

TIMBERCON TERMS AND CONDITIONS OF SALE

- 1. LIMITS OF AGREEMENT. Timbercon, Inc., including, without limitation, any of its direct or indirect subsidiaries ("Timbercon") hereby offers to sell to the buyer identified on the face of the quote to which these terms are attached ("Buyer"), or accepts the Buyer's offer to purchase, any of the products ("Products") or services ("Services") set forth on the face of the applicable quote solely in accordance with both (a) the terms and conditions contained in these Timbercon Terms and Conditions of Sale (the "General Terms"); and (b) the terms and conditions set forth on the face of the quote provided by Timbercon to Buyer (the "Quote Terms," together with the General Terms, the "Terms"). Unless otherwise expressly stated in writing, with respect to any conflicts between the Terms and the Quote Terms, the Quote Terms will control. All offers by Timbercon to sell the Products or provide Services are expressly limited to the Terms. If Buyer has ordered Products or Services from Timbercon and such order is deemed by Timbercon to be an offer by Buyer, Timbercon's acceptance of such offer is expressly conditioned on Buyer's agreement to the Terms, to the exclusion of all other terms and conditions. Any additional, different, or conflicting terms or conditions proposed by Buyer in any offer, acceptance, or confirmation, including those set forth on any Buyer purchase order, specifications, or other documents issued by Buyer are considered by Timbercon to be requests for material alterations of the Terms, are hereby rejected, and will not be binding in any way on Timbercon. Buyer is hereby notified of Timbercon's objection to all such additional, different, or conflicting terms and conditions. No waiver or amendment of any of the Terms will be binding on Timbercon unless made in a writing expressly stating that it is such a waiver or amendment and signed by an officer of Timbercon. Buyer will have accepted (and will be deemed to have accepted) these Terms if Buyer does any of the following: (a) accepts the Terms in writing, (b) pays (in part or whole) for any Products or Services, or (c) receives delivery of any Products or Services. All Timbercon quotes are open for acceptance for no longer than the period stated on the face of the quote issued by Timbercon, or, when no period is stated, thirty (30) days from the date of the quote, but any quote may be withdrawn or revoked by Timbercon at any time prior to the receipt by Timbercon of Buyer's acceptance of such offer. No third person, including any independent sales representative, order gatherer, or liaison officer for Timbercon, is an agent for Timbercon or has authority to extend or accept an offer on Timbercon's behalf.
- 2. PRODUCTS AND SERVICES PROVIDED AND PRICE. (a) Unless otherwise provided in the quote, Products provided pursuant to the Terms shall be newly manufactured products, provided that they may contain components which have been previously used in other product units that meet or exceed the Timbercon's specifications for newly manufactured components. (b) The prices for Products and Services are those set forth on the face of the quote provided by Timbercon. The cost of packaging for normal domestic shipment is included in the invoiced price for Products. (c) Prices and orders do not include federal, state, municipal or local excise, sales, use or other taxes or customs duties, if applicable (excluding only taxes based on Timbercon's income), which are applicable to the Products and Services. Such tax and duties will be added by Timbercon to the sales price when Timbercon has the legal obligation to collect the same and Buyer will pay such taxes and duties unless Buyer provides Timbercon with a proper tax exemption certificate for each jurisdiction in which taxes otherwise would be due. In the event Timbercon is required to pay any such tax or duty at the time of sale or thereafter, Buyer will promptly reimburse Timbercon for the total amount of any such tax or duties. (d) Unless expressly agreed to in writing by Timbercon, prices quoted are for the Products and Services described on the face of the quote by Timbercon only and do not include any technical data, proprietary rights of any kind, patent rights. (e) If the price of fuel, metals, raw materials, or other production costs increases significantly, Timbercon will have the right to impose a reasonable surcharge for all affected Products or Services.
- **3. PAYMENT TERMS.** (a) Subject to credit approval by Timbercon and unless otherwise specified by Timbercon on the face of the quote provided by

