

METRIGUARD INC. TERMS AND CONDITIONS OF SALE

1. COMPLETE AGREEMENT. Unless a different agreement is reduced to writing and signed by Metriguard, Inc., the terms and conditions stated herein plus any plans and specifications attached hereto, constitute the final written expression of, and complete agreement between Seller and Buyer. No changes, additions or deletions, whether as to quantity or quality, from goods originally ordered, are included within the terms of this contract, with the exception that Seller reserves the right to make insignificant changes in specifications without affecting the obligations under this contract, and clerical errors made by Metriguard, Inc. are subject to correction. Language, drawings, symbols, formulas and performance requirements submitted by Buyer are incorporated herein by reference only to the extent necessary to define the goods sold, and then only if consistent herewith. If Seller accepts without objection purchase orders, bid requests, or other documents proffered by a Buyer containing recitations, notations or other expressions of terms which conflict with and add to, or modify these terms and conditions it does so for the Buyer's convenience, and it is understood that such recitations, notations or other expressions are ineffective.

2. AUTHORITY OF SALESMAN. No salesman or agent of Seller has any authority to change, in any manner, the terms and conditions of sale stated herein, nor to make any representations concerning the property not contained herein and in any plans and specifications of Seller.

3. SELLER'S LIABILITY. Seller warrants new equipment of its own manufacture against defective workmanship and materials for a period of one year from date of shipment (the results of ordinary wear and tear, neglect, misuse, accident and excessive deterioration due to corrosion from any cause shall not be considered a defect); but Seller's liability for defective parts shall in no event exceed the furnishing of replacement parts plus shipping costs to Buyer's location. The procedure for establishing a warranty claim for defective parts is as follows: (A) The Buyer must call Metriguard and obtain a Return Merchandise Authorization (RMA) number. This number must be included on packing lists and prominently displayed on the package. (B) The buyer then ships the goods to Metriguard at Buyer's cost. (C) Metriguard shall determine in its sole judgement if the goods were defective at the time of delivery and if the claim is timely. (D) If Metriguard determines that the goods were defective and the claim is timely, then Metriguard ship new or repaired parts to the Buyer at no charge to the Buyer. (E) If Metriguard determines that the goods were not defective as delivered, the claim is not timely, or the damage was caused by Malware, i.e., programming code or computer contaminant, scripts, active content or other software designed to disrupt or deny operation, gather information that leads to loss of privacy or exploitation, gain unauthorized access to system resources and other abusive behavior; or adverse effects from any customer installed software, then the Buyer will be so notified, and the Buyer may at Buyer's option, purchase new parts and/or have the returned parts shipped back to the Buyer at Buyer's expense. Seller shall not be liable to Buyer for loss, damage or injury to persons (including death), or to property or things of whatsoever kind (including, but without limitation, products processed by the use of the equipment); or for damages of any kind or nature (including, but without limitation, loss of anticipated profits), occasioned by or arising out of the installation, operation, use, misuse, nonuse, repair or replacement of said material and equipment, or out of the use of any method or process for which the same may be employed. THERE ARE NO UNDERSTANDINGS, REPRESENTATIONS, OR WARRANTIES OF ANY KIND, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE (INCLUDING, BUT WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE), NOT EXPRESSLY SET FORTH HEREIN.

