AND AGREEMENT RE INDEMNITY AND DEFENSE INTELLECTUAL PROPERTY WARRANTY

- and Matrix Lighting Ltd. (hereinafter "BUYER"). This Intellectual Property Warranty is between Epistar Corporation (hereinafter "Epistar")
- This Warranty covers only the following Products

InGaN-based LED Chips: ES-CAXXV45B and ES-CAXXV45C (hereinafter "Products")

- Epistar warrants and represents that, to the best of its knowledge and belief, the Products property rights of a third party, including patents and copyrights. identified in Section 2 above do not infringe any valid and enforceable intellectual
- Claim(s), and BUYER shall not enter into any settlement negotiation or agreement BUYER also agrees and hereby provides Epistar with sole control of the defense, days of any such Claims; and (ii) tender the defense of any such Claim(s) to Epistar. Under this Agreement, BUYER agrees to: (i) notify Epistar in writing within fifteen (15) Products, Epistar shall defend BUYER, EXCEPT IN JAPAN, against such Claim(s). alleging infringement of intellectual property rights by BUYER's purchase of Epistar's In the event of an allegation, claim or lawsuit (hereinafter "Claim(s)") by a third party without Epistar's prior written consent. BUYER shall also provide Epistar with all including choice of attorneys, and all related settlement negotiations relating to such reasonable assistance and information related to the defense or settlement of such
- S the alleged infringement of the intellectual property rights. and refund BUYER's payments for any such returned Products. This Paragraph is the expenses for any counsel which BUYER may choose to retain on its behalf. Epistar may Where Epistar defends BUYER, Epistar will indemnify BUYER for any amount that is full extent of Epistar's liability to BUYER for any and all claims or damages caused by return of the Epistar Products that have not been incorporated into BUYER's own goods Products, modify or replace such Products to render them noninfringing, or require the at its sole discretion and expense, obtain the right for BUYER to continue selling such decree of a court of competent jurisdiction. This indemnity does not cover fees or required to pay as a result of any settlement, or of a final and non-appealable judgment or

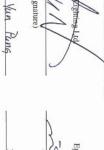


combination with other hardware or software not furnished by Epistar. request of BUYER or any third party, or (c) the operation or use of Products in (b) Epistar's compliance with specifications and/or special designs incorporated at the (a) modification(s) made to Products by BUYER or its customers or any third party, or to the extent that claims of intellectual property infringement are based on:

Epistar shall have no liability to defend or indemnify under this Warranty and Agreement

- be void if there is any disclosure of such information by BUYER, its officers, directors, shall be treated as strictly confidential information between Epistar and BUYER and shall employees, agents, contractors or subcontractors to any third party without prior written This Warranty and Agreement, including its existence as well as the contents thereof,
- connection with this Agreement first by amicable negotiations and, if unsuccessful, by R.O.C. Taiwan. BUYER and Epistar agree to resolve any dispute arising out of or in This agreement shall be governed by, and construed in accordance with the laws of Rules. The arbitration shall be held in Taiwan. arbitration in accordance with the Arbitration Law of the Republic of China and the tribunal shall consist of three (3) arbitrators, and be appointed in accordance with CAA provided that the arbitral tribunal shall have no power to order discovery. The arbitral Arbitration Rules of the Arbitration Association of the Republic of China ("CAA Rules"),







Ming-Jiunn JOU (Name)

For and on behalf of Matrix Lighting Limited 美力中間明末限公司

(Title)

President

Authorized Signature(s)

EPISTAR initials:

EPISTAR LED IC Intellectual Property Warranty and Agreement