- Timbercon, all payments are due and payable in full thirty (30) days from the date of invoice. Timbercon reserves the right to require alternative payment terms, including, without limitation, sight draft, letter of credit, or payment in advance. Timbercon may require the disclosure and evaluation of Buyer's financials to extend credit to Buyer. Timbercon, at any time and its sole discretion, may change or withdraw Buyer's credit. All payments shall be made to Timbercon at its principal office in Tualatin, Oregon, or such other office as designated on the face of the quote provided by Timbercon. Interest will accrue on the unpaid balance of any overdue invoices from the original due date of the invoice at the rate of one and one-half percent (1 1/2%) per month, or the highest rate permitted by law, whichever is less. Buyer may not withhold payment for any delay in installation resulting from a Buyer request or issue or any delay in delivery of required documentation by Buyer. (b) Notwithstanding the foregoing, all orders are subject to, and the obligation of Timbercon to make deliveries is subject to, the right of Timbercon, in its sole discretion, to (a) require of the Buyer payment for all or any part of the purchase price in advance of delivery; or (b) to make shipment C.O.D. If Buyer fails to make advance payment when requested by Timbercon, or if the Buyer is or becomes delinquent in the payment of any sum due to Timbercon (whether or not arising out of the same order) or refuses to accept C.O.D. shipment, then Timbercon shall have the right, in addition to any other remedy to which it may be entitled in law or equity, to cancel the sales order, refuse to make further deliveries, or declare immediately due and payable all unpaid amounts for Products or Services previously delivered to the Buyer. (c) If any Products or Services covered by these Terms are not delivered or performed at one time, Buyer will pay for the quantity of Products delivered or Services performed. Partial shipments made under any order will be treated as separate and independent transactions. However, in the event of any default by Buyer, Timbercon may decline to make further shipments without in any way affecting its rights under such order. (d) To secure any or all of its obligations under these Terms and the applicable quote, Buyer hereby grants and pledges to Timbercon a first priority security interest in all of Buyer's right, title and interest in and to any and all Products or proceeds of the foregoing, whether presently existing or hereinafter acquired. If Buyer defaults under any obligation under these Terms or the applicable quote, Timbercon may pursue all remedies of a secured creditor provided under the UCC or other applicable law. Buyer authorizes Timbercon to file such financing statements and amendments thereto as Timbercon deems necessary to protect its security interest in the Products or proceeds thereof and to effectuate the purposes this section. Upon Timbercon's request, Buyer will execute and file any documents necessary to perfect or maintain Timbercon's security interest in any Products.
- 4. TRANSPORTATION; INSURANCE, TITLE AND RISK OF LOSS. (a) Unless otherwise agreed to in writing by Timbercon, all transportation will be at the expense of Buyer. Timbercon reserves the right to ship Products freight collect and to select the means of transportation and routing. Unless otherwise advised, Timbercon may insure to the full value of the Products or declare full value thereof to the transportation company at the time of delivery and all such freight and insurance costs will be for Buyer's account. All prices are exclusive of insurance cost. Title and risk of loss or damage to Products will pass to Buyer EXW (Incoterms 2020) upon delivery to the carrier at Timbercon's place of manufacture or warehouse location which shall be either be the address set forth by Timbercon on the quote or as designated by Timbercon in its published specifications. (b) Timbercon may at its option obtain insurance for the Products covering their delivery to Buyer and Buyer agrees to reimburse Timbercon for the cost of providing such insurance. If Buyer has not been notified of the existence of insurance coverage and provides its own insurance for such shipment Timbercon will waive its insurance charge. (c) Confiscation or destruction of, or damage to Products shall not release, reduce or in any way affect the liability of Buyer for such Products. Notwithstanding any defect or nonconformity, or any other matter, risk of loss will remain with Buyer until the Products are returned at Buyer's expense to such place (or places) as Timbercon may



designate in writing. Buyer, at its expense, shall fully insure Products against all loss or damage until Timbercon has been paid in full therefore, or the Products have been returned, for whatever reason, to Timbercon.

