# PRODUCT PURCHASE AGREEMENT

This Product Purchase Agreement is entered into as of 15 March, 2011 by and between Wuhan Iron & Steel Group Corporation a Chinese corporation with offices at Qingshan District of Wuhan China. ("Wuhan Iron & Steel Group Corporation") and John Layton, with its principal place of in USA and Europe. ("Customer").

In consideration of the mutual agreements and covenants herein contained, the parties, intending to be legally bound, agree as follows:

# 1. SALE AND PURCHASE

Wuhan Iron & Steel Group Corporation shall offer to sell to Customer and Customer shall purchase such quantities of the telecommunications equipment, services and the Software (as defined below) manufactured or supplied by Wuhan Iron & Steel Group Corporation (the "Equipment") at Wuhan Iron & Steel Group Corporation list prices applicable to Customer less any applicable discount as may be specified a price quotation from and confirmed in a purchase order issued by Customer and accepted by Wuhan Iron & Steel Group Corporation from time to time during the term of this Agreement.

For any quantities of the Equipment, services, and Software Customer wishes to purchase from Wuhan Iron & Steel Group Corporation, Customer shall issue and submit to Wuhan Iron & Steel Group Corporation, a written purchase order describing in reasonable detail each product description, its part number, unit price according to Wuhan Iron & Steel Group Corporation price list in effect at that time, quantity, discount, if any, total price and requested shipment date. Wuhan Iron & Steel Group Corporation may at its sole discretion reject or accept such purchase order, and if Wuhan Iron & Steel Group Corporation, accepts such purchase order Wuhan Iron & Steel Group Corporation acceptance shall create a binding contract between Wuhan Iron & Steel Group Corporation and Customer on the terms and conditions of this Agreement, any additional or contradictory provision contained or referenced in the purchase order shall be deemed null and void. Any requested shipping dates is subject to Wuhan Iron & Steel Group Corporation, review and revision. Wuhan Iron & Steel Group Corporation shall make every reasonable effort to meet the shipping dates Customer may specify, provided Customer timely provides with all necessary information.

# 2. PRICES/TAXES

All prices are exclusive of shipping and insurance charges which shall be billed separately. Installation and related charges are only included if stated on the face of the order or quotation. Installation and related charges are subject to change due to customer failure to complete site readiness as stated, non-standard site conditions, force majeure events or Customer caused delays. Customer agrees to pay all such additional charges as invoiced by Wuhan Iron & Steel Group Corporation.

All prices are exclusive of all sales, use, excise, and other taxes, duties or charges. Unless evidence of tax exempt status is provided by Customer, Customer shall pay, or upon receipt of invoice from Wuhan Iron & Steel Group Corporation, shall reimburse Wuhan Iron & Steel Group Corporation for all such taxes or charges levied or imposed on Customer, or required to be collected by Wuhan Iron & Steel Group Corporation resulting from this transaction or any part thereof.

For domestic orders all prices are FOB Wuhan Iron & Steel Group Corporation Factor. For international orders, all prices are Ex Works (Incoterms 1990). Unless instructed otherwise, Wuhan Iron & Steel Group Corporation may arrange for insurance and standard commercial shipping, the costs of which will be invoiced to the Customer.

Prior to delivery, Wuhan Iron & Steel Group Corporation, Ltd reserves the right to make substitutions, modifications and improvements to the Equipment, provided that such substitution, modification or improvement shall not materially affect performance in the application originally agreed to with Customer.

# 3. PAYMENT/FINANCING

Payment terms shall be determined on a per order basis and are subject to credit review by Wuhan Iron & Steel Group Corporation. All payments shall be made to Wuhan Iron & Steel Group Corporation not later than within the agreed to number of days from date of invoice. Late payments shall result in the assessment of a late charge equal to one and one-half (1 1/2%) percent per month on any outstanding balance, or the maximum amount of interest chargeable by law, whichever is less.