4. PATENT INFRINGEMENT - LIABILITY OF SELLER - LIMITATION. For a period of five (5) years from the date of this quotation of goods sold hereunder, Seller shall pay all damages and costs awarded against Buyer as a result of any suit or proceeding which is based upon a claim that said goods constitute an infringement of letters patent of the United States. If said goods are held to constitute infringement and their use is enjoined, Seller shall at its expense and at its option, either procure for Buyer the right to continue using said goods, replace said goods with substantially equal but noninfringing goods, modify said goods so as to render them noninfringing, or remove said goods and refund that portion of the purchase price equal to one-fifth (1/5) thereof multiplied by the number of years or portions thereof remaining for this warranty to be effective, computed from the date damages and costs were awarded or use of the goods was enjoined. LIABILITY OF BUYER. With respect to the sales of goods manufactured in accordance with plans, specifications, design or patterns furnished or supplied by the Buyer, the Buyer shall hold harmless and defend Seller against any claim, suit or proceeding brought against Seller which is based upon a claim that the goods or any part thereof, constitute an infringement of letters patent of the United States or any other nation. THE FOREGOING STATES THE ENTIRE LIABILITY OF SELLER FOR PATENT INFRINGEMENT, SAID LIABILITY AND WARRANTY SHALL NOT EXTEND TO ASSIGNEES OR PURCHASERS FROM BUYER, NOR SHALL SAID WARRANTY OR LIABILITY APPLY TO GOODS MANUFACTURED TO BUYER'S DESIGN. BUYER SHALL PROVIDE SELLER WITH PROMPT WRITTEN NOTICE OF THE ASSERTION OF ANY CLAIM, SUIT OR PROCEEDING FOR PATENT INFRINGEMENT AND SHALL TENDER THE COMPLETE DEFENSE THEREOF TO SELLER. THIS WARRANTY SHALL NOT APPLY UNLESS SELLER IS GIVEN NOTICE OF THE INFRINGEMENT CLAIM, FULL COOPERATION IN THE DEFENSE OF ANY INFRINGEMENT CLAIM, AND COMPLETE AUTHORITY TO DEFEND ANY SUCH CLAIM, SUIT OR PROCEEDING AND TO COMPROMISE AND SETTLE THE SAME AT ITS DISCRETION.

5. PROPRIETARY INFORMATION AND PATENT NOTICE. Under this Agreement, Buyer and Seller mutually agree the sale of the Goods is limited to the transfer of the Goods only, and does not transfer rights of ownership in designs, writings or information of any kind or type, or rights to manufacture or reproduce said Goods. Any designs, writings or information of any kind or type related to the Goods shall remain confidential proprietary property of Seller. Designs, methods, or apparatus contained in Goods sold under this Agreement, in any shape or form including hardware and software, may be subjects of United States or foreign Letters Patent, or applications therefor. All writings provided by Seller including but not limited to

instructions, parts lists, specifications, drawings, installation information whether in the English language or translations thereof into any other language shall be treated as copyright protected property of Seller and subject to the terms of this Agreement. All modifications and improvements made to the design of Goods sold under this Agreement shall be the exclusive property of Seller and subject to the terms of this Agreement. Any applications of patents, trademarks or utility models filed on the Goods covered by this Agreement or modifications and improvements thereof shall be the exclusive property of Seller. All drawings, prints, written technical information and descriptions of the Goods are the exclusive property of Seller, and are provided for maintenance and installation purposes only. Duplication or distribution of such drawings, prints, written technical information and descriptions of the Goods for any other purpose without the written consent of Seller's corporate officers is strictly prohibited. BUYER COVENANTS AND AGREES NOT TO PRODUCE OR REPRODUCE, FOR ITS USE OR FOR THE USE OF ANOTHER, THE GOODS SOLD UNDER THIS AGREEMENT. BUYER COVENANTS AND AGREES TO PROTECT AGAINST REVERSE ENGINEERING AND/OR RELEASE OF ANY INFORMATION OF ANY KIND OR TYPE TO ANY THIRD PARTY WHICH MAY PRODUCE OR REPRODUCE THE GOODS SOLD UNDER THIS AGREEMENT. REMEDIES for violation of terms of this Section shall be as follows: Seller shall have the right to pre-litigation injunctive relief, permanent injunction, elimination of infringement effects and the right to recover its losses, any gain of an infringer as a result of infringement on the intellectual property rights of Seller, reasonable royalty and attorney fees and statutory damages, in addition to any further compensation deemed appropriate by a court of law.

6. TITLE. Title to the material and equipment covered by this contract, and to all additions or accessions thereto and substitutions therefor, shall pass to Buyer upon delivery to a carrier. Buyer grants Seller a security interest in and to such materials and equipment as security for the full performance of Buyer's obligations hereunder. NOTWITHSTANDING ANY TERM IN THIS AGREEMENT OR ANY INFERENCE THEREFROM, THE RISK OF LOSS FOR ANY DAMAGE TO OR DESTRUCTION OF THE GOODS SHALL PASS TO BUYER UPON DELIVERY TO A CARRIER.