- **5. SHIPMENT.** Timbercon will use commercially reasonable efforts to meet shipment schedules. However, any shipment quote or forecast on an order acknowledgment is Timbercon's best estimate of the time required to make shipment and Timbercon will not assume liability, consequential or otherwise, because of any delay or failure to deliver all or any part of any order for any reason, including its negligence of any kind. Timbercon reserves the right to allocate inventories and current production, reduce quantities to be delivered or Services to be performed, delay shipments, or allocate such Products or Services among customers in Timbercon's sole discretion in any way it deems necessary. Should Timbercon be unable to deliver Products or perform Services when estimated, Timbercon will not be liable for failure to deliver or perform by such estimated dates unless expressly agreed to by Timbercon in writing. Buyer may not cancel, push-out, or reschedule any purchase order placed with Timbercon, except with Timbercon's written consent.
- **6. INSPECTION AND ACCEPTANCE.** The Buyer will have the right to inspect Products upon tender of delivery, however, such right to inspect does not impair or impact the transfer of title as set forth in Section 4. Products will be deemed accepted upon tender of delivery as set forth in Section 4. Any errors, alleged defect or nonconformity discovered by Buyer in its inspection of Products shall be resolved in accordance with <u>Section 9.</u> Services will be deemed accepted by Buyer upon being rendered.
- 7. RETURNS. All warranty returns must be handled in accordance with Section 9 below. No products may be returned to Timbercon for credit without first obtaining Timbercon's prior written consent and the issuance by Timbercon of a returned material authorization form ("Returned Material Authorization form"). The request for return and credit must be filed with Timbercon and include the purchase order number, approximate date shipped, and any and all other identifying numbers (such as invoice number, date of invoice, P.O. numbers, etc.). The request for return and credit must also state the type and quantity of Products, the part numbers, and the reasons for return. If return authorization is granted, Buyer will return Products in a clean, well-packaged, and properly maintained condition. No returns will be allowed for Products that have been subject to misuse, negligence or accident. No credit allowance will be made and no replacement for defective Products will be shipped except as set forth in the warranty provisions set forth below in Section 9.
- 8. TERMINATIONS. Unless allowed in the quote provided by Timbercon, Buyer may not terminate any order for a Product that has been accepted by Timbercon without the prior written agreement of Timbercon. If Buyer gives notice of termination of an order at least forty-five (45) days prior to the scheduled shipment date, and Timbercon agrees to accept the termination, the order shall be subject to a termination charge of not less than ten percent (10%) of the order value plus any additional costs of processing and order handling not covered by the termination charge. If Timbercon agrees to accept a termination based on notice given within forty-five (45) days of the schedule shipment date, Timbercon may require Buyer to pay a termination charge determined by Timbercon in its sole discretion of not less than twenty-five percent (25%) of the order value plus any additional costs of processing and order handling not covered by the termination charge. Terminations by mutual agreement for Products or Services are subject to the following conditions: (i) Buyer will pay, at applicable contract prices, for all Products which are completely manufactured and allocable to Buyer at the time of Timbercon's receipt of notice of termination; (ii) Buyer will pay all costs, direct and indirect, which have been incurred by Timbercon with regard to Products which have not been completely manufactured at the time of Timbercon's receipt of notice of termination, plus a pro rata portion of the normal profit on the contract; and (iii) Buyer will pay a termination charge on all other Products affected by the termination. Timbercon's normal accounting practices shall be used to determine costs and other charges. To reduce termination charges, Timbercon will use commercially

reasonable efforts to divert completed parts, material or work-in-progress from terminated contracts to other customers whenever, in the Timbercon's sole discretion, it is practicable to do so. In the event of a termination, Buyer will have no rights in partially completed Product. Buyer may not reschedule the delivery date for any Products or Services without the prior written agreement of Timbercon.

