

TERMS AND CONDITIONS OF SALE

VANPORT INTERNATIONAL, INC. (SELLER), AN OREGON CORPORATION AGREES TO SUPPLY ORDERED GOODS ONLY UPON TERMS AND CONDITIONS OF SALE: THE FOLLOWING TERMS AND CONDITIONS ("TERMS OF SALE"). BY ACCEPTING DELIVERY OF GOODS FROM SELLER, BUYER AGREES TO BE BOUND BY TERMS AND CONDITIONS SET FORTH BELOW.

1. **TERMS AND CONDITIONS.** Seller's commencement of the delivery of the goods and/or services ordered by Buyer and Buyer's acceptance of such deliveries shall constitute a firm contract on the terms stated in Seller's Invoice, Sales Order Confirmation and these Terms and Conditions. Seller's confirmation of Buyer's Purchase Order is not subject to any other terms and conditions unless such terms and conditions are set forth in an agreement signed by both Seller and Buyer and only to the extent that any such signed agreement references and specifically amends these Terms and Conditions. All offerings are subject to prior sale. Buyer's purchase order is subject to credit approval, Seller reserves the right to cancel order if credit is not approved by seller's credit department. Seller reserves the right to periodical credit checks.
2. **PRICES AND PAYMENT.** Prices are in U.S. Dollars. Unless otherwise specified in writing by Seller, all prices are exclusive of taxes, customs, duties, transportation and insurance, and any and all current or future tax or governmental charge (including sales tax) applicable to the sale, delivery, shipment or storage of the Goods that Seller is required to pay or collect shall be for Buyer's account, shall be added to the price and shall not be subject to reduction. Unless as otherwise agreed to in writing by Seller, payment of Seller's invoices shall be due and payable as per payment terms on Seller's Sales Order Confirmation. Seller may, at its option, impose a late payment charge on any past due invoice equal to the lesser of 1.0% per month or the maximum rate allowed by law on the entire outstanding balance, until the outstanding balance is paid in full. Seller shall charge \$50.00 processing fee for any insufficient funds. Prices are subject to periodic adjustment by Seller in the form of a revised price sheet to be provided by Seller to Buyer from time to time. Unless Buyer objects to any revised price sheet in writing the new Price Sheet will be effective on delivery to Buyer.
3. **DELIVERY; DAMAGE.** All delivery dates are approximate and not guaranteed. Seller reserves the right to ship order in full or portion of order if needed. Unless agreed to in writing, all charges at destination are for the buyer's account and are not included in the sale price. Seller shall not be responsible for any damage of any kind resulting from any delay. Seller shall not be liable for any default or delay in performance if caused directly or indirectly, by acts of God; weather, war; force of arms; pandemic, disease, acts of terrorism; fire; flood; the elements; riot; labor disputes; picketing or other labor controversies; sabotage; civil commotion; accidents; any governmental action, prohibition or regulation; delay in transportation facilities; shortage or breakdown of or inability to obtain or non-arrival of any labor, material or equipment used in the manufacture of the goods; failure of any party to perform any contract with Seller relative to the production of the goods; or from any cause whatsoever beyond Seller's control. If such event(s) affect Seller, Seller may, without liability, allocate and distribute its goods among such customers and in such proportions as Seller determines in its sole discretion. In no event shall Seller be liable to Buyer for the loss or damage to Buyer's inbound material which is improperly paper wrapped and sealed from the weather and elements. Buyer understands and agrees that Seller cannot store all inbound material inside and as such Buyer must make any and all necessary preparations of its material to sit outside and withstand all elements including, rain, sleet, wind and snow and Buyer assumes all responsibility for such damage, will at all times keep such material insured by a reputable insurance company to protect against such losses and will indemnify and hold Seller harmless therefrom. This section shall survive the completion of all purchases and any agreements between Buyer and Seller.
4. **"SECONDS."** Seller shall not be responsible for any defect, loss, damage or injury caused by any product described as "seconds." Examples of terms denoting "seconds" shall include, without limitation, the following: "Shop, Mill Seconds (M.S.), Rejects, Blows, Pops, Mis-manufacture, Utility, Not-certified (N.C.), Ply-crate, Crating, Pot-liner, Blanks, Economy, Dunnage, Fall-down, Damage, "AS IS", Without recourse, and Without any warranty, express or implied."
5. **REJECTION OF NON-CONFORMING GOODS.** Unless otherwise set forth in an express written limited warranty or full warranty provided by Seller, rejection of non-conforming goods must be made by Buyer in writing within ten (10) days of receipt, and all defects ascertainable at the time of giving notice shall be stated

