

TERMS AND CONDITIONS OF SALE

GENERAL. These Terms and Conditions of Sale are a condition of accepting any and all proposals presented by Pace Material Handling (henceforth, "PMH") and represents the sole terms under which PMH intends to perform unless specific exceptions are noted in the proposal, contract, or quote that has been signed by both parties by someone with appropriate authority to do so. Any purchase order, contract or subcontract submitted by the interested party intending to purchase goods and/or services (henceforth, "Customer") that does not comply with these terms will be construed as a counter offer that is open to negotiation until such time that Customer and PMH has signed a proposal or quote. At such time that a proposal, quote, or work order has been signed by both parties all negotiations of any and all terms and conditions will be closed and all agreements and negotiated terms will stand legal and binding to both parties. Customer further agrees to the following terms stated below:

ACCEPTANCE OF TERMS. These Terms and Conditions of Sale constitute the final and entire understanding and agreement between PMH and Customer relating to all goods and/or services sold by PMH to Customer. Customer's acceptance of products and/or services by one of the following actions, a) returning a signed quote or proposal; or b) submitting a purchase order is expressly agreeing and accepting by Customer the following Terms and Conditions of Sale in its entirety. No action taken in writing during the passage of ten (10) days after PMH has submitted a proposal or quote is considered void and subject to any changes by PMH. Customer's acceptance is limited to these Term and Conditions of Sale, and no different, inconsistent and/or additional terms and conditions submitted by Customer in the form of a purchase order, release, shipping instructions or other document in connection with the product and/or services, whether prior or subsequent, shall modify or amend these Terms and Conditions of Sale or be valid or binding against PMH, unless specifically accepted by PMH in writing. In the event of any conflict, discrepancy or inconsistency between these Terms and Conditions of Sale and the terms and conditions contained in any document submitted by Customer, these Terms and Conditions of Sale shall govern even if Customer's document(s) expressly limits acceptance to Customer's Terms and Conditions. No course or pattern of dealings or conduct between PMH and Customer and no usage of trade shall be relevant to determine the meaning or intent of these Terms and Conditions of Sale even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection.

CUSTOMER'S REPRESENTATIONS: Credit will be extended by PMH to Customer based on the information provided in the Credit Application and Agreement. Customer represents and warrants to PMH that all information and/or financial documents provided PMH are true and correct. Customer represents to PMH that it is solvent as of the date of the Credit Application and Agreement, and that any financial statement attached accurately reflects the present financial condition of Customer. Customer expressly authorizes PMH to check Customer's credit background. This may include obtaining a credit report from a credit reporting agency, requesting information from your bank or inquiring directly with your creditors.

OPEN CREDIT ACCOUNT. PMH reserves the right in its sole discretion to conditionally approve or disapprove any request by Customer for credit. The amount of credit PMH extends to Customer will be determined by PMH in its discretion and may vary from time to time. Customer shall notify PMH, in writing, of any error in any invoice within ten (10) days after the Customer's receipt of such invoice, and, if no such notice from Customer is received by PMH, the invoice shall be deemed to be correct and payable as delivered/serviced to Customer.

PAYMENT TERMS. Terms for payment by Customer with or without an open credit account with PMH, are Net ten (10) days from the invoice date unless specifically stated otherwise in the signed quote or signed contract by an authorized representative from both interested parties. If payment is made via credit card for invoice amounts over five hundred (\$500) dollars a four (4%) percent charge will be added to the invoice amount. Any payments left thirty (30) days or more unpaid after the agreed upon due date will be subject to a one (1%) percent interest charge per month (twelve [12%] percent per annum) on the total charge of the invoice. In the event of payment being left unpaid for, thirty (30) days or more, the stated interest charge will be retroactively charged starting on the date of the unpaid invoice in inquiry and will be charged henceforth until at such time both the invoiced principal amount and interest has been paid in full. In addition, Customer agrees to reimburse PMH for all collection agency fees, expenses, costs, and attorney's fees (including in-house counsel fees) incurred or expended by PMH in enforcing any of its rights by law or stated in either the Terms and Conditions of Sale or the Terms and Conditions of the Credit Application and Agreement, and/or collecting any past due sums.