9. LIMITED WARRANTY—LIMITATION OF REMEDIES. (a) Timbercon warrants to Buyer that the Products delivered under the Terms will (1) comply with either the applicable Timbercon published specifications for the Products, or the specifications mutually agreed and confirmed in writing between Timbercon and Buyer for the earlier to occur of 12 months from the date of shipment or mutually agreed and confirmed on Timbercon's quotation and (2) will be free from defects in material and workmanship under proper use, service and condition during the defined warranty period. Timbercon warrants to Buyer that it will provide any Services consistent with general industry standards. Notwithstanding anything to the contrary in the Terms, any Products delivered as "samples", "design verification units", and/or "prototypes" are provided or sold "AS IS," "WITH ALL FAULTS," and with no warranty whatsoever. (b) The warranties set forth above are the only warranties made by Timbercon with respect to the Products and Services. The warranties provided in this Section 9 are made to the original purchaser only at the original location and are nontransferable, and may only be modified or amended by a written instrument signed by a duly authorized officer of Timbercon. No other representative or person is authorized to bind Timbercon for any additional warranty, obligation or liability, express or implied. Major sub-systems manufactured by other firms but integrated into Timbercon's system may be covered by the original manufacturer's warranty and Timbercon makes no warranty, express or implied regarding such subsystems. Products or parts which are replaced or repaired under this warranty are warranted only for the remaining unexpired portion of the original warranty period applicable to the specific Product. (c) No Product may be returned to Timbercon without first obtaining Timbercon's consent and a Returned Material Authorization form. If, and subject to the limitations of this Section 9 during an applicable warranty period, defective Products are returned to Timbercon, they shall be shipped F.O.B Timbercon's dock at either the location (a) where manufactured or (b), if applicable, set forth on the face of Timbercon's quote), transportation costs prepaid and borne by Buyer accompanied by Timbercon's Returned Material Authorization form, Timbercon will, at its sole option, either repair, replace, or credit Buyer the purchase price of such Products. Buyer will return Products in a clean, wellpackaged condition. No credit allowance on Products will be made and no replacement for Products will be shipped, unless the Products are established to Timbercon's satisfaction, after suitable testing and inspection by Timbercon, to be defective. Prior to any return of Products by Buyer pursuant to these Terms, Buyer will, upon request, afford Timbercon the opportunity to inspect such Products at Buyer's location. The risk of loss of the goods shipped or delivered to Timbercon's facility for repair or replacement will be borne by Buyer. (d) The remedies in this Section 9 are available only if Timbercon is notified in writing by Buyer promptly upon discovery that a Product does not conform to this warranty, including a detailed description of such nonconformance and Buyer provides Timbercon the purchase order number(s), approximate date shipped, and any and all other identifying numbers (such as invoice number, date of invoice, etc.) within the warranty period for the individual Product, and Timbercon's examination of such Products discloses to Timbercon's satisfaction that such Products do not conform to this warranty and the Products have not been (i) repaired, worked on, or altered by persons not authorized by Timbercon so as, in Timbercon's sole judgment, to injure the stability, reliability, or proper operation of such Products; (ii) subject to misuse, negligence, or accident; or (iii) connected, installed, used or adjusted otherwise than in accordance with the instructions furnished by Timbercon. (e) If it is found that any Product has been returned without cause and is still serviceable, Buyer will be notified and the Product returned at Buyer's expense. In addition, a charge for testing and examination may, in Timbercon's sole discretion, be made on Products so returned. (f) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE WARRANTY REMEDY IN SECTION 9 CONSTITUTES TIMBERCON'S EXCLUSIVE LIABILITY AND OBLIGATION, AND BUYER'S



EXCLUSIVE REMEDY FOR ANY PRODUCTS OR SERVICES COVERED BY THESE TERMS, INCLUDING ANY BREACH OF ANY WARRANTY OR OTHER DEFECT OR NONCONFORMITY OF THE PRODUCTS OR SERVICES COVERED BY THESE TERMS. THIS WARRANTY IS EXCLUSIVE, AND IN LIEU OF ALL OTHER WARRANTIES. TIMBERCON MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT, OR THAT MAY ARISE FROM ANY COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE IN THE TRADE. (g) OTHER THAN AS PROVIDED WITH RESPECT TO TIMBERCON'S EXPRESS WARRANTY OBLIGATIONS IN THESE TERMS. TIMBERCON IS NOT LIABLE FOR ANY COSTS ASSOCIATED WITH THE REPLACEMENT OR REPAIR OF ANY PRODUCT, INCLUDING LABOR, INSTALLATION, OR OTHER COSTS INCURRED BY BUYER AND, IN PARTICULAR, ANY COSTS RELATING TO THE REMOVAL OR REPLACEMENT OF ANY PRODUCT. UNDER NO CIRCUMSTANCES SHALL TIMBERCON HAVE ANY LIABILITY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR OTHER DAMAGES.

