

Revised: March 2006

1. Acceptance and Agreement. No order or quotation is binding on Interpoint Corporation, a Washington corporation ("Interpoint"), until an authorized representative of Interpoint at its home office ("Interpoint Representative") issues to Buyer a written Sales Order Acknowledgement, whose provisions shall include these Terms and Conditions of Sale. The Sales Order Acknowledgement shall constitute the entire agreement between Interpoint and Buyer relating to the matters set forth therein and supersede all other communications between the parties, whether written or oral. Any provision or condition of Buyer's order or other document which is in any way different from or in addition to these terms and conditions of sale as incorporated in Interpoint's sales order acknowledgement are specifically rejected by and shall not be binding upon Interpoint. No purported modification or waiver of the provisions hereof or of the Sales Order Acknowledgment shall be binding upon Interpoint for any purpose unless it is contained in a writing signed by an Interpoint Representative. Buyer's acceptance of the provisions of the Sales Order Acknowledgment including these Terms and Conditions of Sale shall be conclusively presumed if no written objection thereto is received by Interpoint within ten (10) days from the date of the Sales Order Acknowledgment. Buyer's order for the products (the "Products") as evidenced by the Sales Order Acknowledgment shall be referred to herein as "Accepted Order." Prices set forth in the Sales Order Acknowledgment are not subject to audit, price revisions or price redetermination by Buyer.
2. Changes in Design. Interpoint reserves the right to make changes in the design of the Products, due to Buyer initiated specification changes, without incurring any obligation to make equivalent changes in the Products previously manufactured or delivered by Interpoint. Buyer is responsible for all costs associated with Buyer initiated specification changes, including but not limited to, material and documentation costs.
3. Changes in Schedules and Other Buyer Delays. No changes may be made in the scheduled deliveries without the written consent of Interpoint. In the event Buyer requests a change in the scheduled deliveries and Interpoint approves, Buyer shall be liable to Interpoint for: (1) the carrying costs of all material on hand at Interpoint's facility at the rate of 2% per month of the aggregate price of the material for the duration of the delay; plus (2) loss of profit on the WIP Products at the rate of 15% of the aggregate price of all units in process at Interpoint's facility. If Buyer delays in furnishing Interpoint with technical information, approvals or customer supplied materials, and additional costs are incurred by Interpoint due to these delays, Buyer shall reimburse Interpoint for these additional costs.
4. Cancellation. Buyer shall accept all Products as ordered. Cancellation of the order by the Buyer will not be allowed without the written consent of an Interpoint Representative. In the event of an approved cancellation by the Buyer, for any reason whatsoever, in addition to all other charges and damages, Buyer shall be required to pay a cancellation fee which will be determined by Interpoint based on expenditures incurred as of the date of cancellation and an increase in the unit price to the next lowest quantity price from that quantity actually delivered to Buyer by Interpoint. Interpoint reserves the right to cancel any Accepted Order if payments are in default or if prevailing conditions beyond Interpoint's reasonable control, from any cause whatsoever, make it impossible or impracticable to assure delivery.
5. Payment Terms. Payment is due 30 days from the earlier of the date of invoice or delivery. The amount of credit or terms of payment may be changed or credit withdrawn by Interpoint at any time. If Interpoint decides at any time that Buyer's credit has become impaired, Interpoint shall be entitled, at its option, to decline to make further deliveries on any Accepted Order to Buyer until Interpoint's receipt of satisfactory security or of cash payments in advance, or to terminate the Accepted Order as to any remaining deliveries, without prejudice to its rights accrued up to the date of any cessation of deliveries or termination of the Accepted Order. Payment shall be made in United States Dollars. If the delivery of the Product is delayed by Buyer, date of readiness for delivery shall be deemed the date of invoice and delivery for payment purposes. Buyer is liable on delinquent payments at the lower of the maximum legal rate or the rate of 1.5% per month until paid in full. If collection procedures are required, Buyer shall pay all costs of collection, including but not limited to collection fees, reasonable attorneys' fees, court costs and interest. Each delivery of the Products shall be considered a separate and independent transaction and payment thereof shall be made accordingly. In the event that the Products are delivered in installments, payments shall be made based on the purchase price set forth in the Sales Order Acknowledgment and the percentage of the Products delivered. Any Products held for Buyer shall be at the risk and expense of Buyer. Interpoint reserves the right to make delivery of the Products and make collection by sight draft with bills of lading attached.
6. Taxes and Other Government Charges. Any licenses or clearances required at the port of entry and destination for the Products shall be obtained and paid for by Buyer. The prices of the Products set forth in the quotation or the Sales Order Acknowledgment issued by Interpoint, are based on F.O.B. Interpoint's factory in Redmond, Washington, or in Kaoshiung, Taiwan, and do not include shipping cost, insurance or any applicable federal, state and local duties, taxes or other charges imposed on the manufacture, sale, delivery, shipment or use of any of the Products (including, without limitation, sales, use, shipment, property or value added taxes), all of which shall be paid by Buyer. Any tax or charge that Interpoint may be required to collect or pay shall either be paid by Buyer or Buyer shall provide to Interpoint appropriate resale certificate numbers and other documentation satisfactory to the applicable taxing authority to substantiate any claim of exemption from any such tax or charge.
7. Delivery. Partial deliveries are permitted. All Products are sold F.O.B. Interpoint's factory in Redmond, Washington. Delivery dates set forth in the Sales Order Acknowledgment are approximate and based on Interpoint's reasonable estimate of dates that the Products will be delivered if Interpoint timely receives from Buyer all necessary information including, but not limited to, specifications, drawings, testing parameters and package configuration, and customer supplied materials. Interpoint shall not be liable for any delay or failure in the delivery or shipment of the Products, or for any resulting damages, when the delay or failure is directly or indirectly due to accident (in manufacture or otherwise), errors, omissions, fire, flood, riot, war, embargo, labor stoppages, computer malfunctions, inadequate transportation facilities, regulation by any governmental authority, or any other causes beyond Interpoint's reasonable control. Moreover, Interpoint shall have no liability for any liquidated damages or penalty or special, indirect or consequential damages under any circumstances whatsoever. If any contingency occurs, Interpoint may allocate production and deliveries among Interpoint's customers. The title to the Products passes to Buyer and Interpoint's liability as to delivery ceases upon making delivery of the Products to the initial carrier at the delivery point with the carrier acting as Buyer's agent. All Products are shipped at Buyer's risk and expense, and all claims for damages must be filed with the carrier. All shipments will be made by Parcel Post, United Parcel Service, DHL or Federal Express at Interpoint's discretion unless specific instructions from Buyer indicate an alternate carrier. Buyer shall be liable for detention, demurrage, storage or auxiliary charges assessed by carriers or warehousemen resulting from Buyer's