SALES TAX. PMH is required to charge applicable Washington State and local tax on every item for which sales tax exemption certification or manufacturer's exempt certification has not been provided. Customer is responsible for reporting and paying any and all sales and use taxes (if applicable) for equipment being delivered to any state other than Idaho and Washington unless specifically stated otherwise in the proposal regarding such equipment.

APPROVAL OF SALE. No sale shall be final until a signature from both parties by representatives with appropriate authority to do so is provided on the presented proposal, quote, contract, or other document by PMH describing all goods and/or services being provided to Customer. All quotations for products normally carried in PMH's inventory are subject to prior sale, unless otherwise specified in writing by PMH. All quotations for specially manufactured products and products not normally carried in PMH's inventory are subject to mill availability.

PRICE BASIS OF INVOICE. PMH's price is subject to and contingent upon Customer purchasing entire quantity of products and/or services identified in PMH's proposal or quote. If Customer purchases less than the entire quantity of products and/or services identified therein, prices may vary. PMH shall invoice all products in accordance with PMH's published schedule of weights, areas, sizes, and lengths. All weights shall be theoretical and shall be determined in accordance with ASTM standards.

CHANGES IN WORK ORDER. PMH shall not perform any change order work which has not been authorized by Customer and agreed upon in writing, complete with terms of payment, scheduling and scope, prior to undertaking such work. If the parties cannot agree upon the payment owing to PMH for an orally directed change order, then the sole measure of payment shall be any and all material and labor costs from the changes requested, plus a 20% markup as well as a 10% charge on the total cost to cover overhead. A change work order is distinct from additional expenses caused by delay, acceleration, or differing site conditions. The absence of a prior written change order will not preclude PMH from being paid for change order work authorized and directed by Customer, for which Customer did not furnish and obtain a written change order prior to performance of the work by PMH. Payment to PMH by Customer for change order work, delay, damages, acceleration claims or additional costs due to differing site conditions is not conditioned upon receipt of funds by Customer from the owner.

CANCELLATION AND RETURNS. Customer may not cancel any order of products for Customer's convenience without PMH's prior written consent. PMH may, in its sole opinion, authorize Customer in writing to cancel products normally carried in PMH's inventory. Any cancellation so authorized shall be subject to a cancellation charge of fifteen (15%) percent of the purchase price added to the purchase price by PMH and/or a cancellation fee charged by the manufacturer, a restocking fee, as well as but not limited to prepayment of any and all freight charges. Customer may not cancel any processed products, specially manufactured products, or products not normally carried in PMH's inventory.

SHIPPING AND FREIGHT. Proposed shipping schedule is valid at time of proposal and ten (10) days thereafter. Orders placed beyond the period of ten (10) days will require shipping schedule verification with the manufacturer. Any change to the order or shipping requested by Customer after order has been placed is subject to changes in shipping costs and delivery dates. If PMH, under any circumstances, must change the shipment, such action will be done so to best accommodate Customer without exhausting PMH resources unnecessarily. When drawing approval is required, the shipping schedule is from the date final approval arrives at the manufacturer's plant. PMH uses F.O.B. Manufacturer's Plant for all purchase orders unless specifically stated otherwise. In the absence of specific shipping instructions, PMH will use best judgment in selecting routing and carrier.