- **10. TIMBERCON'S RIGHTS TO SUBCONTRACT.** Timbercon may subcontract any portion of the manufacture of Product, delivery of Service provided, or other work in accordance with these Terms except where explicitly indicated by Buyer and accepted by Timbercon under terms as set forth in Governmental agency requirements.
- 11. BANKRUPTCY OR INSOLVENCY OF BUYER. If the financial condition of the Buyer at any time is such as to give Timbercon, in its judgment, reasonable grounds for insecurity concerning Buyer's ability to perform its obligations under these Terms, Timbercon may: (i) by notice in writing to Buyer, terminate or cancel any open order, without any requirement of judicial intervention or declaration of default of Buyer and without prejudice to any right or remedy which may have accrued or may accrue thereafter to Timbercon; and (ii) require full or partial payment in advance and suspend any further deliveries for continuance of the work to be performed by Timbercon until such payment has been received.
- 12. INDEMNITY. (a) Timbercon will, at its own expense, defend or settle any suit that may be instituted by a third party against Buyer to the extent based on a claim that the Product in the form provided by Timbercon to Buyer under these Terms, infringes such third party's United States patent (excluding processes or methods claimed by such patent), trademark, or copyright if: (i) such alleged infringement is not based on an Excluded Claim (as defined in Section 12(b)); (ii) Buyer gives Timbercon immediate notice in writing of any such suit; (iii) Buyer gives Timbercon sole control over the defense and settlement of such suit; and (iv) Buyer gives Timbercon all needed information, assistance and authority, at Timbercon's expense, to enable Timbercon to defend or settle such suit. In the case of a final award of damages in any such suit, Timbercon will pay such award, but will not be liable for any settlement made without its prior written consent or legal fees incurred by Buyer in connection with any such settlement. In satisfaction of this Section 12(a), Timbercon, at its sole discretion, may (i) replace or modify the allegedly infringing Products with non-infringing Products that are functionally equivalent; (ii) obtain a license for Buyer to continue to use or sell the allegedly infringing Products; or (iii) accept the return of allegedly infringing Products and refund the amount paid by the Buyer for such returned Products. (b) Timbercon will have no liability for, and the obligations of Timbercon under Section 12(a) will not apply to any claim arising from or related to (i) the use of Products as a part of or in combination with any other devices, parts, processes or methods; (ii) Timbercon's compliance with any designs, specifications, or instructions provided by or for Buyer; (iii) the use of Products contrary to any instructions issued by Timbercon or in breach of these Terms; (iv) modifications or alterations to the Products; (v) the practice of any process or method relating to Buyer's or its customers' use of the Products; or (vi) use of the Products after receiving notice of such third party claim or by Timbercon (collectively, "Excluded Claims"). (c) THIS SECTION 12 STATES TIMBERCON'S SOLE AND EXCLUSIVE LIABILITY AND OBLIGATION AND BUYER'S SOLE AND EXCLUSIVE REMEDY FOR ANY ACTUAL OR ALLEGED INFRINGEMENT OR MISAPPROPRIATION OF ANY

PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT BY ANY PRODUCTS OR SERVICES DELIVERED UNDER THESE TERMS, OR ANY PART THEREOF. THIS SECTION 12 IS IN LIEU OF AND REPLACES ANY OTHER EXPRESSED, IMPLIED OR STATUTORY WARRANTY AGAINST INFRINGEMENT. IN NO EVENT WILL TIMBERCON BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR OTHER DAMAGES RESULTING FROM ANY SUCH INFRINGEMENT. (d) Buyer will, at its own expense, indemnify and hold Timbercon harmless from and against any liabilities, costs, damages, or losses resulting from any Excluded Claim, and will defend or settle at its own expense, including attorney's fees and costs, any suit brought against Timbercon based on allegation arising from any Excluded Claim, provided that Timbercon, (i) gives Buyer immediate notice in writing of any such suit, (ii) gives Buyer sole control over the defense or settlement of such suit; and (iii) gives Buyer all needed information, assistance and authority, at Buyer's expense, necessary for Buyer to defend or settle such suit.

