

PURCHASE ORDER TERMS AND CONDITIONS

VANPORT INTERNATIONAL, INC. (BUYER), AN OREGON CORPORATION, AGREES TO PURCHASE ORDERED GOODS ONLY UPON THE ACCEPTANCE BY THE SELLER OF THE PURCHASE ORDER TERMS AND CONDITIONS.

ALL ISSUED PURCHASE ORDERS BY BUYER ARE GOVERNED BY FOLLOWING TERMS AND CONDITIONS APPLICABLE TO THE COUNTRY WHERE THE GOODS ARE DELIVERED. BY ACCEPTING DELIVERY OF GOODS FROM SELLER, SELLER AGREES TO BE BOUND BY THE FOLLOWING TERMS AND CONDITIONS.

- 1. TERMS AND CONDITIONS.** Acceptance of the Purchase Order by the Seller, 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 Buyer's Purchase Order and these Terms and Conditions. Buyer's confirmation of Seller's Sales Order Confirmation is not subject to any other terms and conditions unless such terms and conditions are set forth in an agreement signed by both Buyer and Seller and only to the extent that any such signed agreement references and specifically amends these Terms and Conditions.
- 2. PRICES AND PAYMENT.** Prices are in U.S. Dollars. Prices in purchase order shall be complete price for materials including those related to freight, handling, packaging and other fees. No increase in price is allowed unless agreed to in writing by Buyer. Any changes to material, labor, freight, duty or other cost after date of contract are for Seller's account unless otherwise specified. Unless otherwise agreed to in writing by Buyer, payment of invoice shall be made by Buyer according to the terms agreed upon in the purchase order.
- 3. CHANGES.** Seller not allowed to make any changes to material without prior written approval by Buyer. Buyer has right at any time to change materials, quantity, specifications, packaging, shipping schedule, place of delivery or method of transportation. If changes increase or decrease cost required to make changes, adjustment to cost shall be made.
- 4. DELIVERY.** Materials are to be shipped to delivery point as specified in purchase order and by the delivery date set in purchase order. Seller must notify Buyer of any delay in shipping or Seller will be in breach of contract. Buyer reserves right to terminate purchase order if material is not delivered on time. Substitute material of equal or better quality due to late shipment may replace original material at Seller's expense or Buyer has right to purchase material from other suppliers. Title and risk of loss will pass to Buyer when material is delivered to Buyer's facility and materials accepted by Buyer's facility. All material shall be packed, marked, loaded and shipped per purchase order or as specified by Buyer. Buyer has right to reimbursement by Seller for any expenses incurred due to improper packing, marking, loading or shipping of material. All solid wood packing material must be Heat Treated an IPPC stamped. Stamp must be visible upon inspection.
- 5. REJECTION OF NONCONFORMING GOODS.** Buyer reserves right to reject all or a portion of the shipment if Buyer determines goods are defective or nonconforming. If Buyer keeps the defective or nonconforming goods, Seller shall reduce the price of material in an amount mutually agreed by Buyer and Seller. If Buyer and Seller cannot agree on the price reduction for defective or nonconforming goods, or if Buyer rejects defective or nonconforming goods, Seller, at its expense shall replace the goods and pay for all expenses to return the defective or nonconforming goods and delivery of replacement material. Buyer also has right to cancel any unshipped portion of the purchase and receive full refund of cancelled portion if payment has been made.
- 6. PURCHASE OF IMPORT'S TO THE UNITED STATES.** All documents must be in English. Invoices from Seller must be received in timely manner with accurate information and must include any supporting documentation required by Buyer. Seller must promptly reply to any request from Buyer for documents needed to clear customs.

ISF: Seller must send ISF data at least 48 hours prior to vessel departure from Last Foreign Port of Call. If Buyer is charged penalty for late filing of ISF from US Customs due to Seller sending ISF information after vessel sails from Last Foreign Port of Call, Buyer will charge such penalties back to Seller.

Lacey Act: Material must be in compliance with Lacey Act. Seller must provide Buyer Country of Harvest, Species and Genus of Material. Seller agrees to hold harmless Buyer from any loss resulting from any violation by the Seller of the Lacey Act. If Materials are seized or required to be forfeited by Buyer, by any government agency due to misrepresentation by Seller, Buyer shall have the right to recover from Seller amount Buyer paid Seller for the materials and any fees US Customs imposes on Buyer.

- 7. LIMITATION OF LIABILITY.** Buyer's liability to Seller on any claim of any kind, including negligence, with respect to the goods or services sold by Seller and 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 BUYER BE LIABLE TO SELLER FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR AS A RESULT OF, THE PURCHASE, 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 BUYER'S WRITTEN CONSENT, EVEN THOUGH BUYER HAS BEEN NEGLIGENT, AND SELLER INDEMNIFIES AND HOLDS BUYER, ITS SHAREHOLDERS, OFFICERS AND DIRECTORS, HARMLESS FROM ANY AND ALL SUCH CLAIMS OF DAMAGE BY SELLER OR OTHERS. IN NO EVENT SHALL

BUYER'S LIABILITY UNDER ANY CLAIM MADE BY SELLER UNDER THIS AGREEMENT OR OTHERWISE EXCEED THE PURCHASE PRICE OF THE GOODS IN RESPECT TO WHICH DAMAGES ARE CLAIMED.

8. **LIMITATION OF ACTIONS.** Any action for any non payment with respect to the goods purchased by Buyer hereunder must be commenced by Seller within one year after Seller's cause of action has accrued.
9. **INDEMNIFICATION AND WAIVER.** Seller shall defend, indemnify and hold harmless Buyer from all loss or damage, liabilities, lawsuits, proceedings and expenses, including attorneys' fees, sustained directly by Buyer, and from and against all claims asserted against Buyer with respect to the sale of goods or services which are the subject of these Terms and Conditions arising in whole or in part out of Seller's, its agents', employees', and/or customers' (a) failing to follow specifications, instructions, warnings, or recommendations furnished by Buyer; (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, products, plans, specifications or other instructions which infringe or are alleged to infringe any patent, trademark, copyright, or other intellectual property right. Seller hereby waives and releases Buyer from all rights of contribution or indemnity to which it may otherwise be entitled and (f) failure to properly protect Seller's inbound products from rain, wind, sleet and/or snow. As used in this Section 10, the term "Buyer" shall include Buyer, its officer, directors, agents, employees, subcontractors, parents, subsidiaries, divisions or affiliates.
10. **NO CANCELLATION.** After confirmation by Buyer, Seller's sales order shall not be subject to cancellation by Seller except with Buyer's express written consent, and upon terms that will compensate Buyer against all direct, incidental and consequential losses incurred, or damages suffered, as a result of Buyer's commencement of performance. Seller shall also be obligated to pay all reasonable cancellation charges including (1) the price for goods and services completed prior to Buyer'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 Buyer by reason of such cancellation.
11. **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 Seller. Seller shall defend, indemnify, and hold harmless Buyer from and against all liabilities for such taxes or charges and attorney's fees or costs incurred by Buyer in connection therewith.
12. **INSURANCE.** Seller shall provide and maintain the following minimum insurance coverages on an "occurrence" basis for goods provided by Seller to Buyer 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. Seller shall furnish to Buyer 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 Buyer as an additional insured.
13. **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 Buyer unless in writing signed by Buyer'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 Buyer or default by Seller 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. Seller 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.