INSPECTION AND CLAIMS. Customer shall carefully inspect all products and/or installation or repair work as well as all shipping documents promptly upon delivery and/or completion. Customer shall be deemed to have waived any claims on products and/or install or repair work if Customer fails to notify PMH within five (5) days following delivery or completion date. No claim for product shortages and/or damage(s) during delivery will be valid or enforceable against PMH unless (a) Customer notifies PMH in writing specifying in detail the shortage and/or damage within five (5) days from the delivery date; (b) Customer returns the damaged products to PMH within ten (10) days following delivery; (c) upon return, PMH will confirm such damage stated in written notice if any; and (d) Customer has fulfilled all of the payment terms. No claim for install and repair work will be valid or enforceable against PMH unless (a) immediate use of the product(s) installed and/or repaired is

seized when problem is realized until a PMH authorized employee arrives at work site; (b) Customer notifies PMH in detail the problem within five (5) days after the completion date; (c) PMH authorized employee will recognize in writing the error, if any, in install and/or repair work by PMH and have suggested action to be taken and will organize work to be scheduled in a timely manner; (d) Customer has fulfilled all of the payment terms. Any processing or use of the products, including all products installed and repaired by PMH, other than returns to PMH shall be conclusive as to Customer's acceptance of the products and/or services as being satisfactory and in accordance with these Terms and Conditions of Sale.

TITLE AND RISK OF LOSS. Risk of loss shall pass to Customer at the time of delivery. Title shall pass to Customer upon loading on the transportation facility (i.e. truck or railcar), irrespective of any freight allowance, prepayment of freight or delivery terms.

INSTALLATION. Prices quoted do not include installation costs unless specifically stated. Where installation work is quoted, the price is based on non-union, non-prevailing wage labor unless specifically stated. Price does not include the following: Any electrical work, concrete work, building modifications, excavation work, underground piping, angle framing for pit, embedded items, unloading of equipment, placing in pit nor any other type of work not specifically covered in the proposal. Installation price is based on area of work being clear of any and all debris and/or employees used by Customer for regular, daily business activity(s) and available for uninterrupted continued work by PMH. Should installation be interrupted or delayed for causes beyond the control of PMH or its agents, an additional charge calculated based on extra time and material from such interruption or delay will be added to the quoted price as explained in section CHANGES IN WORK ORDER.

SERVICE. PMH's current labor rate, travel charges, and supply charges will be assessed for any and all service repair work unless stated or quoted otherwise. PMH will perform to its fullest capabilities all services to Customer as described in the order form in accordance with these Terms and Conditions of Sale. All service work will be scheduled following a first come first serve basis except for orders with extenuating circumstances decided at the sole discretion of PMH. Any scheduled work by PMH will with reasonable efforts be performed on or closely around the originally set performance dates on the order form. All changes made by PMH will be communicated with Customer at time that changes are made to give Customer sufficient time to adjust to changes. Customer will cooperate with PMH in all matters relating to the services being provided included but not limited to access to Customer's premises, providing information and/or materials relating to the work to be performed, and such office accommodation and other facilities as may reasonably be requested by PMH for the purpose of providing the services. Prior to the work on the order form starting Customer will already have or obtain any and all up-to-date licenses and consents and comply with all applicable laws in relation to the services being provided by PMH.

INDEMNIFICATION. Customer shall indemnify, defend, and hold harmless PMH, its affiliates, and the shareholders, directors, officers, employees, agents, successors and assigns of all of them (collectively, "PMH Indemnified Parties") from and against any and all losses, claims, damages, injuries, liabilities, taxes, fines, penalties, costs or expenses (including attorney fees and court costs) incurred or suffered by any of the PMH Indemnified Parties to the extent directly or indirectly arising out of, relating to or resulting from (a) Customer's unloading, storing, handling, packaging, processing, fabrication, operating, or use of the products; or (b) any negligence, act, or omission of Customer, its employees, agents and anyone for whom Customer may be legally liable.

FORCE MAJEURE. Neither Customer nor PMH shall be liable for any delay, breach or non-performance of these Terms and Conditions of Sale (other than the payment of money) wholly or partly due to any cause beyond such party's control ("Force Majeure") including, without limitation, acts of God; war; civil delay or diversion of shipping or other transport; lock outs; strikes or trade disputes; break down or interruption of any plant, machinery, equipment or utilities; shortage, non-availability or allocation of raw materials or commodities; any combination of the foregoing, or any other cause outside of such party's control whether similar to or different from those stated herein. On the happening of Force Majeure, the affected party shall advise the other party in writing with reasonable promptness and the affected party may suspend its performance during such Force Majeure without liability to the other party.