International sales shall be payable in United States funds either by prepaid telegraphic transfer or by irrevocable Letter of Credit confirmed by a Puerto Rico and payable upon presentation of sight drafts and required documentation.

Customer shall remain liable for all payments regardless of the method of payment or financing of this Agreement, unless otherwise agreed to in writing Wuhan Iron & Steel Group Corporation.

Customer's payment obligations are particular hereto, and Customer has no right of set-off against other purchase orders or other transactions between the parties.

Costs for the following shall be added to the prices bid and performance bonds or guarantees provided by Wuhan Iron & Steel Group Corporation, at its election; the expense of packing suitable for air or ocean shipment; and other associated expenses of export, insurance and freight.

# 4. HARDWARE WARRANTY

Wuhan Iron & Steel Group Corporation warrants that any hardware item of the Equipment manufactured by Wuhan Iron & Steel Group Corporation shall, at the time of shipment and thereafter during the warranty period, be free from any defect in materials and workmanship and conform to Wuhan Iron & Steel Group Corporation published and effective specifications. This warranty with respect to any hardware item of the Wuhan Iron & Steel Group Corporation 20-20 products shall expire after sixty(60) months from the date of shipment or twelve (12) months from the date of installation if installation is purchased by the Customer and provided directly by Wuhan Iron & Steel Group Corporation, whichever is earlier. The warranty service shall be administered in accordance with Wuhan Iron & Steel Group Corporation published Customer Support Guide in effect at the time of shipment (which is hereby incorporated in its entirety by reference). Customer shall notify Wuhan Iron & Steel Group Corporation in writing immediately upon discovery of any defects within the warranty period for return authorization and instructions. Upon receipt of the returned Equipment prepaid by Customer, Wuhan Iron & Steel Group Corporation sole obligation shall be to repair, replace, or refund the purchase price, at its option. Replacement Equipment may be new, refurbished or remanufactured. Returned replaced Equipment shall become Wuhan Iron & Steel Group Corporation property. Replacement Equipment shall be warranted for the unexpired portion of the returned Equipment's warranty.

If Customer is a reseller of the Equipment purchased under this agreement, the warranty is passed through to Customer's customer, but the warranty period shall begin as stated above. Wuhan Iron & Steel Group Corporation sole responsibility to Customer with respect to any equipment, device, component and part manufactured by a third party and incorporated into the Equipment shall be to pass through to Customer such original equipment manufacturer's available product warranty. The warranty provided by Wuhan Iron & Steel Group Corporation does not cover (i) any item of the Equipment not manufactured by Wuhan Iron & Steel Group Corporation (ii) any item of the Equipment which has been altered or modified including any change, addition, or improvement, and (iii) any damage, defects, malfunctions or service failures caused by:

- (a) Customer's failure to follow Wuhan Iron & Steel Group Corporation environmental, installation, operation or maintenance specifications or instructions;
- (b) Modifications, alterations or repairs made other than Wuhan Iron & Steel Group Corporation
- (c) Customer's mishandling, abuse, misuse, negligence, or improper storage, servicing or operation of the Equipment (including without limitation use with incompatible equipment); or

(d) Power failures, surges, fire, flood, accident, actions of third parties or other like events outside Wuhan Iron & Steel Group Corporation control. Repairs necessitated during the warranty period by any of the foregoing causes may be made by Wuhan Iron & Steel Group Corporation, and the Customer shall pay Wuhan Iron & Steel Group Corporation standard charges for time and materials, together with all shipping and handling charges arising from such repairs.

THIS WARRANTY CONSTITUTES WUHAN IRON & STEEL GROUP CORPORATION SOLE AND EXCLUSIVE WARRANTY WITH RESPECT TO HARDWARE THE EQUIPMENT AND IS IN LIEU ANY OTHER WARRANTY, EXPRESS, IMPLIED OR STATUTORY INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

# 5. TITLE AND RISK OF LOSS

Delivery of any item of the Equipment and Software shall be deemed complete when Wuhan Iron & Steel Group Corporation makes the shipment FOB N or Ex Works, as the case may be, (Incoterms, 1990). Title to and risk of loss for the Equipment and Software sold under this Agreement shall pass to Customer upon delivery as defined herein.