13. NO PROPRIETARY RIGHTS. (a) Timbercon retains all rights in and to specifications, designs, engineering details, discoveries, inventions, patents, copyrights, trademarks, trade secrets and other intellectual and proprietary rights relating to the Products and Services. Sale of any Products by Timbercon does not confer upon Buyer a license under any patents, trade secrets, trademarks or copyrights to combine any product furnished under these Terms with any other product or to modify any Product furnished under these Terms. (b) The design, development or production of Products and provision of Services under these Terms will not be deemed to be a "work made for hire" or "commissioned work" and Timbercon retains for itself all intellectual property and proprietary rights in and to all designs, engineering details, and other data and materials pertaining to any Products or Services supplied by Timbercon and to all discoveries, inventions, patents and other proprietary rights arising out of the work done by Timbercon in connection with the Products or Services or with any and all products developed by Timbercon as a result thereof, including the sole right to manufacture any and all such products and Buyer covenants and warrants it will not manufacture or engage to have manufactured such products. All mask sets, design tapes, documentation, and other data generated by Timbercon in the performance hereunder will remain the sole and exclusive property of Timbercon. Any designs, cells, circuits, devices, processes or methods that are developed by Timbercon concurrently with the work performed under these Terms will be the sole and exclusive property of Timbercon, and Timbercon reserves the right to use such designs, cells, circuits, devices, processes or methods for other customers, or license their use to others. Timbercon will retain title to and possession of all tooling, material or equipment of any kind used in the manufacture, testing, or assembly of products furnished under these Terms. (c) Timbercon may, from time to time, solicit or accept suggestions, comments, or feedback (collectively "Feedback") from Buyer regarding the Products or Services sold hereunder. Buyer hereby acknowledges and agrees that Timbercon may use any such Feedback for any purpose without owing compensation or any other obligation to Buyer. Timbercon shall be (and Buyer hereby acknowledges and agrees that Timbercon is) the sole and exclusive owner of any and all changes, improvements, or enhancements to (or relating to) the Products and Services, and any new or alternative products, services, designs, specifications, engineering details, discoveries, inventions, patents, copyrights, trademarks, trade secrets, and other related intellectual and proprietary rights, regardless of whether or to what extent any such Feedback contributed to the creation thereof.

14. CONFIDENTIAL INFORMATION.

All specifications, designs, drawings, samples, models and other intellectual property, information and/or documentation furnished by Timbercon regarding any Products or Services to Buyer are proprietary and shall remain the proprietary property of Timbercon ("Timbercon's Proprietary Information") and shall be immediately returned to Timbercon upon request. Any and all of Timbercon's Proprietary Information shall be held by Buyer in strict confidence and shall not, without Timbercon's prior written consent, be duplicated or disclosed to any other person or entity. "Timbercon's Confidential Information" is all of Timbercon's information



disclosed to Buyer, whether written or oral, in any form, including any of Timbercon's Proprietary Information, quotations, pricing and lead time information, information relating to the research, development, Products, Services methods of manufacture, trade secrets, business plans, customers, vendors, finances, personnel data, and other material or information relating to Timbercon's current or anticipated business. Buyer agrees to maintain Timbercon's Confidential Information in confidence and to use, reproduce and disclose such Confidential Information only to the extent necessary to use the applicable Products and Services purchased under and in accordance with these Terms and not use, reproduce, or disclose for any other purpose. At Timbercon's request, Buyer shall return all of Timbercon's Confidential Information. Buyer agrees to limit distribution of Timbercon's Confidential Information only to Buyer's employees or agents who have a need to know, and to take steps to ensure that such distribution is so limited, including the execution by Buyer's employees or agents of confidentiality/nondisclosure agreements containing provisions substantially similar to those set forth herein. Buyer acknowledges its responsibility for the obligation of confidentiality herein and is aware that any breach of its obligations of confidentiality will cause the application of any and all remedies provided for under applicable law or equity.

16. EQUAL OPPORTUNITY. Timbercon, Inc. certifies that it has developed and has on file affirmative action programs as required by the rules and regulations of Executive Order 11246, as amended and 41 C.F.R. Chapter 60, issued by the Department of Labor. In addition, Timbercon, Inc. is in full compliance with section 503 of the Rehabilitation Act of 1973 and section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974.

17. ERRORS. Stenographic and clerical errors are subject to correction by Timbercon.

18. APPLICABLE LAW; JURISDICTION AND VENUE.

The validity, performance and construction of these Terms, and any disputes arising from or relating thereto, will be governed by the laws of the State of Oregon without reference to its conflict of laws principles. The Oregon state courts of for Multnomah County, Oregon (or if there is exclusive federal jurisdiction, the United States District Court of Oregon) will have exclusive jurisdiction and venue over any dispute arising out of any claim, dispute, or controversy among the parties arising out of or relating to these Terms, including the breach of these Terms, and Buyer hereby consents to the jurisdiction of such courts. The United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980) (CISG) shall not apply.