- requirements for special service or Buyer's failure to accept delivery in a timely manner.
8. Safety. Buyer agrees to, and to cause others to, follow proper safety rules and use proper safety equipment in connection with its use of the Products; and Buyer agrees to defend, hold harmless and indemnify Interpoint if Buyer fails to do so.
 9. Limited Warranty. Interpoint warrants that the Products will be free from defects in materials (excluding customer supplied materials) and workmanship and will conform to Interpoint's applicable written specifications, under normal use and service or the specified use as agreed upon by Interpoint and Buyer for one (1) year from the date of original shipment except for higher grade parts (/883, /HR, /KR) for which the warranty period is three (3) years from the date of original shipment. The foregoing limited warranty shall not apply to any Products which have been repaired or altered by any person other than Interpoint or which have been subjected to operating and/or environmental conditions in excess of maximum rated values or have otherwise been subjected to misuse, damage, neglect, accidents, or improper installation or test (including without limitation improper packaging of the Products returned to Interpoint). The foregoing warranty is made in lieu of all other express and implied warranties, including, without limitation, any warranty of merchantability or fitness for a particular purpose. Interpoint neither assumes, nor authorizes any person to assume for it, any liability not expressed herein, unless such terms are in writing and signed by an Interpoint Representative. The foregoing warranty may be asserted only by Buyer, and not by Buyer's customers or other third parties. Interpoint's obligations under the limited warranty are limited to replacing, repairing or issuing credit at the original sales price, at its option, any of said articles which shall, within the limited warranty period, be confirmed to be defective by Interpoint.
 10. Returns. Should any Product not conform to such specifications due to a defect in material (excluding customer supplied materials) or workmanship, Interpoint shall accept returns during the applicable warranty period, which must be accompanied by a valid Interpoint Return Material Authorization ("RMA") number. Interpoint does not accept returned materials without a valid RMA number. In order to obtain an RMA number, the buyer must provide a detailed description of the nature of the defect, the original purchase order number, the part number, serial number and date code of the product(s) to be returned. The RMA number shall be valid for thirty (30) days after issuance by Interpoint. Products which are returned to Interpoint during the applicable warranty period in accordance with this Section and which are, after examination, deemed to Interpoint's satisfaction to be defective, will be replaced, reworked or credited at the original sale price at Interpoint's discretion. Buyer shall return the Products to Interpoint with transportation charges prepaid. The repair or replacement of any non-conforming Products by Interpoint pursuant to this Section does not extend the original limited warranty period. In the event Interpoint determines that the returned Products are not covered by the foregoing limited warranty, such Products will be returned to Buyer at Buyer's expense and may be subject to additional charges due to the lack of warranty coverage. Interpoint shall not be liable for re-inspection or rejection charges. Repair, replacement, or credit for returned parts will be made only after Interpoint has determined that the parts are covered by the terms of the warranty. Failure analysis of returned product shall be at Interpoint's sole discretion.
 11. Limitation of Remedy. Any provision herein to the contrary notwithstanding, neither Interpoint nor any affiliate, agent or employee of Interpoint shall be liable to Buyer, or any other third party claiming through Buyer, for indirect, incidental, contingent special or consequential damages (including without limitation loss of profits or revenue, loss or use of the products or any proceeds, overhead, cost of capital, cost of substitute goods, or any claims of buyer's customers for any such damages), and in no event shall the liability of Interpoint to Buyer, whether such liability arises out of the use of the product, Interpoint's performance hereunder, and whether such liability arises from a claim based on agreement, warranty, tort, failure of essential purpose or otherwise, exceed the amount paid by Buyer to Interpoint for such products.