As security for the full and prompt payment and performance when due of all obligations of Customer to Wuhan Iron & Steel Group Corporation under this Agreement, Customer hereby grants Wuhan Iron & Steel Group Corporation a security interest in (i) all Equipment supplied to Customer hereunder and (ii) all accounts, instruments, contract rights and general intangibles arising out of Customer conducting its business ("Accounts"). Before or after breach by Customer under this Agreement, Wuhan Iron & Steel Group Corporation shall have the right to notify any account debtors on Accounts, including without limitation any entity performing billing and collection services for, or holding deposits of Accounts on behalf of, Customer, that Wuhan Iron & Steel Group Corporation claims a security interest in all Equipment and/or all such Accounts, and that, upon default, all payments on Accounts are to be made directly to Wuhan Iron & Steel Group Corporation Customer shall execute any notice to any such account debtor or a third person as may be requested by Wuhan Iron & Steel Group Corporation at any time in order to accomplish the intentions of this section. Customer hereby authorizes Wuhan Iron & Steel Group Corporation or its agent or assigns to sign and execute on its behalf any and all necessary financial statements to perfect the security interest herein granted to Wuhan Iron & Steel Group Corporation as well as its ownership interest, if any, herein evidenced in order to protect Wuhan Iron & Steel Group Corporation interest in the Equipment and its rights to payment and performance by Customer under this Agreement. Customer shall pay all expenses of filing of all necessary financial statements and documents with all public offices requested by Wuhan Iron & Steel Group Corporation In the event any Equipment supplied hereunder is located outside the china, Customer shall pay and reimburse Wuhan Iron & Steel Group Corporation for all costs and expenses incurred in filing and perfecting Wuhan Iron & Steel Group Corporation security interest in such foreign country.

### 6. WIREFREE PRODUCT

Customer hereby acknowledges that the use and operation of any intentional radiating equipment requiring a Part 15.311 FCC label and subject to UBA clearing fees, the operation of which makes use of any part of the unlicensed personal communications services ("ULC") frequency spectrum ("ULC Radiating Part"), is subject to FCC rules, regulations, requirements and instructions with respect to interference to licensed fixed microwave facilities and to the relocation of any such ULCS Radiating Part. Customer agrees that [its] use or operation of any ULC Radiating Part shall comply with all such rules, regulations, requirements and instructions. Customer will impose the same obligation on each of his buyers.

Customer shall be responsible for the site specific coordination of the WireFree TM Equipment as required by UTAM. In particular but not limited thereto Customer will be responsible to notify UTAM's designated Prime Frequency Coordinator and will comply with any procedural requirements as published by UTAM at Customer's cost and expense. Customer shall deliver to UTAM reports necessary for the performance of UTAM's

frequency coordination responsibilities for the ULC frequency spectrum.

Customer shall indemnify, defend and hold and UTAM Wuhan Iron & Steel Group Corporation harmless from and against all loss, claim, damage, liability and expense (including reasonable attorney's fees) arising from (i) Customer's negligence or willful misconduct in any act or omission of Customer, including without limitation the manufacture, sale, distribution or activation of ULC devices or systems or the use thereof provided, however, that Customer shall not be obligated to indemnify BTL for losses, claims, damages, liabilities and expenses resulting from compliance with UTAM requirements where such Customer negligence or willful misconduct is not present, or (ii) any failure by Customer to comply with any covenant or agreement of Customer set forth herein or any misrepresentation made by Customer to BTL or Wuhan Iron & Steel Group Corporation.

Customer will comply with and conform to any changes UTAM imposes on Customer or Wuhan Iron & Steel Group Corporation. The provisions of this Section 3 shall survive the expiration or termination of this agreement for a period of 5 years.

