company's affiliates (as applicable), and such property shall be delivered to Company at Company's request. All improvements to Lumson Property and the Goods shall remain the exclusive property of Company (and/or its affiliates as applicable) irrespective of whether the improvements were suggested or made by or on behalf of Purchaser or any other Person. For purposes hereof, the term "Goods Process Technology" means the Intellectual Property associated with underlying materials, manufacturing, fabrication, cutting and testing of Goods. The term "Intellectual Property" means intellectual property and proprietary rights of any kind or nature including, without limitation, know-how, designs, technical drawings and documents, specifications, processes, developments, improvements, confidential or proprietary information, trade secrets, inventions, patents, trademarks, and copyrights.

Lumson USA Corp.

Ph.# +1 (516) 829-0570 - 45 N. Station Plaza, Suite 101 - Great Neck, NY 11021
EIN: 20-5414633 - www.lumson.com - lumson@lumson.com

Purchaser hereby acknowledges the validity of the Lumson Property including, without limitation, patents and patent applications presently pending. Purchaser hereby agrees that it will not directly or indirectly infringe the Lumson Property or contest or challenge the validity of Lumson Property in any way.

11. Interest Charges and Attorneys Fees. Purchaser shall pay interest charges on past due amounts at a rate of the lesser of one and one-half percent (1½%) per month or the maximum rate permitted by law. In the event Company refers this Invoice to an attorney for collection, Purchaser shall promptly pay all reasonable legal fees and disbursements incurred by Company in connection therewith.

12. Company's Right of Possession. Purchaser acknowledges and agrees that Company shall have the right, at any time, and from time to time, for credit reasons or because of the occurrence of an Event of Default or Purchaser's default under any other orders or agreements with Company (collectively, "Other Orders"), to withhold shipments in whole or in part hereunder or under Other Orders, and to recall all such goods in transit, retake same, and repossess all such goods which may be stored with Company for Purchaser's account, without the necessity of taking any action and without incurring any liability for exercising its rights hereunder.

13. Insolvency Representation. Purchaser hereby represents and warrants to Company that Purchaser is not insolvent within the meaning of § 1-201(23) of the UCC, and Purchaser hereby acknowledges that it made this representation to Company immediately prior to the first delivery of Goods.

14. Default, Cancellation and Related Matters. The occurrence of one or more of the following events shall constitute an "Event of Default": (i) Purchaser's breach or failure to perform any of its obligations hereunder or under any Other Orders; (ii) Purchaser's breach or misrepresentation of any representation or warranty made by Purchaser hereunder or under any Other Order; (iii) Purchaser makes a general assignment for the benefit of creditors or admits in writing an inability to pay its debts as they mature or takes advantage of, or files under any federal or state insolvency statute or law, including, without limitation, the United States Bankruptcy Code, or consents to the institution of proceedings or the filing of any petition thereunder, or any preceding is filed or commenced against Purchaser under any insolvency statute or law which is not stayed and dismissed promptly, or any substantial part of the properties of Purchaser are placed in the control of a receiver, custodian, trustee or similar official, or Purchaser consents to the appointment thereof; (iv) prohibition of Company by any cease and desist order, injunction, or other valid order, decree, process of law, or restraint from shipping, selling, exporting or distributing any Goods pursuant to the terms hereof; (v) imposition of Damages by Company under paragraph 18(b), as reasonably determined by Company; or (vi) determination by Company, in its sole and absolute discretion, that the prospect of payment, or Purchaser's financial condition, has been impaired or Purchaser may be insolvent within the meaning of § 1-201(23) of the UCC.

Upon the occurrence of an Event of Default, Company shall have the sole and absolute right to cancel all or any portion of the Goods ordered pursuant hereto and/or under Other Orders. Company shall exercise such right by giving written notice of its intention to do so to Purchaser. Company shall not be liable to Purchaser on account of exercising such cancellation right.

15. Insecurity. In the event Company, in its sole and absolute discretion, believes that an Event of Default has occurred or is likely to occur, then reasonable grounds for insecurity shall be deemed to exist and Company shall have the right to demand adequate assurance of due performance.

