

ADVENT MOLDED PRODUCTS, INC.  
2905 WEST CHOLLA STREET  
PHOENIX, ARIZONA 85029  
602-993-4184

Mr. Eddie Rye Jr.  
Traction Systems, Inc.  
1314 Spring Street #100  
Seattle, WA 98104-1358

Dear Eddie,

December 28, 1996

I wish to thank you for your time, dinner and your companionship on the 21st of December. All was fully enjoyed and appreciated.

You have asked me to detail the potential relationship of Advent Molded Products, Inc./Larry Thompson (Advent) and your new company (Newco).

I visualize Advent's contribution to Newco as three components. These are in no certain order.

1. MANUFACTURER'S REPRESENTATIVE. Advent will represent Newco and be responsible for sales and account management for certain existing and new customers. Advent shall be paid a commission of 5%, 7% or 10% for it's efforts. The commission paid to Advent shall be determined on a case by case basis. This will be based upon the level of development and measure of attention/time required and the desire of the customer. Larry Thompson and his staff are available to design and develop product as per case by case arrangement. This is to be a conventional "arm's length" manufacturers/manufacturers representative relationship.
2. MANUFACTURING SOURCE. Newco will manufacture product for Advent as a contract manufacturer. Advent warrants that Newco shall receive the prevailing hourly machine rate that Valley Plastics now receives adjusted utilizing COLA. All products generated by Advent that can be made by Newco shall be molded in-house by Newco for Advent.
3. CUSTOM PRODUCTS. Example: plastic pallets. Advent will provide Newco certain custom products to manufacture, sell directly and pay a royalty to Advent. These projects shall include certain products in which Advent has created, invented or otherwise used it's wherewithall to develop. Many opportunities are available in this area.

The relationship between Newco and Advent shall be straight forward, logical and shall include:

1. Advent shall provide extreme best effort to insure the success of Newco.
2. Advent shall lease certain office space from Newco. Payment shall be governed by prevailing rates for office space in the same area. Advent shall have use and access to lobby, kitchen, conference room and all other "common areas". Advent requires a 1 year lease with four 1 year options to renew.

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3.. Advent shall be responsible for it's own cost of operation and shall be a separate and sole entity. We may find it advantageous to share the cost of a receptionist.

This combination of talents, knowledge, contacts and equipment is clearly destined for total success.

We have a highly qualified plant manager, three mold makers, receptionist and blow molding experts that wish to return to the operation. These people were the "cream" of Advent's previous 35 person staff and are all top of the line employees.

I hope this information is sufficient. If not, please do not hesitate to call me.

Sincerely,

Advent Molded Products, Inc.



Larry Thompson  
President  
LLT/kdt