In the event any type-approval, radio license or their functional equivalent for the WireFree TM Equipment is required by any relevant government authorities, Customer shall be solely responsible for obtaining such approval at its own cost. Wuhan Iron & Steel Group Corporation will assist in facilitating this process solely by supplying technical information, consultation and other supporting data as may be required.

# 7. EXPORT AND RE-EXPORT RESTRICTIONS

Performance and delivery of the Equipment, documents, services, Software, Technical Data (as that term is defined under applicable China export laws) and any derivative work here from provided or delivered by Wuhan Iron & Steel Group Corporation ("Deliverables") are subject to export control laws and regulations of the Japan, as applicable, and conditioned upon receipt of required Japan Government licenses and approvals by Wuhan Iron & Steel Group Corporation. Customer shall not export any Deliverable from China without complying with regulations of the Bureau of Export Administration of the China Department of Commerce, as applicable. Customer shall not re-sell or re-export any Deliverable 1) from the country of delivery, or 2) to any facility engaged in the design, development, stockpiling, manufacturing or use of nuclear, missile, chemical or biological weapons, or 3) to any military end-user or for a military end-use, without first obtaining the written approval of Wuhan Iron & Steel Group Corporation and any required approvals of the applicable China agencies. The provisions of this clause and Customer's obligations hereunder shall survive as long as Customer owns or is in legal possession or control of the Deliverables.

# 8. EXPORT LICENSES AND COMPLIANCE WITH LAW

Wuhan Iron & Steel Group Corporation shall use commercially reasonable efforts to obtain any Japan export licenses required for the export of any Deliverable. Notwithstanding any provision in this Agreement, the parties agree that selection and/or approval of freight forwarder(s) shall be made by Wuhan Iron & Steel Group Corporation. In the event that Customer wishes to utilize a freight forwarder not acceptable to Wuhan Iron & Steel Group Corporation Customer shall be responsible for providing an acknowledgment in writing from the Freight Forwarder to Wuhan Iron & Steel Group Corporation that the freight forwarder will specifically obtain any required export license(s) and is shown as the Shipper of Record in Customer's behalf.

Customer hereby represents, warrants and certifies to Wuhan Iron & Steel Group Corporation that all activities performed, directly or indirectly, by, through or on behalf of Customer pursuant to, or in connection with, this Agreement or in furtherance of its intents and purposes, shall be carried out in form and substance in accordance with all applicable laws, regulations, provisions and policies of China and the Territory and all countries claiming jurisdiction over such activities or the subject matter of this Agreement. In addition, all such activities, whether conducted within or without the political boundaries of the China or the jurisdictional limits of its law, shall be in accordance with the laws and regulations of the Japan applicable to activities within Japan. Without limiting the generality of the foregoing, Customer agrees to comply in all respects with China Foreign Corrupt Practices Act or 1979(LCPL), as amended, which provides generally that: under no circumstances will foreign officials, representatives, political parties, or holders of public office be offered, promised or paid any money, remuneration, things of value, or provide any other benefit, direct or indirect, in connection with obtaining, or maintaining, contracts or business.

#### 9. EXCUSABLE DELAY

Wuhan Iron & Steel Group Corporation shall be excused from performance under the Purchase Order and not be liable to Customer for delay in performance attributable in whole or in part to any cause beyond its reasonable control, including but not limited to, action or inaction of any government, war, civil disturbance, insurrection, sabotage, act of a public enemy, labor stroke, difficulty or dispute, unpredictable failure or delay in delivery by Wuhan Iron & Steel Group Corporation suppliers or subcontractors, transportation difficulties, shortage of energy, materials, labor strike accident, fire, flood, storm or other act of God, or Customer's fault or negligence.

In the event of an excusable delay, Wuhan Iron & Steel Group Corporation shall make reasonable efforts to notify customer of the nature and extent of such a delay and Wuhan Iron & Steel Group Corporation (i) will be entitled to a schedule extension on at least a day-for-day basis, (ii) in the event of Customer's fault or negligence, will be also entitled to an equitable adjustment in the price of this contract.

