

STANDARD CONDITIONS OF SALE

- ENTIRE AGREEMENT.** Orders are accepted and materials are delivered only subject to these Standard Conditions of Sale. Unless expressly set forth herein or in another document signed by an authorized representative of the Seller any qualifications of these Conditions, or anything contrary to or inconsistent with any of these Conditions, or any additional conditions, must be deemed to be and will be, treated as inapplicable and of no effect. The acknowledgement of Seller's Sales Order, together with the Buyer's Order (to the extent that it is not inconsistent with these Standard Conditions of Sale), and these Standard Conditions of Sale constitute the whole contract between the Seller and the Buyer for the sale and purchase of the material designated on the front hereof, and such contracts shall be construed in accordance with the laws of the State of Oregon without giving effect to its conflicts of laws provisions.
- TERMS OF SALE.** Unless expressly set forth on the front hereof or otherwise agreed in writing by Seller, all materials are sold F.O.B. shipping point freight prepaid and allowed. Seller retains the right to designate routing and the method of transportation unless otherwise agreed by Seller in writing. Upon delivery of the materials to the carrier or other due tender of the materials for delivery at the F.O.B. point, all risk of loss or damage and other incidents or ownership pass to Buyer. All of Seller's products are carefully inspected and packed before shipment and are receipted for the carrier in good condition. If there is any evidence of injury to containers, packing or contents, Buyer should not receipt to carrier 'in good condition' but should give receipt according to facts. In a case of injury by carrier, Seller will, if requested by Buyer, make claims on behalf of Buyer provided the necessary data to substantiate such claims is submitted within the applicable statutory period to make such a claim.
- TERMS OF PAYMENT.** Unless expressly set forth on the front hereof or otherwise agreed in writing by Buyer and Seller, the terms of payment for all shipments made hereunder will be 30 days from date of invoice. Seller will be entitled to charge interest on any overdue amounts at the rate of 2% per month (24% per annum). Notwithstanding the foregoing, Seller shall be entitled, at its option, to refuse, modify or withdraw extension of credit to the Buyer. If Buyer is in default of any of the terms hereof, or any other contract with seller, Seller may, at its option, suspend fabrication and/or shipment of products until such default is made good, and Seller may elect to treat such default as final refusal to accept further shipments hereunder and cancel this contract without prejudice to claims for materials shipped and cancellation charges. Time is of the essence with respect to all of Buyer's payment obligations hereunder. Buyer grants Seller a continuing security interest in the products purchased by Buyer from Seller and the proceeds thereof. Buyer agrees from time to time to execute such documents as Seller deems necessary to perfect Seller's security interest.
- SALES TAXES.** Unless otherwise stated herein, the Seller's prices do not include sales, use, excise or similar taxes. Consequently in addition to the prices quoted by Seller to Buyer, Buyer shall pay to the Seller the amount of all present or future sales, use, excise or similar taxes which the Seller is required to pay or to collect in connection with Buyer's order. In the event that the stated contracted price is inclusive of any given tax, Buyer shall pay to the Seller any excess amount which the Seller is required to pay or to collect by virtue of a change in the rate of application of such tax.
- PRICES.** Products will be invoiced at Seller's prevailing prices as of the date of order; prior quotations or order acknowledgements notwithstanding.
- SALE FROM INVENTORY.** Orders for materials in stock or in warehouse are accepted subject to claims for such materials arising out of prior commitments or previous sales.
- WARRANTY.** Seller warrants that (a) the materials covered by this contract will conform to the description thereof set forth in this contract with the specifications and tolerances, unless otherwise specified, as shown in the appropriate Data Sheets at the Seller in force on date of this contract; (b) such materials will not be defective in material or workmanship; and (c) the title to such materials will be clear and free from encumbrances.

THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE ALL OF WHICH ARE SPECIFICALLY DISCLAIMED. Determination of the suitability of the products for the uses and applications contemplated by Buyer shall be the sole responsibility of Buyer. Buyer assumes all risks and liabilities for the results obtained by the use of the products whether used alone or in combination with other material. Seller makes no warranty or guaranty with respect to the results to be obtained by the use of the products. Seller's warranty is for a duration thirty (30) days (or period specified on the front hereof) from delivery of the products to the F.O.B. point. Any warranty claims must be made within the warranty period.

If Seller is notified within thirty (30) days (or period specified on the front hereof) after receipt of such materials by Buyer that there is a breach of any warranty by Seller, then, after the Seller has inspected the products and the Buyer and Seller have mutually agreed that there is a breach of warranty, Seller, at its option, will repair, replace or exchange such products or refund of the purchase price.

Seller shall not be liable for any design assistance provided to the Buyer, regardless of any special knowledge Seller possesses concerning the intended use of the product purchased, and the Buyer acknowledges that it has not relied on Seller's advice, if any, as to the suitability of the design for its intended purpose.

IN NO EVENT SHALL THE LIABILITY OF SELLER TO BUYER, WHETHER BASED IN CONTRACT, IN TORT OR OTHERWISE, EXCEED THE PRICE OF THE PRODUCTS WITH RESPECT TO WHICH SELLER'S LIABILITY IS CLAIMED, AND IN NO EVENT WILL SELLER BE LIABLE TO BUYER FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE, WHETHER BASED IN CONTRACT, IN TORT OR OTHERWISE, THAT ARISE IN CONNECTION WITH THE PRODUCTS OR IN CONNECTION WITH EITHER SELLER'S FAILURE TO DELIVER OR ITS LATE DELIVERY OF THE PRODUCTS (INCLUDING, BUT NOT LIMITED TO, LOSS OF USE OF THE PRODUCTS AND LOSS OF PROFITS). Buyer acknowledges that the remedies provided herein are exclusive and in lieu of all other remedies available to Buyer at law or in equity. Every right, exemption from liability and defense of whatever nature to which the Seller is entitled hereunder shall extend to protect every agent or employee of the Seller and for the purpose of the foregoing provision the Seller shall be deemed to be acting as agent or trustee on behalf of its employees and agents.

