

Clearwater Composites, LLC Standard Terms and Conditions of Sale

1. Sole agreement and acceptance: Except as provided in paragraph 17, the terms and conditions set forth herein contain the sole, entire and exclusive agreement between the Seller and the Buyer in this transaction and supersede all prior discussions, proposals, negotiations, representations, and agreements; except as expressly provided herein any additional or conflicting terms, whether or not material, shall not, in any manner, by implication, by waiver, or otherwise, govern the relationship between Seller and Buyer. Seller objects to and shall not be bound to any past or future terms or conditions not set forth herein, including any additional terms shown on Buyer's purchase order or acknowledgement or shipping documents, which order, acknowledgement or shipping document shall be accepted for billing purposes only, and any inconsistencies therein with the provisions hereof shall be null and void. Shipment pursuant to Buyer's order containing different or additional terms does not constitute acceptance of such terms and Seller's shipment pursuant to such order is expressly made conditional on Buyer's assent to the additional and different terms contained herein. ANY WAIVER, MODIFICATION, OR AMENDMENT OF THESE TERMS AND CONDITIONS SHALL ONLY BE EFFECTIVE AS AGAINST EITHER PARTY IF SUCH WAIVER, MODIFICATION, OR AMENDMENT IS CONTAINED IN A WRITTEN INSTRUMENT DULY EXECUTED BY OR ON BEHALF OF BOTH PARTIES. All orders are subject to acceptance by Seller.

2. Price and payment: The price(s) herein specified may be revised for any thirty (30) day period by written notice from Seller dispatched not less than fifteen (15) days prior to the date on which any such period commences. In the absence of such written notice from Seller to Buyer, the price then in effect shall continue in effect until such notice is given. If no price is specified on the face hereof, all orders shall be priced in accordance with Seller's price quotation in effect on the date of shipment. Payment for all shipments hereunder shall be made by Buyer against Seller's invoice within thirty (30) days from date of the invoice, terms net cash, unless otherwise indicated on the face hereof. Past due invoices shall be subject to a finance charge of 1.5% per month or the maximum rate allowed by law, whichever is less. If at any time, in Seller's opinion, the financial responsibility of Buyer becomes impaired or unsatisfactory to Seller, or inadequate to meet the obligations hereunder, the terms of payment may, at Seller's option, be revised or withdrawn, and Seller may require cash or other satisfactory security before making further shipments to Buyer.

3. Taxes: Any tax, excise, inspection fee, duty, or other governmental charge upon the sale and/or shipment of the material(s) herein specified now imposed by federal, state or local authorities, or hereafter becoming effective within the life of this Agreement, shall be added to the price herein provided and shall be paid by Buyer.

4. Delivery: Shipment dates are based upon Seller's best judgment, are subject to production limitations and factory schedules, and hence are not guaranteed. All sales are F.O.B. Seller's shipping point. Unless Seller specifically agrees otherwise, Buyer will pay the freight or other delivery charges and all other charges levied or imposed on the material after the loading is completed. If the Seller prepays such charges on Buyer's request or for Buyer, Buyer will reimburse Seller. Seller's weights or measurements taken at the shipping point shall control unless proven to be in error.

5. Title and risk of loss: Title and risk of loss of the goods shall pass to the Buyer upon loading of the goods into transportation equipment at the shipping point.

6. Force majeure: In case performance of any terms or provisions hereof shall be delayed or prevented because of compliance with any law, decree, request or order of any governmental agency or authority, either local, state or federal, or because of riots, war, public disturbances, strikes, lockouts, differences with workmen, fires, floods, acts of God, accidents of navigation, breakdown or failure of transportation or transportation facilities, failure of or interference with the manufacture, receiving, handling, or consumption of the material covered hereby, inability to obtain raw materials, fuel, power,

labor, containers or transportation facilities, or commercial impracticability, or for any other reason (whether or not of the same class or kind as herein set forth) which is not within the control of the party whose performance is interfered with and which by the exercise of reasonable diligence said party is unable to prevent, the party so suffering may at its option suspend deliveries or receipts during the period such cause continues, and no liability shall attach against either party on account thereof. In the event of a force majeure affecting Buyer, Buyer shall apportion its purchases among its written contract suppliers of material, including its own departments and affiliates, on an equitable basis. In the event of a force majeure affecting Seller, Seller may apportion its available supply of such material among its purchasers, including its own departments and affiliates, on an equitable basis without incurring liability for failure to perform this Agreement. The provisions of this paragraph shall not be available to any party that fails to use reasonable diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch. The requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or labor controversies by acceding to the demands of the opposing party or parties.