 12. Blueprints and Specifications. – All orders are accepted with the understanding that the parts or material furnished will be in accordance with blue-prints and specifications, on hand in Interpoint's files or furnished to Interpoint with the Buyer's order, and which have been specifically agreed to and accepted by Interpoint, in writing, as applicable to such order.
 13. Tolerances. All tolerances shall be in accordance with Interpoint's standards. Interpoint's drawings, descriptive matter, weights, dimensions and shipping specifications (collectively, the "Specifications") are approximate only, and, in any event, Interpoint shall be entitled to make minor modifications to the Specifications relating to the Products. Interpoint shall not be liable for failure to obtain figures stated in the Specifications unless these have been specifically guaranteed in writing, signed by an Interpoint Representative, to be within a specific margin of tolerance. If any guaranteed figure is not attained on text in the manner (if any) required by the Specifications, Interpoint shall be afforded a proper opportunity to remedy the failure, and if Interpoint fails to do so, Buyer may either reject or accept the relevant part of the Products but shall not be entitled to any damages; provided, however, if an agreed reduction in the price for the failure is specified in the guarantee or the Accepted Order, Buyer shall have no right to reject the Products.
 14. Inspection. Interpoint shall have no obligation to perform any special tests relating to the Products except as otherwise agreed in writing by an Interpoint Representative. If agreed upon in the Accepted Order, Buyer may inspect the Products at Interpoint's place of manufacture at times mutually and reasonably acceptable to both Interpoint and Buyer; and a standard charge shall be paid by Buyer to Interpoint. If Buyer or Buyer's agent fails to conduct such inspection at such mutually agreed time and location within 7 days of notification of product readiness by Interpoint, Interpoint may elect a representative to perform the inspection and Buyer will be bound by the results.
 15. Patent Infringement Indemnity. To the extent that the Products are manufactured pursuant to the design provided by Buyer, Buyer represents and warrants that it has all necessary right, title and interest in such design, and that the information and technology contained in such design do not infringe patents or copyrights of third parties and were not developed on the basis of misappropriated trade secrets of third parties. If any infringement is alleged prior to completion of delivery of any Products, Interpoint may decline to make further deliveries without being in breach of its agreement with Buyer. Buyer shall defend, indemnify and hold Interpoint harmless from any damages, costs, and expenses (including without limitation reasonable attorneys' fees) arising from any threatened or actual suit or claim based upon Buyer's breach of the representations and warranties set forth herein or Buyer's modification of the Products after delivery thereof by Interpoint. Buyer shall further defend, indemnify and hold Interpoint harmless from any claim of alleged defect in the design of the Products to the extent such design is provided by Buyer.
- The sale of the Products by Interpoint does not convey any license, by implication, estoppel or otherwise, under patent claims covering combinations of the Products with other devices or elements. Except as otherwise provided in the preceding sentence, Interpoint shall defend any suit or proceeding brought against Buyer so far as based on a claim that any Product, or any part thereof, sold to Buyer by Interpoint (except to the extent such Products are based upon the design provided by Buyer) constitutes an infringement of any patent of the United States of America, if Buyer notifies Interpoint promptly in writing and gives Interpoint authority, information and assistance (at Interpoint's expense) for the defense of the suit or proceeding, and Interpoint shall pay all damages and costs awarded therein against Buyer. In case such Product, or any part thereof, is in such suit or proceeding held to constitute infringement and the use of the Product or part thereof is enjoined, Interpoint shall, at its option and expense, either procure for Buyer the right to continue using the Product or part thereof, or replace it with non-infringing product, or remove said Product and refund the purchase price and the transportation and installation costs thereof. The foregoing states the entire liability of Interpoint for patent infringement by the Products or any part thereof. Interpoint

