

ILLUMRA™ Terms and Conditions

For Shipments within the United States - effective 1/1/2009

ACCEPTANCE OF ORDERS/TERMS

All ILLUMRA brand products (produced by Ad Hoc Electronics, LLC or "SUPPLIER") are subject to acceptance by SUPPLIER. SUPPLIER reserves the right to reject any order. Possession of a price list does not constitute an offer to sell. Orders shall be initiated by Buyer issuing a Purchase Order or otherwise placing an order by electronic means acceptable to SUPPLIER. Orders shall identify the Products, unit quantities, part numbers, descriptions, applicable prices and requested delivery dates. Acceptance of any order by SUPPLIER is expressly conditioned on Customer's assent to the terms and conditions set forth herein ("Terms") and the waiver by Customer of any terms and conditions contained in any order form, confirmation, or any other communication of Customer, whether previously or hereafter delivered to SUPPLIER, which either add to, differ from, modify, conflict with, or are otherwise inconsistent with any term or condition herein. SUPPLIER hereby gives notice of its objection to any additional or different terms or conditions in any such order form, confirmation, or communication. Customer's failure to object in writing to these terms prior to the earlier of Customer's acceptance of the products ordered or fifteen (15) days after delivery thereof to Customer will constitute agreement by Customer to these Terms. SUPPLIER hereby gives notice of its objection to any additional or different terms or conditions in any such order form, confirmation or communication.

HOLD FOR RELEASE ORDERS

An order may be placed on a hold-for-release status. Prices are firm for 3 months from date of order acceptance. The price of all hold-for-release orders not released by Customer for immediate shipment within 3 months from the date of order acceptance will be increased up to 10% over initial order price to cover increased cost of labor and material. All hold-for-release orders not released for immediate shipment within 6 months from the date of order acceptance may be cancelled by SUPPLIER and subject to a 25% cancellation charge based on the price of the order.

PRODUCT CHANGES

SUPPLIER reserves the right to discontinue the manufacture or sale of any product ("Supplier Product") at any time or to alter, modify, or redesign the Supplier Products.

PRICES

Prices are subject to change without notice. All prices are in U.S. Dollars. International payment terms are cash in advance or irrevocable, confirmed letter of credit, due at site. In the event of a price increase, all accepted orders on hand will be filled at lower prices provided such orders are released for shipping prior to the effective date of the price increase. If the orders are not released for shipment prior to the price increase, the orders will be billed at prices in effect at the time of shipment. (Special quoted orders that cannot be released for shipping prior to the price increase may be subject to an increase in price.) In the event any governmental action or request should prevent SUPPLIER from implementing any price or continuing any price already in effect, SUPPLIER may at its option cancel Customer's order or any part thereof.

TAXES/DUTIES

All prices are exclusive of federal, state, or local sales, use or other taxes, as well as all duties, import fees or other assessments all of which are the responsibility of Customer.

PAYMENT TERMS/CREDIT APPROVAL

Payment terms are Payment in Advance unless alternative payment terms have been arranged. If Customer is requesting terms, credit approval is required prior to any shipment. To qualify, buyer must complete

application and be approved by SUPPLIER'S finance department. Please allow 2-3 weeks for processing. All invoices, whether partial or in full, shall be due and payable in full by Customer pursuant to the terms set forth thereon. Invoices not timely paid are subject to a late payment charge of 1.5% per month – 18% per year, or the maximum rate allowed by law, which interest charges shall accrue beginning on the invoice due date. If Customer becomes insolvent, files or has filed against it a petition in bankruptcy, makes any assignment for the benefit of creditors, or has a receiver or trustee appointed for it or its property; or takes action to liquidate or otherwise cease doing business as a going concern; or undergoes a change in ownership; or fails to provide adequate assurance or security for credit extended; or takes any other action that SUPPLIER determines in its sole discretion adversely impacts the conditions under which credit was extended, then all amounts outstanding from Customer hereunder shall at SUPPLIER'S option become immediately due and payable. ALL PAYMENTS, WHETHER UNDER THE STANDARD PAYMENT TERMS OR OTHERWISE, SHALL BE CONSIDERED RECEIVED BY SUPPLIER AS FOLLOWS: (1) FOR PAYMENTS BY CHECK, WHEN THE CHECK IS RECEIVED AT SUPPLIER'S DESIGNATED PAYMENT LOCATION, AND (2) FOR PAYMENTS BY ELECTRONIC FUNDS TRANSFER, THE BUSINESS DAY ON WHICH THE FUNDS ARE IMMEDIATELY AVAILABLE TO SUPPLIER. Customer shall pay all undisputed invoices regardless of any dispute that may exist as to other delivered or undelivered goods. With respect to any disputed invoice, Customer shall pay all amounts not in dispute. Customer expressly waives the right to assert any offset or counterclaim with respect to amounts due under any invoice issued by SUPPLIER hereunder.

