TERMS AND CONDITIONS THIS IS A MULTIPURPOSE FORM

The Following Terms and Conditions apply as an Invoice, Sales Order, Work Order, Quotation, Packing List or Cash Sale Receipt

1. Acceptance. All sales of goods from Seller to Buyer and furnishing of services by Seller to Buyer are subject to and are governed by the terms and conditions set forth below and on the face of this Agreement. These terms and conditions, and the terms on the face of this Agreement, represent the final, complete, and exclusive agreement between Seller and Buyer with respect to the sale of Seller's goods and furnishing of services by Seller. If the terms and conditions of this Agreement differ in any way from the terms and conditions of any purchase order submitted by Buyer, this Agreement shall be considered as a counteroffer and shall not be effective as an acceptance of Buyer's purchase order. Acceptance of Buyer's purchase order is expressly made conditional upon buyer's assent to the terms and conditions contained herein and on the face of this Agreement. The failure of Buyer to object in writing within ten (10) days from the date of receipt of this document shall constitute Buyer's assent to these terms and conditions of sale. No additions to or modifications of any of the terms and conditions hereof shall be effective unless made in writing and signed by both parties.

2. Prices/Payment.

- (a) Prices and charges stated on the face of this Agreement are subject to change without notice and shall be adjusted to and invoiced at the Seller's prices and charges in effect at the time of the shipment of goods or furnishing of the services. Unless otherwise agreed, all prices are exclusive of applicable federal, state, or local sales, use, excise, or other similar taxes. All such taxes shall be for Buyer's account and paid for by Buyer.
- (b) Payment in full is due within thirty (30) days after the date of invoice issued by Seller, subject to credit approval. In the event payment is not made within that time, Buyer agrees that a late charge of one and one-half percent (1 1/2%) of the outstanding balance shall be added each month to the unpaid balance.
- 3. **Delivery.** Seller is not obligated to make delivery by any specified date, but will always use reasonable efforts to make delivery within the time requested. Seller shall not be liable to Buyer for any loss, expense, or damages of any type resulting from or relating to Seller's failure to deliver goods later than the specified delivery date or dates. Deliveries shall be made F.O.B. Seller's facility unless specifically agreed otherwise.
- 4. <u>Limited Warranty.</u> SELLER WARRANTS THAT IT HAS TITLE TO ALL GOODS FURNISHED BY SELLER AND THAT ALL GOODS AND SERVICES WILL COMPLY WITH SELLER'S SPECIFICATIONS. OTHER THAN SELLER'S STANDARD WRITTEN LIMITED WARRANTIES ON CERTAIN PRODUCTS. THERE ARE NO OTHER WARRANTIES, EXPRESSED OR IMPLIED (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY AND ANY IMPLIED WARRANTY OF FITNESS FOR PURPOSE). ON ANY GOODS OR SERVICES PROVIDED HEREUNDER.
- 5. <u>Limitation of Buyer's Remedies.</u> BUYER'S SOLE REMEDY WITH RESPECT TO ANY CLAIM ARISING OUT OF ANY ORDER OR SELLER'S PERFORMANCE IN CONNECTION THEREWITH INCLUDING, WITHOUT LIMITATION, ANY CLAIM ARISING OUT OF ANY DEFECT OR ALLEGED DEFECT IN ANY GOODS OR SERVICES FURNISHED BY SELLER, SHALL BE EXCLUSIVELY (AT SELLER'S SOLE OPTION) THE RIGHT OF REPLACEMENT OF SUCH GOODS OR SERVICES OR REPAYMENT OF THE PURCHASE PRICE THEREFOR WITHOUT LIMITING THE FOREGOING. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY LOSS OF ANTICIPATED PROFITS) INCURRED BY BUYER WITH RESPECT TO ANY GOODS OR SERVICES FURNISHED BY SELLER.
- 6. <u>Claims.</u> Unless otherwise expressly agreed in writing, claims respecting the condition of goods, compliance with specifications, or any other matter affecting goods shipped or services provided to

Buyer, must be made promptly and in no event later than twenty (20) days after receipt of the goods by Buyer or the furnishing of the services by the Seller. Failure of Buyer to make a claim within such 20-day period shall be deemed an unqualified acceptance of the goods or services by Buyer. Buyer shall set aside, protect, and hold such goods (without charge to Seller) without further processing until Seller has an opportunity to inspect and advise of the disposition, if any, to be made of such goods. In no event shall any goods be returned, reworked, or scrapped by Buyer without the express written authorization of Seller.