### 10. CHANGE, CANCELLATION, AND TERMINATION

In the event Customer desires to modify a purchase order, it shall submit a written change order to Wuhan Iron & Steel Group Corporation. Each change order is effective upon written acceptance by Wuhan Iron & Steel Group Corporation. In the event Customer modifies a purchase order within 30 days prior to the scheduled shipment date, Customer shall pay to Wuhan Iron & Steel Group Corporation a change charge equal to 5% of the original total purchase price of the purchase order modified with a minimum charge of \$25.00. This fee will be assessed for Customer initiated changes regarding: ship-to location, if changed to a different country or port of destination; ship-date, if Wuhan Iron & Steel Group Corporation has already confirmed the ship-date to the Customer; configuration, if the change effects more than 5 line items in the order; quantity of items; or buyout items. All modifications made within an eight (8) hour business day (PST) will be considered to be one change. Any change or changes initiated or caused by Wuhan Iron & Steel Group Corporation will not be charged to the Customer.

If Customer cancels a purchase order within 30 days prior to scheduled shipment date, Customer shall pay to Wuhan Iron & Steel Group Corporation a restocking fee of 25% of the total purchase price of the canceled purchase order and shall pay 100% for any buyout items canceled. Wuhan Iron & Steel Group Corporation shall not assess any cancellation charges if Wuhan Iron & Steel Group Corporation cancels an order.

In the event that either party breaches any provision of this Agreement and fails to cure such breach within thirty (30) days after written notice from the other party, the breaching party shall be in default.

Wuhan Iron & Steel Group Corporation maximum liability and Customer's maximum recovery for any claim arising out of or in connection with the sale or use of the Equipment shall not in the aggregate exceed the price paid by Customer for such Equipment hereunder less the price of the Equipment delivered and retained by Customer.

### 11. INFRINGEMENT INDEMNIFICATION

Customer agrees to promptly notify Wuhan Iron & Steel Group Corporation in writing of any notice, suit, or any action against Customer based upon a claim that the Product infringes a China patent, copyright, trademark, or trade secret of a third party. will defend at its expense any such action, except as excluded below, and shall have full control of such defense including all appeals and negotiations, and will pay all settlement costs, or damages awarded against Customer, but Wuhan Iron & Steel Group Corporation shall not be liable to Customer for special, incidental, indirect or consequential damages.

In the event of such notice, suit or action, Wuhan Iron & Steel Group Corporation will at its expense procure for the Customer the right to continue using the Product, or modify the Product to render such non-infringing, or accept return and replace such with substantially equivalent non-infringing equipment, or accept return of the Product and refund or credit to Customer the amount of the original purchase price, less a reasonable charge for depreciation and damage.

The preceding agreements by Wuhan Iron & Steel Group Corporation in this section shall not apply to any Product or portion thereof manufactured to specifications furnished by or on behalf of Customer, or to any

infringement arising out of the use of the Product in combination with other equipment or software not furnished by Wuhan Iron & Steel Group Corporation or to use in a manner not normally intended, or to any patent, copyright, trademark or trade secret in which Customer, or subsidiary or affiliate thereof, has a direct or indirect interest, or if Customer has not provided Wuhan Iron & Steel Group Corporation with prompt notice, authority, information and assistance necessary to defend the action. The foregoing states the entire liability of Wuhan Iron & Steel Group Corporation for patent, copyright, trademark and trade secret infringements by the Product or portion thereof.

# 12. TECHNICAL DATA AND INVENTION

Unless specifically identified and priced in this contract as a separate item or items to be delivered by Wuhan Iron & Steel Group Corporation (and in that event, except to the extent so identified and priced), the sale of goods hereunder confers on Customer no right in, license under, access to, or entitlement of any kind to any of Wuhan Iron & Steel Group Corporation technical data including but not limited to design, process technology, software and drawings, or to Wuhan Iron & Steel Group Corporation inventions (whether or not patentable) irrespective of whether any such technical data or invention or any portion thereof arose out of work performed under or in the course of this contract, and irrespective of whether Customer has paid or is obligated to pay Wuhan Iron & Steel Group Corporation for any part of the design and/or development of the goods.