19. FORCE MAJEURE. Timbercon will not be liable for any loss, damages or penalty resulting from delay in delivery of the Products or performance of Services when such delay is due to causes beyond the reasonable control of Timbercon, including without limitation, supplier delay, force majeure, act of God, labor unrest, fire, explosion, earthquake, acts of civil or military authority, epidemics, floods, riots, wars, terrorism, sabotage, labor disputes, yield problems, governmental actions, or inability to obtain materials, components, energy, manufacturing services or facilities, or transportation on commercially reasonable terms. In any such event, the delivery date or date of performance will be deemed extended for a period equal to the delay or other longer reasonable time.

20. LIMITATION OF LIABILITY (a) TIMBERCON'S LIABILITY UNDER, FOR BREACH OF, OR ARISING OUT OF THE TERMS AND/OR SALE WILL BE LIMITED TO REPAIR OR REPLACEMENT OF ANY DEFECTIVE PRODUCTS (OR REPERFORMANCE OF THE SERVICES) OR A REFUND OF THE PURCHASE PRICE OF THE PRODUCTS OR SERVICES, AT TIMBERCON'S SOLE OPTION, AS SET FORTH IN SECTION 9 ABOVE. (b) TO THE EXTENT PERMITTED UNDER APPLICABLE LAW AND NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THESE TERMS, IN NO EVENT WILL TIMBERCON BE LIABLE FOR COSTS OF PROCUREMENT OF SUBSTITUTED PRODUCTS OR SERVICES, NOR WILL TIMBERCON BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY OR SPECIAL DAMAGES OR FOR LOST PROFITS OR LOSS OF BUSINESS WHETHER OR NOT TIMBERCON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS HOWEVER CAUSED, UNDER ANY

LEGAL THEORY WHETHER FOR BREACH OR REPUDIATION OF CONTRACT. BREACH OF WARRANTY, NEGLIGENCE OR OTHERWISE. THE ESSENTIAL PURPOSE OF THIS PROVISION IS TO LIMIT THE POTENTIAL LIABILITY OF TIMBERCON ARISING OUT OF OR RELATED TO THE TERMS AND/OR SALE, EVEN IF TIMBERCON IS APPRISED OF OR SHOULD HAVE KNOWN THE LIKELIHOOD OF SUCH DAMAGES OCCURRING. (c) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THESE TERMS, IN NO EVENT WILL TIMBERCON'S TOTAL LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTION CONTEMPLATED HEREUNDER (INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR INDEMNITY CLAIMS), REGARDLESS OF THE FORUM AND REGARDLESS OF WHETHER ANY ACTION OR CLAIM IS BASED ON CONTRACT, TORT OR OTHERWISE, EXCEED THE TOTAL AMOUNT PAID BY BUYER TO TIMBERCON HEREUNDER FOR THE PRODUCTS OR SERVICES ACTUALLY GIVING RISE TO SUCH LIABILITY (DETERMINED AS OF THE DATE OF ANY FINAL JUDGMENT IN SUCH ACTION). THIS LIMITATION IS CUMULATIVE. WITH ALL PAYMENTS TO BUYER FOR CLAIMS OR DAMAGES BEING AGGREGATED TO DETERMINE SATISFACTION OF THE LIMIT. THE EXISTENCE OF ONE OR MORE CLAIMS WILL NOT ENLARGE THE LIMIT, NO CLAIM, SUIT OR ACTION WILL BE BROUGHT AGAINST TIMBERCON MORE THAN ONE YEAR AFTER THE RELATED CAUSE OF ACTION HAS ACCRUED. (d) BUYER ACKNOWLEDGES THAT TIMBERCON HAS SET ITS PRICES AND FEES AND AGREED TO SELL PRODUCTS AND SERVICES TO BUYER IN RELIANCE UPON THE LIMITATIONS OF LIABILITY, DISCLAIMER OF WARRANTIES, EXCLUSION OF DAMAGES AND EXCLUSIVE REMEDIES SET FORTH HEREIN. AND THAT THE SAME FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES, WITHOUT WHICH TIMBERCON WOULD NOT HAVE AGREED TO SELL PRODUCTS AND SERVICES TO BUYER. BUYER AGREES THAT SUCH PROVISIONS WILL SURVIVE AND APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE. (e) NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, TIMBERCON WILL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR EXCESS COSTS OF REPROCUREMENT.