- 7. <u>Setoff.</u> Seller shall have the right to credit toward the payment of any monies that may become due Seller hereunder any sums which may now or hereafter be owed to Buyer (or any subsidiary or affiliate thereof) by Seller (or any subsidiary or affiliate thereof).
- 8. **Default and Seller's Remedies.** If Buyer fails to make timely payment on any sale of goods from Seller to Buyer, Seller, in addition to any other remedies available to it, may at its option, (a) defer further shipment until such payments are made and satisfactory credit arrangements are reestablished or (b) cancel the unshipped balance of any order, and Buyer shall not have any cause of action or be entitled to any offset, counterclaim, or recoupment against Seller by reason of such action. In the event of Buyer's default, Seller may exercise any and all remedies set forth in this document, any other agreement between the parties, and applicable law, all of which rights and remedies are cumulative.
- 9. <u>Technical Assistance.</u> Unless otherwise expressly agreed in writing: (a) any technical advice provided by Seller with respect to the use of goods or services furnished to Buyer shall be without charge; (b) Seller assumes no obligation or liability for any such advice or for any results occurring as a result of the application of such advice; and (c) Buyer shall have sole responsibility for selection and specification of the goods or services appropriate for the end use of such goods or services.
- 10. **Waiver.** Waiver by Seller of any breach of any of the terms and conditions set forth herein shall not be construed as a waiver of any other breach and the failure of Seller to exercise any right arising from any default of Buyer hereunder shall not be deemed to be a waiver of such right.
- 11. <u>Assignment.</u> Buyer shall not assign any order or any interest therein without the prior written consent of Seller. Any such actual or attempted assignment without Seller's prior written consent shall entitle Seller to cancel such order upon written notice to Buyer.
- 12. <u>Governing Law; Jurisdiction; Venue.</u> Unless otherwise agreed in writing, the interpretation and enforcement of this document and any disputes arising between Seller and Buyer shall be governed by and interpreted in accordance with the laws of the State of Washington, without regard to the principles of conflicts of law thereof. The parties hereto shall be subject to the jurisdiction of the state and federal courts located in Washington with respect to any dispute or litigation arising under or in connection with the sale of goods or services hereunder. Venue for purposes of any litigation shall be in King County, Washington, and each party hereto waives all claims that such a forum is inconvenient or that a more convenient forum can be found.
- 13. <u>Collection Costs and Attorney Fees.</u> Buyer agrees to pay all of Seller's costs and expenses incurred in collecting payments due from Buyer. If Seller retains an attorney to collect payments due from Buyer, or to enforce or interpret any term of this document, Buyer agrees to pay, in addition to all other amounts due to Seller, Seller's collection expenses, court costs, and reasonable attorney fees incurred prior to and at trial, and on any appeal. If Seller refers the account to a collection agency, Buyer agrees to pay all costs, expenses, and attorney fees incurred by the collection agency in collecting payments due from Buyer.
- 14. <u>Entire Agreement.</u> These terms and conditions and the terms on the face of this Agreement, together with any other document incorporated herein by reference, constitute the sole and entire agreement between Buyer and Seller with respect to any order or sale of goods or furnishing of services to Buyer, superseding completely any prior or contemporaneous oral or written communications.

The Following Terms and Conditions apply as a Purchase Order

- 1. <u>Acceptance -Agreement.</u> Acceptance of this Purchase Order is expressly limited to the terms set forth in this Purchase Order. Any terms proposed in Seller's acceptance of Buyer's offer which add to, vary from, or conflict with the terms herein are hereby objected to. If this Purchase Order has been issued by Buyer in response to an offer, and if any of the terms herein are additional to or different from any terms of such offer, the issuance of this Purchase Order by Buyer shall constitute an acceptance of such offer, subject to the express conditions that Seller assent to such additional and different terms herein and acknowledge that this Purchase Order constitutes the entire agreement between Buyer and Seller with respect to the subject matter hereof and the subject matter of such offer.
- 2. <u>Prices.</u> All prices shall be as stated in this Purchase Order and are firm and not subject to escalation. Seller warrants that the prices shown on this Purchase Order shall be complete, and no extra charges of any kind will be allowed unless agreed to in writing by Buyer. Such additional charges include, but are not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing and crating.
- 3. <u>Packaging and Shipment.</u> All goods shall be packaged, marked, and otherwise prepared for shipment by Seller in suitable containers in accordance with sound commercial practices. Buyer's order number shall appear on all packages, invoices, packing slips, and shipping papers for all goods. Seller shall mark on containers all necessary handling, loading, and shipping instructions. Seller shall pay all costs of packaging, transportation, and insurance in delivering the goods to the agreed destination. The cost of all return shipments, for whatever reason, shall be borne by Seller.
- 4. **Delivery.** Time is of the essence of this Purchase Order and deliveries are to be made in the quantities and at the times specified in this Purchase Order. Any provision for delivery in installments shall not be construed as making the obligations of the Seller severable. If delivery cannot be made at the specified time and place, Seller shall promptly notify Buyer of the earliest possible date for conforming delivery. Notwithstanding such notice and unless otherwise agreed by Buyer in writing, Seller's failure to effect conforming delivery shall entitle Buyer to revoke any acceptance, to 12 cancel this order as to goods not yet shipped without liability to Seller, to receive a full refund of any amounts paid, to purchase substitute goods elsewhere, to return at Seller's risk and expense all or any part of a nonconforming delivery, and to hold Seller accountable for any loss or additional costs incurred. Buyer's receipt or acceptance of all or part of a nonconforming delivery shall not constitute a waiver of any claim, right, or remedy Buyer has under this Purchase Order or under applicable law.
- 5. <u>Inspection/Testing</u>. Buyer shall have the right to inspect (supplied) such goods and to reject any or all of said goods which are in Buyer's judgement defective or nonconforming. Goods rejected or supplied in excess of quantities called for herein may be returned to Seller at Seller's expense and, in addition to Buyer's other rights, Buyer may charge Seller all expenses of unpacking, examining, repacking, and reshipping such goods. In the event Buyer receives goods whose defects or nonconformities are not apparent on examination, Buyer reserves the right to require replacement, as well as payment of damages. Nothing contained in this Purchase Order shall relieve in any way Seller from the obligation of testing, inspection and quality control.
- <u>Changes.</u> Any discrepancies, omissions, or lack of clarity in drawings, specifications, or this Purchase Order must be referred to Buyer before this Purchase Order is acted upon by Seller.
- 7. <u>Warranties</u>. Seller expressly warrants that all goods or services furnished under this Purchase Order shall (a) conform to all specifications and applicable standards (including without limitation, government and trade standards), (b) be new (unless otherwise expressly stated in writing), (c) be free from latent or patent defects in material or workmanship, (d) conform to any statements made on the