with particularity or deemed waived. Seller shall not be held responsible for any claim submitted 30 days after container release at destination. In event of any complaint, shipment shall be held intact, and specification of objections, accompanied by tally and pictures of objectionable goods, shall be submitted directly to Seller. If full credit is allowed for non-conforming goods and unless otherwise set forth in a limited warranty or full warranty provided by Seller, the goods must be retained intact at the delivery point, and Seller shall have 60 days from the date of such allowance to dispose of such goods. Under no circumstances are goods to be returned to Seller unless Buyer has written permission of Seller to do so. A claim that goods are non-conforming shall not entitle Buyer to deduct any sum from any invoice unless such claim has been allowed in writing. Invoices shall be paid in full in accordance with these Terms of Sale, and, in the event of subsequent allowance of any claim, Seller shall promptly make payment to Buyer for the amount so allowed.

6. **RETURN POLICY.** Buyer shall pay a 15% restocking charge if any product is returned within 45 days from invoice date (no returns allowed on special order items). No credits will be issued after 45 days of invoice date. All returns are subject to inspection by Seller, and must be in re-salable condition, including clean and free of damage.
7. **WARRANTY.** To the extent the materials furnished hereunder are furnished by suppliers to Seller they are warranted by Seller only to the extent of the original warranties provided to Seller by its supplier, to the extent such warranties are transferable to Buyer and, if Seller's supplier is not the manufacturer of the ordered goods, by the original manufacturer of the ordered goods. Seller will provide all reasonable assistance to Buyer in obtaining the benefits of such warranties. **THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL OR IMPLIED, INCLUDING ANY WARRANTY OF PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND SUPERSEDES AND EXCLUDES ANY ORAL OR WRITTEN WARRANTIES OR REPRESENTATIONS, MADE OR IMPLIED IN ANY MANUAL, LITERATURE, ADVERTISING BROCHURE OR OTHER MATERIALS.** Seller provides no warranties for inbound product furnished by the Buyer.
8. **LIMITATION OF LIABILITY.** Seller's liability to Buyer on any claim of any kind, including negligence, with respect to the goods or services delivered hereunder, shall in no case exceed the price of the ordered goods or part hereof which gives rise to the claim. **IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR AS A RESULT OF, THE SALE, DELIVERY, NON-DELIVERY, SERVICING, USE OR LOSS OF USE OF THE GOODS OR ANY PART THEREOF, OR FOR ANY CHARGES OR EXPENSES OF ANY NATURE INCURRED WITHOUT SELLER'S WRITTEN CONSENT, EVEN THOUGH SELLER HAS BEEN NEGLIGENT, AND BUYER INDEMNIFIES AND HOLDS SELLER, ITS SHAREHOLDERS, OFFICERS AND DIRECTORS, HARMLESS FROM ANY AND ALL SUCH CLAIMS OF DAMAGE BY BUYER OR OTHERS. IN NO EVENT SHALL SELLER'S LIABILITY UNDER ANY CLAIM MADE BY BUYER UNDER THIS AGREEMENT OR OTHERWISE EXCEED THE PURCHASE PRICE OF THE GOODS IN RESPECT TO WHICH DAMAGES ARE CLAIMED.**
9. **LIMITATION OF ACTIONS.** Any action for any loss or damage with respect to the goods delivered by Seller hereunder must be commenced by Buyer within one year after Buyer's cause of action has accrued.
10. **INDEMNIFICATION AND WAIVER.** Buyer shall defend, indemnify and hold harmless Seller from all loss or damage sustained directly by Seller, and from and against all claims asserted against Seller with respect to the sale of goods or services which are the subject to these Terms of Sale arising in whole or in part out of Buyer's, its agents', employees', and/or customers' (a) failing to follow specifications, instructions, warnings, or recommendations furnished by Seller; (b) failing to comply with all applicable legal requirements, including but not limited to, the Occupational Safety and Health Act of 1970, as amended; (c) misusing or making misrepresentations as to the goods; (d) being negligent; (e) providing designs, plans, specifications or other instructions which infringe or are alleged to infringe any patent, trademark, copyright, or other intellectual property right. Buyer hereby waives and releases Seller from all rights of contribution or indemnity to which it may otherwise be entitled and (f) failure to properly protect Buyer's inbound products from rain, wind, sleet and snow. As used in this Section 9, the term "Seller" shall include Seller, its officer, directors, agents, employees, subcontractors, parents, subsidiaries, divisions or affiliates.
11. **NO CANCELLATION.** After confirmation by Seller, Buyer's purchase orders shall not be subject to cancellation by Buyer except with Seller's express written consent, and upon terms that will compensate Seller against all direct, incidental and consequential losses incurred, or damages suffered, as a result of Seller's commencement of performance. Buyer shall also be obligated to pay all reasonable cancellation charges including (1) the price for goods and services completed prior to Seller's receipt of such notice, (2) all costs

