1. Acceptance and Applicability.

These terms and conditions of sale apply to all contracts of sale entered into by ALTERNATIVE VISION CORPORATION ("AVC"). Notwithstanding that these terms and conditions may conflict with certain terms and conditions specified by Buyer in Buyer's order form, or otherwise, AVC's acceptance of Buyer's order is on the condition that only the terms and conditions set forth herein shall apply to the order. Any term, provision or condition in conflict with, or in addition to or in Modification of any of the terms and conditions herein shall not be binding upon AVC unless such term, provision or condition is accepted in writing by an authorized officer of AVC. AVC's failure to object to any term or condition contained in any communication from Buyer shall not be deemed a waiver of the terms and conditions herein. All orders or contracts must be approved and accepted by AVC at its home office. These terms shall be applicable whether or not they are attached to or enclosed with the products to be sold or sold hereunder.

2. Prices.

The prices quoted hereon shall be valid for the period of time indicated on the applicable quotation or proposal and the price at which an order is accepted shall be as shown on AVC's acknowledgment. The prices quoted for the items described on said acknowledgment are firm and not subject to audit or price re-determination. Any balance remaining undelivered on any order after 18 months from order receipt date may, at AVC's option, be canceled. whereupon applicable cancellation provisions shall come into effect

3. Taxes.

Unless otherwise agreed upon in writing or required by law, all prices will be quoted and billed exclusive of federal, state and local excise, sales and similar taxes. Such taxes when applicable, will appear as additional items on invoices. If exemption from such taxes is claimed, Buyer must provide a certificate of exemption at the time the purchase order is submitted to AVC.

4. Terms of Payment.

All shipments are made F.O.B AVC's facility, or such other facility designated by AVC. All invoices are due and payable 30 days from date of invoice unless other terms are required by AVC, AVC reserves the right to require payment in advance or C.O.D. and otherwise to modify credit terms. When partial shipments are made, payments shall become due in accordance with the designated terms upon submission of invoices. AVC reserves the right to add a monthly service charge allowed by law. AVC may accept partial payment in an amount less than the full amount of any invoice, but such acceptance shall not constitute a waiver of AVC's right to collect the remaining balance, notwithstanding AVC's endorsement of a check or other instrument. If, in the judgment of AVC, the financial condition of the Buyer at any time does not justify continuation of production or shipment on the terms of payment originally specified, AVC may require full or partial payment in advance and AVC may suspend delivery without incurring any liabilities whatsoever to the Buyer.

In the event of the bankruptcy or insolvency of the Buyer or in the event any proceeding is brought by or against the Buyer under bankruptcy or insolvency laws, AVC shall be entitled to cancel any order then outstanding and shall receive reimbursement for its cancellation charges, without waiving its claim for damage or other remedies.
Overdue payments shall be subject to finance charges computed at a periodic rate (to the extent permitted by law) of 1½ % per month (18% per year).

Each shipment hereunder shall be a separate and independent transaction and shall be invoiced separately and Buyer shall pay for each shipment separately and as invoiced. If shipments are delayed by Buyer without AVC's prior written consent, payments shall become due on the date when AVC is prepared to make shipment. Products held for Buyer shall be at the risk and expense of Buyer. AVC reserves the right to ship to its order and make collections by sight draft with bill of lading attached.

5. New Merchandise Returns

All returns must be made within thirty (30) days of ship date. No returns will be accepted after thirty (30) days. AVC must be notified and an RMA (Return Material Authorization) number must be obtained prior to any returns, or material will not be accepted.

6. Title and Delivery.

Unless otherwise instructed in writing, AVC shall ship by the method which it deems most advantageous. Transportation will be collect, or if prepaid, will be subsequently billed to Buyer. Title shall pass to Buyer and AVC's liability as to delivery shall cease on delivery of products to carrier, regardless of any provisions for

payment of freight or insurance or the form of shipping documents. If shipments are consigned to AVC or AVC's order, it shall be for the purpose of securing Buyer's obligation under the contract only. Risk of loss or damage in transit will rest with the Buyer. All claims for loss or damage must be filed with carrier. Claims against AVC for shortage occurring before delivery to carrier shall be waived unless made within ten (10) days after delivery of shipment to Buyer. Notwithstanding any instruction from the Buyer, AVC shall have no obligation to ship via carrier which does not comply with applicable U.S. law.