WARRANTY. PMH guarantees the portion of work performed by PMH and those particular materials supplied by PMH for a period of one (1) year from the date of completion of our work. Products and/or materials supplied by manufacturers and subcontractors to the project are warranted only to the extent of the suppliers and/or manufacturers of those products and/or materials provide a warranty. PMH agrees to repair or replace any or all work performed by PMH that may prove to be patently defective in its workmanship or materials. Ordinary wear and tear and unusual abuse or neglect will not be accepted as covered under warranty by PMH. This warranty statement excludes all other warranties, expressed or implied, other than set forth in this statement. Any liability for consequential and incidental damages is expressly disclaimed. Any warranty work performed by PMH does not extend the warranty period any further than previously stated. Warranty is void if a person or company other than PMH performs or re-performs any work within the scope of the contract.

CONTRACTS (General Contractors). When PMH must accept contractual responsibility, all contracts and subcontracts for the purchase of equipment and/or delivery and installation of said equipment must:

1. State the general conditions of contractual obligations between the general contractor and owner if PMH is obligated to perform under these conditions. (If no such breakdown is included in the contract or subcontract, PMH will not be held liable for those conditions.)
2. Cite the proposal as the supporting document covering PMH's offer. (The proposal is the sole document under which PMH intends to perform and PMH will not be held liable to conform to any specifications and/or drawings not specifically mentioned in the proposal.)

ASSIGNMENT AND THIRD PARTY RIGHTS. Neither party may delegate or assign its rights or obligations without the other party's prior written consent, except that PMH may assign its rights and obligations to an affiliate upon prior written notice to Customer. Any delegation or assignment without such written consent shall be null and void, and without any legal force or effect. Notwithstanding PMH's consent to any assignment or delegation by Customer, these Terms and Conditions of Sale shall not be deemed or construed as granting or conferring any rights in or providing any basis for claims by third parties.

UNOFFICIAL COMMUNICATIONS. No agents, employees, or representatives of PMH have any authority to bind PMH to any affirmation, representation, guaranty or warranty other than those expressly set forth in these Terms and Conditions of Sale or in a signed proposal, contract, or quote. Any technical advice furnished by PMH with respect to the selection or use of products is given without charge, and PMH assumes no obligation or liability whatsoever for the advice given or the results obtained, as such advice being given and accepted is at Customer's sole risk.

ARBITRATION, VENUE. Should any dispute occur between the parties arising out of or related to the purchase, or their rights and responsibilities thereunder, PMH will make every effort to resolve the claim or dispute with Customer in a businesslike manner. If both parties cannot amicably resolve the dispute, then the matter shall be settled and determined by arbitration under the then current rules of the American Arbitration Association. The decision and award of the arbitrator shall be final and binding. The arbitrator shall have the right to allocate all fees between the both parties or to charge all of such fees to one party, as the arbitrator shall deem to be just. Regardless of the location of the project, service or delivery, the purchase shall be deemed to have been entered into in the County where PMH's principal place of business is located and shall be deemed to be a contract made under, and shall be construed and enforced in accordance with, the laws of the State and County in which PMH's principal place of business is located. Customer hereby consents to the sole and exclusive jurisdiction of the Courts of the State and County where PMH's principal place of business is located. The exclusive legal venue of any legal action or arbitration arising under or relating to the purchase shall be deemed to be in the State and County of PMH's principal place of business.