containers or labels or advertisements for such goods or services, (e) be adequately contained, packaged, marked and labeled, (f) be merchantable, safe, and suitable for the purpose for which goods or services of that kind are normally used, (g) be fit for a particular purpose if Seller knows or has reason to know, the particular purpose for which Buyer intends to use the goods or service, (h) conform in all respects to any samples, descriptions, specifications, and drawings shown to Buyer, (i) not violate or breach any person's or entity's patents, copyrights, or other intellectual property rights, and (j) be free of any errors associated with the entry dates later than December 31, 1999, and continue to operate in accordance with applicable specifications after December 31, 1999. Seller further warrants that it has good title to the goods and that the goods are free from liens and encumbrances. Seller agrees to replace or correct defects of any goods or services not conforming to the foregoing warranty promptly, without expense to Buyer, when notified of such nonconformity by Buyer.

- 8. For Convenience. Buyer may at any time terminate this order in whole or in part or any portion of the goods or services purchased hereunder for its sole convenience upon written notice to Seller. In the event of such termination, Seller shall immediately stop all work hereunder, and shall immediately cause all of its suppliers and subcontractors to cease such work.
- 9. For Cause. Buyer may also terminate this order or any portion of the goods or services purchased hereunder "for cause" if (a) Seller defaults under or fails to comply with any of the terms or conditions of this Purchase Order (including, without limitation, failing to exactly comply with the requirements for price, quality and quantity). In the event of termination for cause, Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for any and all damages sustained by reason of the default which gave rise to the termination.
- 10. <u>Assignment/Subcontracting.</u> No part of this Purchase Order may be assigned or subcontracted by Seller without Buyer's prior written approval.
- Waiver. Buyer's failure to enforce any of the terms and conditions of this Purchase Order to exercise any right or privilege hereunder, shall not constitute a waiver of any such term, condition, right or privilege.
- 12. **Governing Law; Jurisdiction; Venue.** All questions concerning the validity, interpretation, enforceability, and operation of this Purchase Order and the performance of the obligations imposed on the parties hereunder will be governed by and construed according to the laws of the State of Washington. The federal and state courts of the state of Washington shall have sole and exclusive jurisdiction over any action or claim arising out of or relating to the goods sold or services performed under this Purchase Order. Any such actions must be commenced and tried in a state or federal court in King County, Washington. The parties acknowledge and agree that they are subject to the jurisdiction of the federal and state courts of Washington and that King County, Washington is a proper and acceptable venue for such actions.

13. <u>Attorney Fees.</u> In the event Seller or Buyer commences legal action (including trial, arbitration, and bankruptcy proceedings) to enforce or to interpret the terms of this Purchase Order or the performance of the duties and obligations imposed on the parties hereunder, or to collect damages as the result of an alleged breach of this Purchase Order, the party prevailing shall be entitled to recover from the nonprevailing party reasonable attorney fees and costs incurred in such action prior to and at trial and on any appeal. For purposes of this Purchase Order, "prevailing party" shall mean the party that succeeds either affirmatively or defensively on claims having the greatest overall value or importance as determined by an arbitrator or court of competent jurisdiction.