16. Choice of Law and Forum. (a) The parties acknowledge and agree that this Invoice shall be a contract made in the United States, State of New Jersey. All questions pertaining to the validity, construction, execution and performance of this Invoice shall be construed and governed in accordance with the domestic laws of the State of New Jersey (including, without limitation, the UCC), without giving effect to principles of (i) comity of nations or (ii) conflicts of law, and this Invoice shall not be governed by the provisions of the U.N. Convention on Contracts for the International Sale of Goods.

(b) any action commenced in connection with this Invoice shall be brought in a federal or state court located in the United States of America, State of Jersey, County of Camden, and to the extent not otherwise subject to the jurisdiction of such courts, Purchaser agrees to waive any objection to such jurisdiction and to subject itself to the jurisdiction of such courts.

(c) (i) Any controversy or claim arising out of or relating to this Invoice, or the breach hereof, shall be settled by arbitration in accordance with the United States Arbitration Act and administered by the American Arbitration Association in accordance with its commercial arbitration rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

The arbitration proceedings shall be conducted before a panel of three (3) neutral arbitrators. The place of the arbitration shall be in Newark, New Jersey. Any award in an arbitration initiated under this Invoice shall be in accordance with New Jersey law, as more particularly specified in paragraph 16(a). The successful party will be entitled to be awarded all costs, including reasonable attorney's fees, paid or incurred by such prevailing party during the course of the arbitration proceedings.

In any arbitration initiated under this Invoice the arbitrators will have no authority to award consequential, exemplary, incidental, indirect or special damages, lost profits or punitive or other damages not measured by the prevailing party's actual direct damages, except as may be required by statute and then only to the extent such requirement cannot, as a matter of law, be waived. Any award shall include no injunction or direction to any party other than the direction to pay damages in accordance with the provisions hereof.

(ii) Except as required by law, neither party nor any arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written consent of Company and Purchaser.

(iii) If either party fails to proceed with arbitration as provided herein or unsuccessfully seeks to stay such arbitration, or fails to comply with any arbitration award, or is unsuccessful in vacating or modifying the award pursuant to a petition or application for judicial review, the other party shall be entitled to be awarded costs, including reasonable attorneys' fees, paid or incurred by such other party in successfully compelling such arbitration or defending against the attempt to stay, vacate or modify such arbitration award and/or successfully defending or enforcing the award.

17. Cumulative Remedies. All of Company's rights and remedies hereunder shall be cumulative and not exclusive and shall be in addition to all other rights and remedies available under applicable law. Failure by Company to exercise any right, remedy or option hereunder or under applicable law, or delay in exercising same, will not operate as a waiver, it being understood that no waiver by Company will be effective unless it is in writing and signed by Company, and then only to the extent specifically stated.

18. Patent Infringements. (a) COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES AS TO WHETHER THE GOODS ARE FREE FROM ANY CLAIMS OF THIRD

PARTIES REGARDING INFRINGEMENT OR THE LIKE, AND SAME ARE HEREBY WAIVED.

(b) In the event Goods comply with Data supplied by Purchaser or derived from Company's Data but modified to meet Purchaser's particular requirements or instructions, Purchaser shall indemnify, defend and hold Company harmless from and against any and all liabilities, damages, losses, claims, actions, proceedings and expenses, including, without limitation, reasonable legal fees (collectively "Damages") of whatsoever kind and nature, imposed upon, incurred by, asserted, threatened or awarded against Company directly or indirectly arising out of, relating to or resulting from (i) the infringement of any foreign or domestic patent or trademark or (ii) the manufacture, sale or distribution of such goods. Any and all amounts due for indemnity shall be paid as Damages are incurred, and in any event, within ten (10) days after written demand thereof.

19. Government Contracts. If Purchaser places any orders for Goods in connection with or under a U.S. Government contract or sub-contract, then, no Federal Acquisition Regulation ("FAR") or Defense Federal Acquisition Regulations Supplement ("DFAR") clauses shall be incorporated herein by reference, except Company will adhere to mandatory FAR and DFARS clauses to the extent Company is required to do so under applicable laws. However, to the extent Purchaser is the United States Government or one of its agencies, then, to the extent of a conflict between this Invoice and any applicable law, rule or regulation (collectively, "Law"), such Law shall control and this Invoice shall be modified as provided in paragraph 20(h).