7. PROTECTION OF SELLER'S SECURITY INTEREST. Said material and equipment shall remain strictly personal property, irrespective of the mode of its attachment to realty, the consequences of its being disturbed or removed, or the use made thereof. Buyer shall not sell, mortgage, pledge or otherwise deal in or encumber said material and equipment or any part thereof nor permit the same to be removed from the place where first installed so long as any portion of the purchase price remains unpaid, without Seller's prior written consent.

8. SELLER'S REMEDIES. Time is of the essence hereof. In the event Buyer fails to make any payment hereunder when due, or otherwise defaults in the performance of the terms and conditions hereof, or if a receiver or trustee of Buyer's property or business is appointed by any court, or if a proceeding in bankruptcy or insolvency is instituted by or against Buyer (and not dismissed within sixty days), or if Buyer makes an assignment for the benefit of creditors, or if for any other reason Seller deems itself to be insecure hereunder, the entire amount unpaid hereunder shall become immediately due and payable, at Seller's option. In such event, Seller may exercise the rights of a secured creditor under the State of Washington Uniform Commercial Code; and in conjunction with, addition to, or substitution for, these rights, Seller may (a) sue to collect the unpaid balance, or (b) take immediate possession of the material and equipment covered hereby (including all additions or accessions thereto and substitutions therefor), without notice, demand or legal process and without liability to Buyer for any damages or otherwise for so doing, and retain all payments theretofore made by Buyer as liquidated damages and compensation for the use and wear of the equipment (and not by way of penalty). If Seller brings suit against Buyer to repossess the equipment or collect any sum due Seller, Buyer shall pay a reasonable attorney's fee to Seller in such suit. The venue of any such suit shall be in Whitman County, Washington. The aforesaid remedies shall be cumulative to all other rights or remedies now or hereafter given to Seller by law; and Seller may enforce one or more remedies hereunder successively or concurrently. THE FOLLOWING EVENTS SHALL BE DEFAULTS UNDER THIS CONTRACT: (A) Non-payment of any installment when due. (B) Failure of Buyer to perform any undertaking stated in the contract. (C) Falsity of any representation made by Buyer in any credit application or financial statement given as the basis for extension of credit. (D) Buyer's insolvency, bankruptcy, assignment for benefit of Creditors or receivership.

Waiver by Seller of any default or defaults of Buyer shall not be construed as a waiver of any subsequent default; and the acceptance by Seller of overdue payments shall not constitute a waiver of any default except with respect to the payments so accepted. No extension of the time of payment or other indulgence granted to Buyer shall operate as a waiver of any of Seller's rights hereunder.

9. EFFECT OF DELAYS. FORCE MAJEURE. If the performance of any part of this contract by Seller is prevented, hindered, delayed or otherwise made impractical by reason of any strike, flood, riot, fire, explosion, war, conflict, unanticipated design, component supply or fabrication problem, or any other casualty or cause beyond the control of Seller (force majeure condition), and the force majeure condition cannot be overcome by reasonable diligence or without unusual expense, Seller shall be excused from performance to the extent that it is necessarily prevented, hindered, or delayed thereby, during the continuance thereof, and for so long as the same shall continue to prevent, hinder or delay such performance. This contract shall be deemed suspended for so long as, and to the extent that such force majeure condition shall operate to prevent, hinder or delay such performance by Seller of its obligations.

10. ADDITIONAL CHARGES. If substitute or additional equipment, parts, or services are purchased by Buyer from Seller, the terms and conditions of this contract shall be applicable thereto, the same as if such substitute or additional equipment, parts, or services had been originally purchased hereunder.

11. INVOICE AMOUNTS. Seller will invoice for the net amount owed. Transaction fees of any kind levied by the Buyer's bank(s) or intermediaries are for the account of the Buyer. It is the Buyer's responsibility to determine the amount of all fees

charged by the institutions used by Buyer to get payment to Seller and make payment of these fees. In the event that Seller receives payment for an invoice that is less than the invoice amount because of these fees, Seller will credit Buyer's account with the amount actually received and issue a statement to Buyer showing the remaining amount owed. Invoices in the following form will be treated as original: Hard copy by post or electronically by fax or e-mail.

12. SALES/USE TAXES. Seller will collect sales taxes only for sales with delivery to locations within the State of Washington. Sales or Use taxes for other jurisdictions are the responsibility of the Buyer.