- BUYER SUPPLIED PRODUCT.** Seller cannot accept responsibility for the quality or the workmanship of the material(s) received for finishing, nor the quality of the finishing as a result of damaged, stained, defective or prefinished materials received from the Buyer or Seller's supplier.
- END USE RESPONSIBILITY.** Buyer warrants and represents that it is using the materials by itself or in conjunction with other products and materials, in a manner that is safe and effective and meets all legal standards, both express and implied, for safety and effectiveness.
- BUYER DESIGNED PRODUCTS.** Buyer acknowledges that the products sold to Buyer hereunder are made by Seller in accordance with Buyer's designs, specifications and parameters. Buyer agrees to indemnify and hold harmless Seller and its affiliates, shareholders, directors, officers, employees, successors and assigns from and against any and all liabilities, demands, claims, assessments, costs, judgments, awards, fines, sanctions, penalties, charges, damages, expenses (including any amounts paid in settlement, investigative costs, court costs and attorneys' fees and costs) or losses at any time incurred by any of them as a result of the manufacture or sale of products or any prototype of same, purchased by Buyer from Seller hereunder, arising out of, related to or in connection with, in whole or in part, the design, manufacture, sale, re-sale or use of the products by any person, or any documentation or other data furnished by Seller pursuant to these Conditions, including without limitation, any manufacture, sale, re-sale or use of any thereof and any claims for personal injury, infringement, property damage or other economic loss, whether arising in contract, tort or under any other legal theory (including negligence of Seller or strict liability). Buyer's duty to defend Seller against any such claims is triggered by written notice of any such claim submitted to Buyer by Seller or on Seller's behalf. Seller shall have the right to approve defense counsel retained to represent Seller in any such claim, said approval not to be unreasonably withheld.
- SHIPPING PREDICTIONS.** Shipping predictions shall be calculated from the date of receipt at the Seller's office of full manufacturing details. Any time or date named by the Seller for shipment is given and intended only as an estimate, and the Seller shall not be liable for any damages resulting directly or indirectly for any delay in shipment. Delays in delivery or performance do not entitle Buyer to cancel any order, refuse any items, or claim damages.
- TOOLING.** Tooling purchased by Seller for Buyer shall remain the property of the Seller and in its possession. The Seller agrees to maintain tooling in condition to furnish material to original specifications, subject to standard commercial tolerances or other tolerances mutually agreed upon by Buyer and Seller. When for 18 consecutive months no orders have been received for a shape, the tooling may be scrapped or otherwise disposed of without reference or accounting to the Buyer.
- FORCE MAJEURE.** The Seller shall not be liable for any delay in the fulfillment of or failure to fulfill this order for any cause beyond the control of the Seller or without prejudice to the generality of the foregoing, in case of Act of God, war, riots, fire, explosion, flood, earthquakes, strikes (including strikes at facilities of Seller or its affiliates), lockout, injunction or inability to obtain (for) the Seller's customary and then existing sources, supplies of power, fuel, raw materials, finished products, labor, transportation facilities, or Government allocation (including allocation at request of or in cooperation with Government) preventing the manufacture, shipment, acceptance or consumption of a shipment of goods or material upon which the Seller is dependent. If, because of any such circumstances, the Seller is unable to supply the total demand of the Seller's business, the Seller's obligation shall be reduced to the extent necessary in the Seller's judgment to allocate in an equitable manner among its customers (including divisions, subsidiaries and affiliates of the Seller) including new customers and those not under contract, the materials of a kind covered by this order then available for delivery and such quantity as may be manufactured in the ordinary course of business or received from the Seller is customary and then existing sources of supply. The Seller shall not be required to increase its taking from any other source of supply or to purchase any supply of materials of the kind covered by this order to replace the supplies curtailed or cut off. Any materials not shipped when due for any cause hereinbefore mentioned may be cancelled by the Seller or the Buyer, upon payment of the Seller's usual cancellation charges, if any, but the contract shall not otherwise be affected.
- CANCELLATION.** In the event that Buyer cancels an order, Buyer shall pay Seller as liquidated damages the full purchase price for such materials as are completed and an equitable price for such materials as are in process at the time of cancellation, which price shall include the cost of materials acquired by the Seller together with a reasonable allowance for overhead and profits on work performed.
- INSURANCE DURING TRANSIT.** Buyer shall insure the items for their full value during transit from the F.O.B. point, with such insurance to contain a provision waiving all rights of subrogation against Seller and its employees, agents, and representatives with respect to losses payable under such policy. Buyer hereby waives and releases Seller and its employees, agents, and representatives of and from any and all rights of recovery, claim, action or cause of action for any loss or damage that may occur to the products during transit regardless of cause or origin, including the negligence of Seller or its employees, agents, or representatives, and Buyer acknowledges that the foregoing waiver and release is intended to result in any such loss or damage being borne by the insurance carrier of Buyer, or by Buyer if Buyer fails to obtain and maintain the insurance required hereunder.