7. Contingencies.

All shipping dates and quantities are approximate. AVC will use commercially reasonable efforts to fill all orders according to the agreed schedule and quantity. AVC shall not be responsible for any failure to perform resulting from unforeseen circumstances or causes beyond AVC's control. Examples of such causes include, but are not limited to, revolution or other disorders, wars, acts of enemies, strikes, lockouts, fires, floods, transportation delays or shortages, labor disputes, riots, insurrections, accidents, storms, inability to obtain materials or supplies, excessive demand for products over the available supply, customs duties or surcharges, any interruption for any reason in the manufacture of products by AVC's suppliers, any act of God, or the action of any government. In the event of any delay caused by such contingency, the date of delivery, shall at the request of the AVC, be deferred for a period equal to the period of the delay.

8. Intellectual Property.

Buyer shall indemnify, defend, and hold AVC harmless against all expenses, damages, costs, or losses resulting from any suit or proceeding brought for infringement of copyright, patent, trademarks or other intellectual property right or for unfair competition arising from compliance with Buyer's design, specifications, or instructions. With respect to products manufactured solely, or in part, to AVC's design and specifications, AVC shall have the option to defend any suit or proceeding brought against Buyer so far as based on a claim that any such products or any parts thereof furnished hereunder constitute an infringement of any, United States patent, copyright or trademark, or United States mask work rights, if notified promptly of such claim in writing and given authority, information and assistance by Buyer in the defense of same. In no event shall AVC's total liability to Buyer under or as a result of compliance with the provisions of this paragraph exceed the aggregate sum paid to AVC by Buyer for the purchase of the allegedly infringing products or parts.

The foregoing states the entire indemnification by AVC and the exclusive remedy of Buyer with respect to any alleged copyright, trademark, patent or other intellectual property right infringement by such products or parts. No cost or expenses under this paragraph shall in any event be incurred for the account of AVC without its prior written consent.

The sale of Products by AVC does not convey any license, by implication, estoppel, or otherwise, under patent claims covering combinations of said Products with other devices or elements, or the process or method of making such Products (notwithstanding the fact that such Products may have been designed for use in or may only be useful in such combination, method or process, and that such products may have been purchased and sold for such use). AVC expressly reserves all its rights under such patent or patent claims.

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9. Not Authorized for Life Support

Products sold by AVC are not authorized for use as critical components in life support devices or systems. A critical component is any component of a life support device or system whose failure to perform can be reasonably expected to cause the failure of the life support device or system, or to affect its safety or effectiveness. Any attempt to purchase any AVC product for that purpose is null and void and AVC accepts no liability whatsoever in contract, tort or otherwise whether or not resulting from any AVC negligence or failure to detect an improper purchase.

10. Warranty Discclaimer

AVC makes no warranty, either expressed or implied with respect to any product or service, and specifically disclaims all other warranties, including warranties for merchantability, non-infringement, and fitness for any particular purpose. AVC's sole obligation and liability for product defects shall be, at AVC's option, to assist the Buyer in filing a warranty claim with the manufacturer of the product or provider of the service. In no event shall AVC's liability exceed the buyer's purchase price.

11. Technical Advice

AVC does not guarantee that any information or recommendation provided by AVC is accurate, complete, or correct, and AVC shall have no responsibility or liability whatsoever in connection with any information or recommendation provided, or the

Buyer's reliance on such information or recommendation. The Buyer is solely responsible for analyzing and determining the appropriateness of any information or recommendation provided by AVC and any reliance on such information or recommendation is at the Buyer's sole risk and discretion. The Buyer shall release and hold AVC harmless from and against any and all loss, liability, and damage incurred by the Buyer or any third party as a result of any information or recommendation provided to the Buyer or the Buyer's reliance on such information or recommendation

12. Product Discontinuance.
AVC reserves the right to discontinue supply of any product at any time without notice except for that quantity of product for which AVC has received and acknowledged a purchase order from Buyer and has scheduled such product for shipment within six (6) months of the date of such acknowledgment.