DEFAULT AND BANKRUPTCY. Upon failure of Customer to make payment required hereunder, without deduction, setoff or counterclaim, within ten (10) days after the same becomes due, or if Customer defaults in the performance of any other obligation, term, or condition, or if Customer shall make an assignment for the benefit of creditors, or in the event of a commencement of proceedings by or against Customer involving bankruptcy, insolvency, reorganization, or arrangement, or in the case of other significant financial instability of Customer, PMH, without demand or notice of any kind and without prejudice to any other right or remedy of PMH, may (a) terminate the sale of all or any kind of the products; (b) suspend the release of any products on consignment to Customer and defer further deliveries; (c) require Customer to return or allow PMH to reclaim and/or pick-up any unpaid products; (d) require Customer to pay the purchase price for any or all the products not yet paid for in full (whether such products on-hand, in process or on-order, and whether or not delivered) and any other sums due from Customer to PMH, which Customer shall pay on PMH's first demand notwithstanding any credit period or other forbearance; (e) place any products identified to Customer in storage at the

cost and risk of Customer; (f) apply any payments made by Customer as PMH may elect without regard to any appropriation by Customer; (g) sell any or all of the products at such price as may be available but without having any duty to Customer to do so at the best or any particular price, and collect any shortage in price from Customer; and/or (h) exercise any other right or remedy that PMH may have at law or in equity in the event of Customer's default. PMH is entitled to immediate relief from the automatic stay should Customer file for protection under the bankruptcy code. Customer agrees not to oppose relief from the automatic stay if sought by PMH.

WAIVER. Any waiver of these Terms and Conditions of Sale, to be valid or binding, must be in writing and signed by the party against which such waiver is to be enforced, and shall not constitute a continuing waiver of any other breach or default, and acceptance by PMH of any payments with knowledge of any breach or default shall not constitute such waiver. No omission or delay by either party in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or privilege.

ACCEPTANCE / ENFORCEABILITY OF COPIES. PMH may, at PMH's sole discretion, accept a facsimile copy, electronic copy, or photocopy of any order between PMH and Customer in lieu of an original document. Customer consents to PMH's use of such copy and waives any right to object to the use of a copy in place of the original and any right to require PMH to subsequently produce an original document.

SEVERABILITY. If any provision contained in these Terms and Conditions of Sale or the Credit Agreement and Application thereof to the parties shall be finally determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision shall be deemed severed and deleted from these Terms and Conditions of Sale and replaced with a provision that is valid, legal and enforceable to the fullest extent permitted by applicable law and the validity, legality and enforceability of the remaining provisions of these Terms and Conditions of Sale and any other application thereof to the parties shall not in any way be affected or impaired thereby.

ENTIRE AGREEMENT. These Terms and Conditions of Sale contain the final and entire agreement of the parties hereto with respect to the sale and purchase of the products and/or services and all other transactions contemplated herein, and supersede all prior or contemporaneous discussions, negotiations, agreements or understandings, whether written or oral, between the parties relating to the subject matter hereof. These Terms and Conditions of Sale may be changed, amended, modified, revised, or supplemented only by a written instrument signed by an authorized manager or officer of PMH.

ADDITIONAL:

1. Any and all proposals submitted are valid for 30 days, except for shipping estimates (see SHIPPING AND FREIGHT).
2. All orders and contracts sold on credit are subject to prior credit approval and acceptance to all Terms and Conditions of Sale unless otherwise negotiated.
3. PMH will accept no purchase orders, contracts or subcontracts which include any type of penalty clause unless specifically agreed to in this proposal.
4. Any and all proposals offer manufacturer's design and technical concepts. No other suggested designs or drawings or specifications will be binding on the manufacturer or PMH unless specifically agreed to in the proposal.
5. Equipment covered by the proposal is in general agreement with national safety codes and practices. PMH and manufacturer will not be held liable for individual, state or local code or any other such code or orders not specifically mentioned in the proposal.
6. Performance of all agreements in PMH's and manufacturer's part is contingent on strikes, accidents, delay due to inability to procure material or labor, delay, damage or loss in transit, destruction or damage by fire or an act of God, and by any other causes beyond PMH's or manufacturer's control. Performance is also subject to government priorities or national emergencies. (End)