



Terms and Conditions of Sale for Goods and Services

1. Contract Formation.

1.1 Offer. Optical Filters' proposal form and/or Optical Filters' proforma invoice quote (collectively, the "Proposal") constitutes an offer for the sale of goods (the "Goods") and/or services (the "Services") and includes all the terms and conditions contained herein (the "Terms and Conditions").

1.2 Acceptance. Any purchase order or other form of acceptance issued by the Buyer in response to a Proposal from Optical Filters shall result in a contract for the purchase of the Goods and/or the Services at the price quoted in Optical Filters' Proposal and shall be subject to these Terms and Conditions. Optical Filters does not accept any terms contained in any purchase order or other documents issued by Buyer which are different from, conflict with, modify and/or add to these Terms and Conditions. Optical Filters' execution of any document issued by the Buyer shall constitute only an acknowledgement of receipt thereof, and shall not be construed as an acceptance of any of the terms therein. Unless Buyer shall have set forth each specific objection to these Terms and Conditions in a separate writing signed and dated by Buyer and delivered to Optical Filters contemporaneously with Buyer's purchase order or other acceptance document, Buyer shall be deemed to have accepted all of these Terms and Conditions. Buyer's issuance of a purchase order or other document which purports to reject some or all of these Terms and Conditions by virtue of Buyer's standard form language, or otherwise, shall not be sufficient objection. Where Buyer specifically objects to any of these Terms and Conditions, no contract shall be formed unless and until Optical Filters agrees to accept in writing Buyer's proposed modifications to these Terms and Conditions.

1.3 Entire Agreement. The Proposal and these Terms and Conditions shall constitute the entire understanding and agreement (the "Contract") between Buyer and Optical Filters. Any representation, promise, course of dealing, course of performance, custom or trade usage will not be binding upon either party. This Contract may not be amended or modified except by a writing executed by both parties.

2. Purchase and Sale. Subject to these Terms and Conditions, Buyer agrees to buy, and Optical Filters agrees to sell, the Goods and/or Services, for the purchase price specified in the Proposal. Optical Filters reserves the right to substitute substantially comparable goods for the Goods and/or substantially comparable services for the Services.

3. Taxes. Buyer shall be responsible for, and shall pay, any taxes (sales, excise, use, etc.) and any export or import duties which may be applicable to the sale and/or delivery of the Goods and/or Services and to the performance of any warranty work as may be required under Section 6. Buyer shall defend, indemnify and hold Optical Filters harmless from any claim, loss, damage, liability or expense incurred with regard to the payment of any such taxes or duties.

4. Payment; Security Interest.

4.1 Generally. Buyer shall pay the purchase price, all applicable taxes, freight charges, and all other applicable charges in full, in U.S. Dollars, without any deduction for claims, set-offs or recoupment on account of this Contract or any other matter between the parties within the time periods set forth below in Section 4.2, below. Payment shall not be contingent upon installation or upon field tests. If payment is delayed beyond the date on which it is due, interest shall accrue and be payable by Buyer on the unpaid balance at a rate of one and one-half percent (1 1/2%) per month.

4.2 Payment. Unless otherwise specified by Optical Filters in the Proposal, the Buyer shall pay the purchase price within thirty (30) days from the date of Optical Filters' invoice.

4.3 Security Interest. Buyer hereby grants to Optical Filters a security interest in the Goods until all monies due Optical Filters under this Contract are paid in full. Optical Filters shall have the right to file financing statements and any other documents that may be necessary to evidence and perfect such a security interest in the Goods in any jurisdiction.

5. Delivery.

5.1 Date. Any delivery date stated in the Contract is approximate only and shall not constitute any guarantee of delivery on any particular date. Time shall NOT be of the essence of the Contract.