CANCELLATION/CHANGE ORDERS

Orders may only be revised or cancelled by Customer prior to the date of shipment and only with SUPPLIER'S prior consent. All cancelled orders shall be subject to a cancellation charge of 25% of the order price. If not cancelled as provided herein, Customer shall be liable for the full order price. If any amount due SUPPLIER is collected by, or attempted to be collected by, a third party collection agent, SUPPLIER shall be entitled to recover all collection expenses, including attorney's fees.

PACKAGING/SHIPPING/RISK OF LOSS

Unless otherwise agreed by SUPPLIER in writing SUPPLIER shall select the method of shipment and carrier, and costs for shipping shall be billed to Customer in accordance with the carrier's then current price list. Costs for special packaging and/or handling requested by Customer shall be the responsibility of Customer. The risk of loss, damage or shortage of SUPPLIER products shall pass to Customer upon delivery to the carrier regardless of notice to Customer. SUPPLIER assumes no responsibility for insuring shipment unless specifically agreed to in writing by SUPPLIER, in which case the cost of insurance shall be added to Customer's account.

ALL SHIPMENTS

All items shipped are invoiced, including items shipped as part of warranty exchange. Exchanged items will have a credit memo issued, to be applied to the invoiced replacement parts, upon receipt of the defective items. Unless otherwise agreed, all shipments are F.O.B. SUPPLIER located in Orem, Utah. Title and "Risk of Loss" passes to purchaser upon delivery by SUPPLIER to the carrier. Purchaser has legal responsibility to file transportation claims for damage/shortage with the carrier. See TRANSPORTATION CLAIMS below. Customers ordering ILLUMRA products with a combined distributor price of \$1,500 or more for one consignee and one release qualify for ground freight allowance. All ILLUMRA orders having a distributor price lower than these levels will be assessed freight and handling charges. A \$10 adder will be applied on all drop shipment orders.

FREIGHT ALLOWANCE

For orders that qualify for freight allowance, SUPPLIER reserves the right to select the carrier and to route shipments at its discretion. SUPPLIER will ship in the manner selected by the customer provided the customer assumes any additional transportation costs. For shipments outside the contiguous United States, consult SUPPLIER for applicable terms & conditions.

TRANSPORTATION CLAIMS

Any claims for damage, loss, or shortage should be filed by Customer with the respective transportation carrier in writing immediately upon receipt of the Supplier Products. In no event shall SUPPLIER be liable for damage or loss to a shipment caused by a carrier. If shortage exists with respect to any shipment and it is not concealed, Customer shall secure a notation of such shortage from the carrier on the freight bill or delivery receipt. If shortage is concealed, Customer must notify the carrier and SUPPLIER within 15 days. No claims for damage, loss, or shortage will be allowed unless they are accompanied by an inspection report or signed delivery receipt noting such damage, loss, or shortage signed by a representative of the carrier and forwarded to SUPPLIER within 30 days of the invoice date.

RETURN OF SUPPLIER PRODUCT

Customer may return new and unopened Supplier Product only with prior authorization by Supplier on a Returned Merchandise Authorization, with the exception of custom products which are not returnable. Non-stocking customer will be charged a minimum restocking charge of 25% of the cost of the returned goods and shall be responsible for freight and duties to return the Supplier Product. Restocking charge may be waived for stocking customer assuming product is returned within 1 year from date of purchase.

