

TERMS AND CONDITIONS OF SALE

1. ACCEPTANCE OF TERMS AND CONDITIONS.

The performance of Millogic Ltd. ("Seller") hereunder is made expressly conditional on Buyer's acceptance of the terms and conditions stated herein. Any terms and conditions stated by Buyer in its offer or acceptance which add to, modify, or conflict with the terms and conditions of Seller herein are expressly rejected. This Terms and Conditions of Sale constitutes the entire, complete, and exclusive agreement between Buyer and Seller. In accepting or consummating Buyer's order Seller shall not be deemed to have changed, enlarged or modified its liabilities or obligations as fixed by the terms and conditions contained herein.

2. PRICES.

Buyer accepts the prices stated on the face hereof. All prices are F.O.B. Seller's plant. Unless otherwise stated, prices are exclusive of all City, State and Federal Taxes now in force or yet to be enacted. Any such tax or taxes shall be added to the price as a separate charge and shall be paid by Buyer.

3. TERMS OF PAYMENT.

Unless otherwise stated on the face hereof, the terms of payment shall be: net cash within 30 days from the date of invoice. Seller may submit invoices on partial shipments. Terms of payment on partial shipments are also net cash within 30 days and failure to make timely payment on partial shipments shall entitle Seller, at its option, to withhold further shipments without liability. The acceptance by Seller of any payments after the specified due dates shall not constitute a waiver of Buyer's obligation to make further payments on the specified dates. Seller shall assess a late payment penalty of 1.5 % per month on any amounts not paid within 30 days from the date of invoice.

4. CREDIT.

Buyer shall make prompt payment in accordance with the terms herein. When requested by Seller, Buyer shall execute, acknowledge and deliver to Seller, in Seller's usual form, a security agreement, financing statement or other appropriate instrument to enable Seller to protect its security interest in the products listed on the face hereof. Buyer authorizes Seller to sign and file financing statements in order to protect the security interest of Seller.

5. SHIPMENT AND DELIVERY.

Seller will attempt to meet the shipping date stated on the face hereof, but such dates are not guaranteed, Seller reserves the right to use carriers of its choice. All deliveries shall be F.O.B. Seller's plant and Buyer shall pay all shipping charges. Seller shall not be liable for any losses or damages resulting from any delay in delivery or any failure to perform its obligations hereunder, or for any damages suffered by Buyer, caused or arising, directly or indirectly, from fires, floods, substantial damage to Seller's plant, accidents, riots, acts of God, open hostilities, declarations of national

emergencies, war, government interference or embargoes, strikes, labor difficulties, shortages of labor, fuel, power, materials or supplies, or any other cause or causes beyond Seller's reasonable control.

6. DAMAGE AND RISK OF LOSS.

Title to the products, right to possession and risk of loss shall pass to the Buyer at the time of delivery to the carrier or forwarding agent and Seller shall not be liable for loss, damage or delay occurring thereafter.

7. CANCELLATION, DEFERMENT OR REVISION.

The order evidenced by this Terms and Conditions of Sale is not subject to cancellation, deferment of shipping schedules, or revision by Buyer except with Seller's prior written consent and then only upon terms acceptable to Seller.

8. INSPECTION AND ACCEPTANCE.

Products shall be deemed finally inspected and accepted ten (10) days after receipt by Buyer unless notice of claim is given in writing to Seller within that period.

9. WARRANT AND LIMITATION OF SELLER'S LIABILITY.

All products are warranted against defects in material or workmanship for a period of one year from the date of shipment stated on the face hereof. If any product fails to function properly within the warranty period due to faulty material or poor workmanship, Seller will, at its option, repair or replace the unit without charge to Buyer, or refund the purchase price for the unit. Repair replacement, or refund is Seller's only obligation under this warranty. Seller shall have no obligation to repair, replace or refund the purchase price for products found to be defective because of misuse, accident, or neglect. Any modification, adjustment or repair of the product which is not performed by Seller shall void this warranty,

All claims under this warranty must be made to Seller in writing, at the address set forth on the face hereof, and shall state the nature of the claimed defect. Defective items must be held for inspection by the Seller and returned, upon request, to Seller's plant. Products returned to Seller must be shipped prepaid, but Seller will reimburse Buyer for shipping costs for items found to be defective due to faulty material or poor workmanship. Seller reserves the right to make a determination concerning the cause of any defects on the basis of a factory inspection.

THE FOREGOING IS SELLER'S ONLY OBLIGATION AND SETS FORTH BUYER'S ONLY REMEDY FOR BREACH OF WARRANTY. BREACH OF CONTRACT, NEGLIGENCE, OR OTHERWISE, ALL OTHER WARRANTIES WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, STATUTORY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY EXCLUDED AND DISCLAIMED. ANY REFERENCE HEREIN TO BUYER'S SPECIFICATIONS AND REQUIREMENTS IS ONLY TO DESCRIBE THE PRODUCTS COVERED HEREBY AND NO SUCH

REFERENCE SHALL BE DEEMED TO MODIFY THE PROVISIONS OF THIS WARRANTY. SELLER'S CATALOGS, SALES CIRCULARS AND SIMILAR PAMPHLETS ARE ISSUED FOR GENERAL INFORMATIONAL PURPOSES ONLY AND SHALL NOT BE DEEMED TO MODIFY OR ENLARGE THE PROVISIONS OF THIS WARRANTY. IN NO EVENT SHALL SELLER BE LIABLE TO ANY PERSON FOR ANY LOSS OF PRODUCT, LOSS OF PROFIT, LOSS OF USE OR ANY OTHER SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

10. INDEMNITY AGAINST PATENT INFRINGEMENT.

The Seller shall have no liability for any infringement arising from: (i) the combination of Seller's product(s) or part(s) with any other product or part whether or not furnished to Buyer by Seller, or (ii) the modification of such Seller's product(s) or part(s) unless such modification was made by Seller, or (iii) the use of such Seller's product(s) or part(s) in practicing any process, or (iv) the furnishing to Buyer of any information, data, service or application assistance. Buyer shall hold Seller harmless against any expense, judgment or loss for infringement of any patents or trademarks which results from Seller's compliance with Buyer's designs, specifications or instructions.

11. MISCELLANEOUS.

Any or all of Seller's rights or obligations may be assigned by Seller without notice to Buyer. The invalidity in whole or in part of any provision herein shall not affect the validity of any other provision. This agreement shall be governed by the laws of the Commonwealth of Massachusetts,