Wuhan Iron & Steel Group Corporation shall not be obliged to safeguard or hold confidential any data whether technical or otherwise, furnished by Customer for Wuhan Iron & Steel Group Corporation performance of this contract unless (and only to the extent that) Customer and Wuhan Iron & Steel Group Corporation have entered into a separate written confidential agreement.

Customer shall not violate Wuhan Iron & Steel Group Corporation copyright of documents or software or disclose Wuhan Iron & Steel Group Corporation confidential or proprietary data to others Wuhan Iron & Steel Group Corporation written permission.

# 13. ASSIGNMENT

Neither party may assign this Agreement in whole or in part without the prior written consent signed by an officer of the other party. Such consent shall not be unreasonably withheld.

#### 14. GOVERNING LAW, VENUE, AND JURISDICTION

This Agreement will be governed by and construed in accordance with the laws. The parties agree that any action to enforce any provision of this Agreement or arising out of or based upon this Agreement or the business relationship between Wuhan Iron & Steel Group Corporation and Customer will be brought in a local or Federal court of competent jurisdiction. Reasonable attorney fees shall be reimbursed, with respect to the foregoing, to the party who prevails on the merits.

# 15. **ENFORCEABILITY**

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall in no way be affected or impaired.

# 16. NOTICES

All notices shall be in writing and shall be delivered or sent by registered, certified or express mail, return receipt requested, to the addresses indicated in this Agreement or to such other addresses as the parties shall specify by giving notice pursuant hereto. A copy of all notices shall be sent to both party, Attention: Manager of Contracts.

# 17. <u>LIMITATION OF LIABILITY</u>

NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS CONTRACT, UNDER NO CIRCUMSTANCES SHALL MATSUZATO CO LTD, BE LIABLE TO CUSTOMER OR ANY THIRD PARTY CLAIMING UNDER CUSTOMER FOR SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, AS A RESULT OF A BREACH OF ANY PROVISION OF THIS CONTRACT. CUSTOMER HEREBY INDEMNIFIES AICHI ELECTRIC WORKS CO, LTD AGAINST ALL LOSS OR LIABILITY FROM CLAIMS BY CUSTOMER OR A THIRD PARTY ARISING OUT OF OR RELATING TO THE INSTALLATION, OPERATION, OR USE OF THE EQUIPMENT, WHETHER ON ACCOUNT OF NEGLIGENCE OR OTHERWISE.

# 18. <u>TERM</u>

This Agreement shall become effective on the date first stated above and shall remain in effect for a period of 5 year thereafter. Upon expiration of this 5 year period, this Agreement shall terminate unless otherwise extended by the written Agreement of both parties. Furthermore, either party may terminate this Agreement immediately in the event that the other party has breached a provision of this Agreement and has failed to cure the breach pursuant to Article II or in the event that the other party shall become liquidated, dissolved, bankrupt or insolvent, or shall take any action to be so declared. Notwithstanding any terms contained herein, the obligations of the parties as detailed in Articles 4, 5, 8, 13 and 19 shall survive the termination of this Agreement.

# 19. ENTIRE AGREEMENT

This Agreement supersedes all previous verbal and written communications, agreements, promises, and understandings and constitutes the sole and entire agreement between the parties pertaining to the subject matter hereof. No modification or deletion of, or addition to these terms shall be binding on either party unless made in writing and signed by a duly authorized representative of both parties.

*In Witness Whereof*, duly authorized representatives of the Parties, hereto have executed this Agreement as of the day and year first above written.

WUHAN IRON & STEEL GROUP CORP CUSTOMER

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By: Kang Wei By: John Layton

Title: Account Manager Title: Manager

Date: 15 March, 2011 Date: 15 March, 2011

SIGNATURE