- previously incurred in connection with uncompleted goods or services together with reasonable profit thereof and (3) the expenses incurred by Seller by reason of such cancellation.
12. **TAXES.** All taxes and other charges imposed by federal, state, local, or foreign governments on the manufacture, sale, shipment, import, export, or use of the goods (other than income taxes) shall be paid by Buyer. Buyer shall defend, indemnify, and hold harmless Seller from and against all liabilities for such taxes or charges and attorney's fees or costs incurred by Seller in connection therewith.
 13. **INSURANCE.** Buyer shall provide and maintain the following minimum insurance coverages on an "occurrence" basis for goods provided by Buyer to Seller for processing and for goods delivered hereunder against loss or damages by fire, weather, rain, sleet, snow, wind, acts of terrorism, or other causes during the time between delivery and final payment: Commercial General Liability, including Products/Completed Operations in the amount of \$1,000,000. Buyer shall furnish to Seller certificates of insurance showing the above referenced coverages and providing for at least thirty (30) days prior written notice of cancellation or modification and naming Seller as an additional insured.
 14. **PROPRIETARY RIGHTS.** Buyer agrees it will not copy, nor permit anyone else to copy, any goods or parts thereof, or any pattern, plan, drawing, specification, instruction or depiction thereof, without written approval of Seller, and that it will not knowingly, directly or indirectly, violate or infringe upon or contest the validity of any patent, license or other right of Seller or third parties pertaining to any of said goods. Where any goods are manufactured from patterns, plans, drawings or specifications furnished by Buyer, Buyer shall indemnify Seller against and save Seller harmless from all loss, damage and expense arising out of any suit or claim against Seller for infringement of any patent, trademark, copyright or other right arising out of the manufacture of such goods or because of the use or sale of such goods by any person.
 15. **SECURITY AGREEMENT; CREDIT AND COLLECTION.** To secure payment of all sums due hereunder or otherwise, Seller shall retain a security interest in the goods delivered and subject to these Terms of Sale which shall be deemed a Security Agreement under the Uniform Commercial Code. Buyer authorizes Seller as its attorney to execute and file on Buyer's behalf all documents Seller deems necessary to perfect such security interest. Seller also reserves the right to cancel any order or delay any shipment, or demand full or partial payment if buyer's credit standing, or ability to pay is called into question by any event or circumstance. Seller reserves the right to cancel any order at any time upon Buyer's failure to pay any amounts due Seller. Seller and Buyer understand and agree that should there be any legal proceedings or litigation arising out of the sale of goods by Seller to Buyer including non-payment by Buyer, the prevailing party in such proceedings or litigation will be entitled to have its attorney fees paid for by the non-prevailing party in such litigation, including reasonable attorney fees and costs on appeal. Buyer may not assign its rights under any order for the purchase of goods with Seller, in or whole or in part, without Seller's prior written consent. Any attempt to assign without such consent will be null and void. Title to the goods covered by this contract shall remain in Seller until payment in full is received. In extending any credit hereunder, Seller may charge Buyer finance, service or late charges in an amount not greater than allowed by law, and if Buyer fails to pay according to the terms of this contract, Seller may make such charges and may also collect the amount unpaid with Buyer being liable to Seller for all costs of collection including attorney's fees.
 16. **MISCELLANEOUS.** The Order Confirmation, Seller's Invoice and these Terms of Sale constitute the entire agreement between Buyer and Seller relating to the ordered goods. No modifications shall be binding upon the Seller unless in a writing signed by Seller's duly authorized representative. No modification of these Terms of Sale will be affected by the acknowledgment or acceptance of other shipping instruction forms or any other document containing terms and conditions at variance with or in addition to these Terms of Sale, all such varying or additional terms being deemed invalid. No waiver by Seller or default by Buyer shall be deemed a waiver of any subsequent default. The invalidity, illegality, or unenforceability of any one or more provisions hereof shall in no way affect or impair the validity, legality, or enforceability of the remaining provisions hereof, which shall remain in full force and effect. This agreement shall be governed by the laws of the state of Oregon, without giving effect to its principles of conflicts of law. These Terms of Sale are binding on the Parties successors and assigns. The Order Confirmation, Invoice and these Terms of Sale shall be governed by and construed in accordance with the substantive laws of the State of Oregon. Any civil action or proceeding arising out of or related to the Order Confirmation, an Invoice or these Terms of Sale shall be brought exclusively in the appropriate state and/or federal court located in Clackamas County, Oregon. Buyer consents to the jurisdiction of such courts and waive any objection to the laying of venue of any such civil action or proceedings in such courts.