5.2 Terms. Unless otherwise specified by Optical Filters in the Proposal: (1) delivery of the Goods shall be Ex-Works Optical Filters' factory, 13447 South Mosiertown Road, Meadville, PA 16335 (Incoterms 2010); and (2) any delivery terms specified in the Proposal shall be construed in accordance with Incoterms 2010.

5.3 Freight. Notwithstanding the provisions of Section 5.2, above, unless otherwise directed by the Buyer in writing or otherwise expressly specified in the Proposal, Optical Filters shall arrange for carriage of the Goods. Buyer shall be solely responsible for the cost of carriage of the Goods, regardless of any delivery terms (including Incoterms) specified in the Proposal.

5.4 Risk of Loss; Title. Risk of loss shall pass from Optical Filters to the Buyer in accordance with the delivery terms applicable to this Contract, as specified in Section 5.2, above. Title to the Goods shall pass from Optical Filters to the Buyer upon the passage of risk of loss from Optical Filters to the Buyer.

5.5 Delay. Optical Filters shall not be responsible to Buyer or any third party for any damages resulting from any failure or delay in manufacturing or shipping due to any cause beyond Optical Filters' reasonable control, including, but not limited to: (1) intervening legal requirements or governmental directives; (2) acts of God; (3) force majeure; (4) labor disputes; (5) delays caused by Optical Filters' suppliers or vendors; or (6) war, terrorism, or similar disruptions. If shipment is delayed by Buyer, Optical Filters shall arrange for storage at Buyer's sole expense. In such event, risk of loss to the Goods shall pass to Buyer upon placing the Goods in storage, unless risk of loss has already passed to the Buyer pursuant to the delivery terms applicable to this Contract, as specified in Section 5.2, above, in which case risk of loss shall remain with the Buyer.

6. Warranties.

6.1 Viz-Bond Warranty. Optical Filters warrants the Viz-Bond® adhesive system against bond failure for a period of twelve (12) months from the date of application of the bond, provided that the Viz-Bond® is used within the parameters disclosed in the Viz-Bond® data sheet.

6.2 Limited Warranty. Optical Filters warrants that for a period of twelve (12) months from the date of shipment of the Goods, the Goods shall be free from defects in material and workmanship. Optical Filters warrants that the Services shall be performed in a workmanlike and professional manner.

6.3 Exclusions. The warranties in Sections 6 do not: (1) cover any third party components in the display head assembly specified by or supplied by the Buyer; (2) include the cost or any Root Cause Analysis done by Buyer or by third parties at the Buyer's request; (3) extend to costs associated with: (i) recovering installed product; (ii) replacing any third party components damaged during rework of the product; or (iii) the return and installation of reworked or replacement product; (4) extend to any product that includes third party components specified by the Buyer to which Optical Filters has raised valid technical concerns; and (5) cover damage due to incorrect installation or the use of components or processes that are chemically incompatible with the substrates, coatings and adhesives of the supplied product.

6.4 Exclusive Warranty. THE WARRANTIES SET FORTH IN SECTION 6 ARE THE EXCLUSIVE WARRANTIES GIVEN BY OPTICAL FILTERS WITH RESPECT TO THE GOODS AND SERVICES AND ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, BOTH OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED. ANY WARRANTIES OFFERED BY THE ORIGINAL EQUIPMENT MANUFACTURER OF ANY ELECTRONIC COMPONENTS, INCLUDING BUT NOT LIMITED TO TOUCH SENSORS AND LCD DISPLAYS, ARE VOID UPON MODIFICATION. MODIFICATION INCLUDES, BUT IS NOT LIMITED TO, OPTICAL BONDING AND LAMINATION. OPTICAL FILTERS, THEREFORE, DOES NOT OFFER ANY WARRANTIES WITH REGARD TO MODIFIED ELECTRICAL COMPONENTS.