Lumson USA Corp.

Ph.# +1 (516) 829-0570 - 45 N. Station Plaza, Suite 101 - Great Neck, NY 11021
EIN: 20-5414633 - www.lumson.com - lumson@lumson.com

20. Miscellaneous. (a) Integration. This writing is intended by the parties to be a final, complete and exclusive statement of their agreement with respect to the subject matter hereof. All prior or contemporaneous oral or written statements are hereby excluded and are superseded. It is expressly agreed that no course of performance, course of dealing or usage of trade shall be admissible to contradict, supplement or explain the terms of this Invoice. Furthermore, it is expressly agreed that a party's acceptance or acquiescence in a course of performance under this Invoice shall not be admissible to modify, waive, supplement or explain the terms hereof, even if that party is aware of the course of performance and has an opportunity to object to it.
- (b) Assignability. This Invoice shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Purchaser shall not have the right to assign its rights, benefits or duties hereunder without the prior written consent of Company. Any assignment in contravention of this provision shall be null and void, and of no legal force or effect.
- (c) Export Control. The Goods were exported from the United States in accordance with the Export Administration Regulations. Purchaser represents, warrants and covenants that Goods and Specifications will not be re-exported or released to any of the following countries or a national thereof including: Iran, Iraq, Sudan, Syria or any country in Country Groups D:1 or E:2 (as specified in the then current Supplement No. 1 to Part 740 of the U.S. Export Administration Regulations) or other country except in compliance with, and with all licenses, license exceptions and approvals required under, the Export Administration Regulations and all other applicable export laws, rules, restrictions and regulations of the Department of Commerce and other applicable United States agencies and authorities, as amended from time to time. Diversion therefrom contrary to U.S. law is prohibited. This provision shall also apply to direct products of such Specifications.
- (d) Modification or Amendment. This Invoice may not be modified or amended except by an instrument in writing signed by the party or parties against whom enforcement is sought.
- (e) Notices. All notices made hereunder shall be made in writing, and shall be deemed adequately delivered if delivered by certified mail, return receipt requested, postage pre-paid or by a courier service that regularly maintains records of its pick ups and deliveries, addressed to the parties at their respective addresses set forth above or to any other address designated by a party hereto by written notice of such address change. Mailed notices shall be deemed given when mailed and notices sent by courier shall be deemed given when delivered to the courier service. Both mailed and courier service notices shall be deemed received three (3) days after mailing such notice or delivering it to the courier service, as the case may be.
- (f) Captions. The headings and subheadings of this Invoice are included for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent, or intent of this Invoice or any provisions hereof.
- (g) Language Pre-Emption. The parties have requested that this Invoice be drafted in English; Les parties ont exigés que cette entente soit redigée en anglais.
- (h) Severability. Any term or provision of this Invoice which is invalid or unenforceable in any jurisdiction on account of unconscionability or otherwise, shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Invoice or affecting the validity or enforceability of any of the terms or provisions of this Invoice in any other jurisdiction. Further, to the extent that any term or provision hereof is deemed so invalid, void or otherwise unenforceable, but may be made enforceable by amendment thereto, the parties agree that such amendment may be made so that the same shall, nevertheless, be enforceable to the fullest extent permissible under the laws and public policies applied in any such jurisdiction in which enforcement is sought.
- (i) Waiver of Breach. Any waiver of any of the provisions of this Invoice shall not be effective unless made in writing and signed by the Company.
- (j) This paragraph and the following paragraphs 2, 3, 9, 10, 11, 12, 13, 16, 17, 18 and 19 shall survive the consummation, termination and cancellation of this Invoice.
- (k) Unless Company expressly agrees in writing and such agreement specifically pertains to the Goods (i) Company will not make any change in its customary quality control procedures to comply with any quality control requirement of Purchaser or its customers; and (ii) Company will not furnish any Specifications to Purchaser or its customers.
- (l) From time to time, Company may make changes to Goods, related Specifications, materials and fabrication processes. Company shall have the right to do so without notice.

Lumson USA Corp.

Ph.# +1 (516) 829-0570 - 45 N. Station Plaza, Suite 101 - Great Neck, NY 11021
EIN: 20-5414633 - www.lumson.com - lumson@lumson.com