7. Warranty and liability: The Seller warrants that the goods furnished shall meet Seller's standard shipping specifications. Any technical advice given by Seller in reference to the use of its products is given gratis and without any warranty whatsoever as to advice given or results obtained. SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO SAID GOODS, EXCEPT AS SPECIFICALLY SET FORTH HEREIN. Buyer assumes all risk, liability, and damage resulting from the use of the goods, whether used singularly, or in combination with other goods, of technical advice furnished, or of specification changes. If any model or sample was shown to Buyer, such model or sample was used merely to illustrate the general type and quality of the goods and not to represent that the goods would necessarily be of that type and nature.

8. Remedies of Buyer: The Seller's liability and Buyer's exclusive remedy is expressly limited, at Seller's option, to either the repair of defective goods or the replacement thereof with conforming goods at the F.O.B. shipping point, or the repayment of the net unit billing price. Failure to give notice of claim within thirty (30) days from the date of delivery or the date fixed for delivery, respectively, shall constitute a waiver by Buyer of all claims of any kind arising as a result of such delivery or non-delivery. As a condition of repayment for defective goods, Buyer must, after obtaining authority from Seller, return such goods to Seller for inspection and/or repair. Seller shall not be liable for goods that have been altered or defaced. In-transit breakage, damage, or loss claims must be filed directly with carrier.

9. Limitation of liability: The remedies of Buyer set forth herein are exclusive. The total liability of Seller, with respect to the goods furnished hereunder, or with respect to the manufacture, sale, delivery, repair, or technical direction covered by or furnished pursuant to these terms and conditions, whether such liability of Seller is based on contract, warranty, negligence, strict liability, indemnity, or otherwise, shall not exceed the purchase price of the goods in respect of which the claim is made. Seller shall in no event be liable to the Buyer, any successors in interest or assignees of the Buyer, any customers of Buyer or any beneficiary or assignee of Buyer for any consequential, incidental, indirect, special, or punitive damages arising out of any defect in, or failure of or malfunction of the goods sold hereunder, whether such damages are based upon lost goodwill, lost profits or revenue, interest, work stoppage, impairment of other goods, loss by reason of shutdown or nonoperation, increased expenses of operation, loss of use of related goods or operations and/or cost of purchase of replacement goods, whether or not such loss or damage is based on contract, warranty, negligence, indemnity, strict liability, or otherwise.

10. Certification of material goods: Should Buyer request certification of materials or goods after sale, Seller reserves the right to quote additional charges for such request. Unless otherwise included under these terms and conditions, no certification is given concerning either the material or goods sold hereunder.

11. Patent infringement: Seller reserves the right to discontinue deliveries of any material, the manufacture, sale or use of which in its opinion might involve patent infringement.

12. Seller: "Seller" in these Conditions of Sale refers to Clearwater Composites, LLC.

13. Patent license: The contract of sale formed by these terms and conditions in no way provides Buyer with any license, express or implied, to practice any patented inventions or discoveries owned by Seller, except any patented invention or discovery that is embodied by the form and/or composition of the product(s) as sold by Seller to Buyer.

14. Cancellations: Seller's goods are manufactured to Buyer's specific requirements, and may require the purchase of unique raw material(s) to fabricate the goods. As such, the goods have limited and/or no use outside of Buyer's need for such goods. Therefore, the goods are not readily returnable or re-salable to others. In the event that Buyer determines it necessary to delay and/or cancel Buyer's order in-part or in-total, Buyer must notify Seller in writing of such intent immediately. Based on the timing of any such notification from Buyer to Seller, Seller reserves the right to apply cancellation charges and/or handling charges that may reflect up to 100% of the sales value of the cancelled items.

15. Assignment: This Agreement shall extend to and be binding upon the parties hereto, their successors and assigns, provided, however, that Buyer shall not assign its rights nor delegate its duties under this Agreement without the written consent of the Seller.

16. Severability: In the event that any provision of these terms and conditions is found to be invalid by a court of competent jurisdiction, the remainder of these terms and conditions shall be otherwise valid and enforceable.

17. Applicable state law: THE CONSTRUCTION OF THIS AGREEMENT and the rights and obligations of the parties hereunder SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MINNESOTA, excluding any choice of law rules which may direct the application of the laws of any other jurisdiction. All orders and the rights and obligations of the Seller and Buyer arising from these Conditions of Sale shall not be governed by the provisions of the United Nations Convention on Contracts for the International Sales of Goods, application of which is hereby excluded pursuant to Article 6 thereof.