6.5 Limitation of Remedies for Breach of Warranty. In the event of a breach of the limited warranty set forth in this Section 6, Buyer's sole remedy, and Optical Filters' sole obligation, is limited to the repair or replacement of the Goods or to providing the Services, once more, at Optical Filters' option. Such limitation shall apply regardless of whether the claim is characterized as arising out of breach of warranty, contract, tort, strict liability, statutory liability, indemnity or otherwise.

7. Limitation of Liability.

7.1 Exclusion of Certain Damages. In no event shall Optical Filters or Optical Filters' employees, officers, directors, representatives, affiliates and/or agents be liable for consequential, incidental or punitive damages incurred by Buyer or any third party in connection with any matter arising out of or relating to this Contract, or the breach thereof, regardless of whether such damages are characterized as arising out of breach of warranty, tort, contract, strict liability, statutory liability, indemnity or otherwise. Such limitations shall apply regardless of whether Optical Filters has been advised or otherwise made aware of the possibility of such damages arising. For purposes of this Section 7.1, consequential damages include, but are not limited to: (1) Buyer's lost production, sales and/or profits; (2) Buyer's loss of use of the Goods and/or any other equipment; (3) Buyer's cost of capital; or (4) any claims of customers of the Buyer against Buyer or Optical Filters.

7.2 Limitation on Amount. Notwithstanding any other provision of this Contract, the total liability, in the aggregate, of Optical Filters and Optical Filters' employees, officers, directors, representatives, affiliates and agents to Buyer or any third party claiming through or under Buyer for any claims, losses, damages, or costs arising out of or relating to this Contract, or the breach thereof, shall not exceed the total consideration received by Optical Filters from Buyer under this Contract. This Section 7.2 shall apply regardless of whether the claim is characterized as arising out of breach of warranty, contract, tort, strict liability, statutory liability, indemnity or otherwise.

7.3 Disclaimer of Liability for Goods Provided by Buyer. It is recommended that Buyer provide Optical Filters with the equipment to inspect and test the goods provided by Buyer (the "Buyer Goods"), both before and after the Services. The equipment used for inspection and testing shall be returned to Buyer upon completion of the Services. Notwithstanding this recommendation to provide inspection and testing equipment, Optical Filters shall not be responsible or liable at all for any Buyer Goods.

8. Termination for Default. Optical Filters may terminate this Contract if Buyer: (1) becomes insolvent; (2) is unable to meet its obligations as they become due or admits such in writing; (3) enters bankruptcy or has a receiver or trustee appointed for it; (4) fails to timely make payments under this Contract or under any other obligation of Buyer to Optical Filters; or (5) fails to provide Optical Filters with adequate assurance of due performance within fifteen (15) days of Buyer's receipt of Optical Filters' written demand therefor. In the case of such a termination, Buyer shall be considered to have defaulted under this Contract and Optical Filters shall have such remedies as are available to it under this Contract and/or at law.

9. Credit Verification. Optical Filters reserves the right to perform a review of Buyer's creditworthiness following acceptance of Optical Filters' Proposal by Buyer. Notwithstanding any other provision of this Contract, Optical Filters shall not be obligated to perform the Contract if Buyer's creditworthiness is unsatisfactory to Optical Filters, in Optical Filters' sole discretion. In such case, Optical Filters shall not be obliged to proceed with the performance of this Contract, and Optical Filters may cancel this Contract at any time without any liability to Buyer, unless and until the Buyer shall have agreed to such terms of payment and such security therefor as is satisfactory to Optical Filters, in Optical Filters' sole discretion.