FORCE MAJEURE

SUPPLIER shall not be liable for failure to fulfill its obligations herein or for delays in delivery due to causes beyond its reasonable control, including, but not limited to, acts of God, natural disasters, acts or omissions of other parties, acts or omissions of civil or military authority, Government priorities, changes in the law, material shortages, fire, strikes, floods, epidemics, quarantine restrictions, riots, war, acts of terrorism, delays in transportation or inability to obtain labor or materials through its regular sources. SUPPLIER's time for performance of any such obligation shall be extended for the time period of such delay or SUPPLIER may, at its option, cancel any order or remaining part thereof without liability by giving notice of such cancellation to Buyer.

LIMITED WARRANTY

Products manufactured by the SUPPLIER are warranted against defects in materials and manufacturing under normal use in accordance with instructions and specifications published by the SUPPLIER, for a period of one (1) year from the date of purchase from the End User. In the event of a product failure due to materials or workmanship, SUPPLIER will repair or replace the defective product. For warranty service, return the defective product to SUPPLIER, shipping prepaid, for prompt repair or replacement. Products not manufactured by SUPPLIER are subject to the terms and conditions of the manufacturer's warranty. The foregoing sets forth the full extent of SUPPLIER's warranties regarding the Products. Repair or replacement at SUPPLIER's option is the exclusive remedy. THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND SELLER SPECIFICALLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL SELLER, ITS SUPPLIERS OR LICENSORS BE LIABLE FOR DAMAGES IN EXCESS OF THE PURCHASE PRICE OF THE PRODUCT, FOR ANY LOSS OF USE, LOSS OF TIME, INCONVENIENCE, COMMERCIAL LOSS, LOST PROFITS OR SAVINGS, OR OTHER INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OR INABILITY TO USE ANY PRODUCT, TO THE

FULL EXTENT SUCH MAY BE DISCLAIMED BY LAW. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES. THEREFORE, THE FOREGOING EXCLUSIONS MAY NOT APPLY IN ALL CASES. This warranty provides specific legal rights. Other rights, which vary from state to state, may also apply.

LIMITATION OF LIABILITIES

The foregoing limited warranty provides the purchaser's sole and exclusive remedy relating to ILLUMRA products. The total liability of SUPPLIER on any and all claims of any kind, whether in contract, warranty, tort (including negligence), strict liability or otherwise, arising out of or in connection with, or resulting from, ILLUMRA product's performance or breach of the foregoing limited warranty or from ILLUMRA sale, delivery, repair, or replacement of any products, or the furnishing of any services, shall in no event exceed the purchase price allocable to the specific product which gives rise to the claim and any and all such liability shall terminate upon the expiration of the limited warranty set forth above. IN NO EVENT SHALL SUPPLIER BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES WHETHER AS THE RESULT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY).

EXPORT CONTROL

The sale, resale or other disposition of Products and any related technology or documentation are subject to the export control laws, regulations and orders of the United States and may be subject to the export and/or import control laws and regulations or other countries. Buyer agrees to comply with such laws, regulations and orders and agrees that it shall not directly or indirectly export any Products to any country to which such export or transmission is restricted or prohibited. Buyer acknowledges its responsibility to obtain any license to export, re-export or import as may be required.

ENTIRE AGREEMENT

The terms and conditions contained herein constitute the entire agreement between SUPPLIER and Customer and supersede any and all prior agreements, whether oral, written, or implied. No modification of these terms and conditions shall be effective unless made in writing and executed by SUPPLIER.

GENERAL

This agreement shall not be assigned by Customer without the prior written consent of SUPPLIER, and any assignment made without such consent shall be null and void. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. This agreement shall be governed by and construed in accordance with the laws of Orem, Utah, without giving effect to its conflicts of law provisions. Customer hereby expressly consents to the exclusive jurisdiction of the Utah courts to settle any disputes arising from these terms or the sale of Supplier Product to Customer.