grants no patents or data rights by its sale of the Products to Buyer and specifically prohibits the reproduction or distribution of any data, information or manufacturing know-how furnished in connection with the sale of the Products, except as necessary for the normal service of the Products. The Products are manufactured in accordance with Interpoint's manufacturing specifications and may be covered by U.S. and other patents.

16. Equipment, Fixtures and Tools. Any equipment (including jigs, dies, fixtures and tools) which Interpoint may construct or acquire for the manufacture of the Products for Buyer shall remain Interpoint's property and in Interpoint's possession and control. New or additional dies or changes necessary in existing equipment to conform with changes in design ordered by Buyer, whether or not Interpoint has specifically charged therefore, shall be paid for by Buyer. Dies or equipment charges cover the use of such dies or equipment only and do not convey any interest therein to Buyer. Any materials or equipment owned or furnished by Buyer, while in Interpoint's possession, will be handled and stored by Interpoint with reasonable care, but Interpoint shall have no responsibility for loss or damage thereto.
17. Interpoint's Remedy Upon Buyer's Default. Upon Buyer's default of any of its obligations under its agreement with Interpoint relating to the Accepted Order, including these Terms and conditions of Sale, or otherwise, including but not limited to the duty to make payment when due, Interpoint shall have all remedies available to it under applicable law.
18. Export Compliance. All parties to this order are responsible to ensure their compliance with applicable U.S. Export regulations and to ensure that product/data shipments and exchanges are made properly within the regulations. Buyer shall not transfer directly or indirectly any of the Products or any technical data, technical assistance, research, development or software relating to the Products purchased or

obtained from Interpoint (collectively referred to as the "Products/Technology") to any transferee or end user of the Products/Technology or any product incorporating the Products/Technology in any country to which, under pertinent laws and regulations of the United States government, Interpoint is forbidden to transfer the Products/Technology, or, if not forbidden to transfer the Products/Technology, is required to obtain a license or other prior approval before such sale, transfer and/or exportation from the United States government. Buyer hereby covenants, represents and warrants that Buyer has full power and authority to purchase the Products/Technology from Interpoint; that, prior to exportation or re-exportation of the Products/Technology, Buyer shall make every reasonable effort to determine the ultimate destination, end user and the use to which the Products/ Technology will be applied; and that such purchase, use, exportation or re-exportation shall not violate any pertinent laws and regulations of the United States government.

19. End Use/End user. Under certain circumstances, Interpoint will require information on the ultimate destination of products sold. This information includes but is not limited to information regarding but not limited to: end use (application) and end user (customer).
20. Jurisdiction, Venue, and Governing Law. Should Buyer or Interpoint commence a lawsuit to enforce the provisions of any Accepted Order, including these Terms and Conditions of Sale, or in connection with the Products or any other aspect of the commercial relationship between Buyer and Interpoint, jurisdiction and venue shall be exclusively in the state or federal courts located in Seattle, Washington, and both parties consent to personal jurisdiction in those courts. All rights and obligations of Buyer and Interpoint under any Accepted Order, including these Terms and Conditions of Sale, and any other aspect of the commercial relationship between Buyer and Interpoint, shall be governed as to validity, construction and in all other respects by the laws of Washington without regard to its choice of law provisions.