10. Export and Import Licenses. This Contract is contingent upon Optical Filters obtaining all export licenses and/or government approvals which may be required under applicable U.S. laws and regulations including, but not limited to, the Export Administration Act, the Trading with the Enemy Act, the Export Administration Regulations and the Foreign Assets Control Regulations. Prior to the date of shipment of the Goods and to the provision of the Services, Buyer shall obtain, at its sole cost, all import licenses and/or other government approvals which may be required by the country of importation. Upon Optical Filters' request, Buyer shall provide Optical Filters with copies of such import licenses and/or government approvals to evidence Buyer's compliance with this Section 10. Buyer further represents and warrants that it is not, nor will it, directly or indirectly, transfer the Goods to a person or entity listed as: (1) a Specially Designated National or Blocked Person by the U.S. Treasury Department; (2) a Denied Person by the U.S. Commerce Department; (3) a Denied Entity by the U.S. Commerce Department; or (4) a Debarred Party by the U.S. State Department. Buyer shall defend, indemnify and hold Optical Filters harmless from any claim, loss, damage, fines, penalties, liability or expense incurred with regard to Buyer's failure to comply with this Section 10.

11. Other Provisions.

11.1 Compliance with Law. Buyer shall comply with all applicable laws, regulations, and ordinances, including any export and import laws. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under this Agreement.

11.2 Disputes. Any dispute, controversy or claim arising out of or relating to this Contract, or the breach thereof, must be instituted in the state or federal courts sitting in Crawford County, Pennsylvania, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

11.3 Limitation of Actions by Buyer. Any actions against Optical Filters with respect to any matter arising out of or relating to this Contract must be brought by Buyer, or anyone claiming through or under Buyer, within the earlier of: (1) one (1) year from the date that the claim in question accrued; or (2) the expiration of any applicable statute of limitations.

11.4 Governing Law. This Contract shall be construed in accordance with the laws of the Commonwealth of Pennsylvania, without reference to any applicable principles of conflicts of law which would direct the application of the laws of another jurisdiction. The United Nations Convention on the International Sale of Goods and Services, the 1974 Convention on the Limitation Period in the International Sale of Goods and Services and the Protocol amending the 1974 Convention shall not apply to this Contract.

11.5 Waiver. The waiver of any right or default in any one instance shall not be deemed a waiver of any future right to enforce this Contract.

11.6 Assignment. This Contract may not be assigned by Buyer without the written consent of Optical Filters.

11.7 Severability. If any provision of this Contract is held to be invalid or unenforceable for any reason, the remaining provisions shall remain in full force and effect.

11.8 Safety Devices, Risks and Damages. Buyer assumes all responsibility for the safe operation of the Goods. Buyer shall defend, indemnify and hold Optical Filters harmless with respect to any property damage and/or personal injury, including death, which is caused by reason of the failure on the part of Buyer, and/or any employee, representative, operator or agent of Buyer, to comply with this Section 11.8.

11.9 Buyer Disclosures. Unless otherwise agreed to in writing by Optical Filters, any information or ideas transmitted by Buyer to Optical Filters in connection with this Contract shall not be regarded as a trade secret of, or submitted in confidence by, the Buyer.

11.10 No License or Sale of Intellectual Property. The sale of the Goods and Services does not grant to, convey to or confer upon Buyer a license or any other rights, express or implied, under any patent, copyright or other intellectual property right of Optical Filters encompassed within, covering or relating to the Goods.

11.11 Recovery of Expenses. Optical Filters shall be entitled to recover from Buyer all costs and expenses (including, but not limited to, reasonable attorney's fees) which are incurred by Optical Filters in enforcing its rights under this Contract, including, but not limited to, the recovery of any amounts owed by Buyer to Optical Filters under this Contract.

11.12 No Third Party Beneficiaries. There are no third party beneficiaries with respect to this Contract between the Buyer and Optical Filters, including (but not limited to) any customers of the Buyer or any affiliates of the Buyer.

11.13 Definitions. For purposes of these Terms and Conditions, the term "domestic shipments" shall mean any shipment to a destination within the fifty states or any possession of the United States including Guam, the Midway Islands, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands and Wake Island. The term "international shipments" shall mean any shipment to a destination outside of the fifty states or any possession of the United States, including Guam, the Midway Islands, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands and Wake Island. The term "Optical Filters" means **OPTICAL FILTERS USA LLC**.

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