13. Cancellation by Buyer.
Orders for standard products may be canceled upon written notice to AVC at least thirty (30) days prior to the scheduled shipment date for such products. Standard Products are defined as products which appear in AVC's Standard Products Catalogue or Catalogues. Orders for standard products which have special handling instructions provided by the Buyer or Custom/Semi-Custom products (which are products which have been manufactured for a specific customer to a specification supplied by that customer, which have special markings, which have received special testing, or which are specially programmed for Buyer) may not be canceled or delivery rescheduled unless such orders are the subject of a prior written agreement between Buyer and AVC which sets forth the charges to be paid by Buyer in the event of such cancellation or rescheduling of such orders and the charges to be paid for such cancellation or rescheduling shall be governed by the terms of such agreement.

14. Limitations of Liability.
In the event of a claim that a product defect or malfunction has directly or indirectly caused any property damage or personal injury, AVC shall have no liability unless such damage is adjudicated by a court of competent jurisdiction, and only to the extent that such court awards such damages. The damage limitation provided in this Agreement and the remedies stated herein shall be exclusive and shall be Buyer's sole remedies. Buyer expressly agrees to hold AVC harmless and defend AVC in and against all proceedings brought by a third party claiming damages, where such damages are caused by Buyer's negligence or willful misconduct.

15. Special, Incidental, Consequential or Indirect Damages.
Independently of any limitation hereof and regardless of whether the purpose of such limitations is served, it is agreed that in no event shall AVC be liable for special, incidental, consequential or indirect damages. Buyer explicitly accepts the provisions of this paragraph in return for the prices granted herein to Buyer. Buyer understands and agrees that the prices granted herein would be higher in the absence of this provision.

16. Limitations of Actions.
No action against the AVC for breach hereof shall be commenced more than one (1) year after the accrual of the cause of action.

17. Assignment.
The Buyer shall not assign this order or any interest therein or any rights thereunder without the prior written consent of AVC.

18. Tools, etc.
Tools, dies, and other equipment furnished to AVC shall be at Buyer's risk and expense.

19. Export Licenses.
For products purchased or to be purchased hereunder that are licensable under U.S. law. Buyer represents itself to be knowledgeable as to the laws, regulations and requirements regarding the export of Products, whether tangible or intangible, from the United States of America and the re-export of such Products once outside the United States of America, and agrees to conduct its activities in accordance therewith. AVC may suspend performance if Buyer is in violation of applicable export regulations.

20. Security Agreement.
Buyer hereby grants to AVC, its successors and assigns, a security interest in the products and all proceeds (including insurance proceeds), replacements, additions, accessions or substitutions for, to or from the products to secure payment of the purchase price of the products. Default in payment of such price or any part of the price when due shall permit AVC, in its sole discretion, to declare all obligations of Buyer immediately due and payable, and in such event AVC shall have all the rights and remedies to a secured party under applicable law. In connection with the security interest granted herein, AVC is expressly authorized, at its discretion, to file one

or more financing statements or other notices under applicable law naming Buyer as debtor and AVC as secured party. Buyer agrees to execute such documents and take any other action requested by AVC to allow AVC to record and otherwise perfect this security interest. As used above, the term "security interest" means an interest in personal property or fixtures which secures payment or performance of an obligation. The term "secured party" means a lender or AVC to another person, in whose favor there is a security interest. In the event of default,

a. Buyer hereby agrees at Buyer's sole expense to collect the products and make them available to AVC at any location designated by AVC and
b. AVC may sell the product any way it deems commercially reasonable or necessary.

21. Governing Law.

These terms and conditions of sale shall be construed in accordance with and governed by the laws of the State of Arizona, without giving effect to principles of conflicts of law. If any action is commenced by Buyer or AVC to enforce any term of this Agreement, Buyer hereby consents to the exercise of jurisdiction over it by the state or federal court within the State of Arizona, County of Pima, and agrees to pay such sums as the court may fix as reasonable attorney's fees and court costs.

22. Severability.

Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdictions, be ineffective to the extent of such prohibition of un-enforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

23. Modifications.

No additions to, deletions from, nor modifications of any of the provisions of these terms and conditions of sale shall be binding upon AVC unless acknowledged and accepted in writing by an authorized officer of AVC. Any change made by AVC will be deemed accepted by Buyer unless within ten (10) days from notice of such change Buyer notifies AVC of Buyer's exception to such change. A waiver by AVC of any default or of any of the terms and conditions of sale shall not be deemed to be a continuing waiver of any other default or of any other of these terms and conditions of sale, but shall apply solely to the instance to which the waiver is directed.