21. BREACH. Any one of the following acts by Buyer will constitute a material breach of Buyer's obligations under these Terms: (a) Buyer fails to make payment for any Products or Services in full when due; (b) Buyer fails to accept conforming Products or Services supplied under these Terms; or (c) the filing of either a voluntary or involuntary petition in bankruptcy with respect to Buyer, Buyer's insolvency or inability, or admission in writing of its inability, to pay its debts generally as they become due, Buyer's application for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of a substantial part of its property, Buyer's initiation of an out of court restructuring or wind down, or Buyer's dissolution or liquidation in full or in part or an assignment for the benefit of creditors of Buyer. In the event of Buyer's material breach, Timbercon may (in addition to any other rights or remedies provided herein or at law or in equity), by written notice to Buyer, terminate its obligations or any part thereof, without incurring any liability; provided, however, that with respect to a material breach due to subsection (c) above, such termination shall be automatic and effective without notice to Buyer. Buyer will pay all costs, including reasonable attorney's fees, incurred by Timbercon in any action brought by Timbercon to collect payments owing or otherwise enforce its rights.

21. GENERAL PROVISIONS (a) Buyer acknowledges that all or part of the Products may be developed, manufactured, tested, assembled or otherwise worked on, or delivered from any of Timbercon's or its contractors' facilities, domestic, and foreign. (b) Buyer agrees that it will comply with all applicable laws, regulations, and administrative rules. Without limiting the generality of the foregoing, Buyer represents itself to be knowledgeable as to United States and other relevant laws, regulations and requirements regarding the environment and the export, import or re-export of products, whether tangible or intangible, from the United States of America or elsewhere, and agrees to conduct its activities in accordance with all United States and other environmental regulations and any similar or other rules, and import and export regulations. Timbercon may suspend performance if Buyer is in violation of any applicable laws or regulations. Buyer will provide any additional documentation required by Timbercon for compliance with applicable laws. (c) Buyer may not assign any of its rights or delegate any of its obligations under these Terms, whether voluntarily, by operation of law,



or otherwise without Timbercon's prior written consent and any purported assignment or delegation without such consent will be null and void and of no force or effect. In addition, Buyer may not assign any of its rights or delegate any of its obligations to any entity controlled by, controlling or under common control with Buyer or in connection with Buyer's merger or the transfer or sale of all or substantially all of Buyer's assets or stock without Timbercon's prior written consent and any purported assignment or delegation without such consent will be null and void and of no force or effect. Timbercon may assign its rights and/or delegate its obligations under these Terms upon written notice to Buyer. Subject to the foregoing, these Terms will bind each party and its respective successors and permitted assigns. (d) Any waiver by Timbercon of any right it may have or default by Buyer will not be deemed to be a continuing waiver of such right or default or a waiver of any other right it may have under these Terms or other default, nor will any delay or omission by Timbercon in exercising or availing itself of any right or remedy that it has or may have operate as a waiver of any right or remedy. No waiver by Timbercon will be effective except pursuant to a writing signed by a duly authorized representative of Timbercon. (e) These Terms may not be superseded, cancelled, modified, or amended except in a writing stating that it is such a modification and signed by an officer of each party. No other act, document, usage, or custom will be deemed to supersede, cancel, modify or amend these Terms. If any provision of these Terms is determined to be invalid, illegal, or unenforceable, such provision will be enforced to the extent possible consistent with the stated intention of the parties and the remaining provisions will remain in full force and effect. (f) These Terms, which include the documents incorporated by reference on the face of the quote provided by Timbercon (but expressly does not include any of the terms and conditions of Buyer's purchase order, specifications or any similar document issued by Buyer) will constitute the entire agreement between Buyer and Timbercon with regard to the Products or Services sold under these Terms, and expressly supersedes and replaces any prior or contemporaneous agreements, written or oral, relating to such Products or Services.