13. DISCLAIMER FOR BUYERS WORK PRODUCT OR PLANS, ETC. Seller is not responsible, nor liable, for errors or omissions in plans, specifications, designs or patterns furnished it by Buyer, or for defects in goods produced caused by said errors or omissions. Seller is not liable for damages to pattern equipment except such damage as caused by Seller's negligence.

14. HIRING PRACTICES. Seller warrants that all goods sold hereunder will be produced, sold, and delivered and furnished in compliance with all applicable laws and regulations of the United States and the State of Washington dealing with employee discrimination and/or hiring practices which apply to Seller's business. Seller makes no warranty of compliance with respect to the laws of any other jurisdiction or public authority.

15. INSPECTION. Buyer shall inspect the goods immediately upon the arrival thereof and prior to unloading, and shall within ten (10) days from such arrival give notice to Seller of any shipping damage or shortage. We recommend if shipping damage is evident, that photographs be taken BEFORE any attempt is made to off-load or unload the Goods. IF THE BUYER SHALL FAIL TO GIVE SUCH NOTICE, THE GOODS SHALL BE DEEMED TO BE IN ACCEPTABLE CONDITION AND COMPLETE, AND BUYER SHALL BE BOUND TO ACCEPT AND PAY FOR THE SAME ACCORDINGLY.

16. CANCELLATION CHARGES. This contract is subject to cancellation by Buyer only prior to delivery to a carrier, and only upon payment to Seller of reasonable cancellation charges which shall take into account expenses already incurred and commitments made by Seller and Seller's anticipated profit.

17. ASSIGNMENT - DELEGATION. The right of Seller to receive payment hereunder shall be fully assignable. The duty of Seller to perform as specified herein shall be fully delegable but responsibility of Seller shall not be diminished by such delegation.

18. PACKAGING & SHIPPING COSTS. Buyer shall pay all freight and transportation costs which shall be separately identified and itemized. If shipment is by common carrier and said carrier requests special packaging or boxing, the costs of same shall be an additional charge to Buyer whether or not such cost was contemplated when this quotation was made.

19. OSHA DISCLAIMER. Seller specifically disclaims any warranty for compliance with the Walsh-Healy Public Contracts Act and the Occupational Safety and Health Act of 1970, and regulations promulgated thereunder, unless explicitly enumerated in this Agreement.

20. SPECIAL PROVISIONS/GOVERNING LAW. Special provisions agreed to separately in writing supersede any conflicting provisions herein. This Agreement shall be interpreted under the laws of the State of Washington, without recourse to conflict of law provisions. Venue shall be in Whitman County in the state of Washington.

21. SIGNATURES. A copy of this Agreement in its entirety, with signatures, shall stand as fully enforceable whether as an original document, transmitted by FAX or as an image scanned file transmitted electronically.

22. ATTORNEY'S FEES. If a suit or action is instituted in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover, in addition to costs, such sums as the Court may adjudge reasonable attorneys' fees.

23. START-UP COMMISSIONING SERVICES. Provided under separate contract.

24. PARTIAL INVALIDITY. In case any one or more of the provisions contained in this contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such shall not affect any other provision thereof and this contract shall be construed as if such provision had never been contained herein.

25. SOFTWARE LICENSE AGREEMENT. The following License applies to all software computer programs originating from Metriguard Inc., and provided to Buyer for use in equipment supplied to the Buyer, including software which is packaged separately, software which is installed in computer disk drives prior to delivery, and software which may be installed in non-volatile memory devices.

A. Use of the Software. You may install the software in a single location on a hard disk or other storage device of one (1) computer for primary production use. You may install the software on one (1) computer for backup purposes, provided the software on the backup computer is not used at the same time the software on the primary computer is in use. Temporary start-up and operation of the Software on this backup computer for testing purposes is not considered "use", provided that the software is not so used in production of lumber or wood product. Training and demonstration software versions may be used simultaneously on multiple computers only by the Buyer, and may not be used for production purposes. You may make backup copies of the software, provided no backup copy is installed or used on a computer. This software is not configured for network server use and may not be installed on a network server.

B. Ownership and Copyright. Metriguard Inc retains all rights of ownership and title to the Software irrespective of the method of its delivery, its installation, use or non-use by the Buyer. If the Buyer or any employee or agent of the Buyer shall breach the terms of this License, Metriguard may demand that all copies of the Software be returned to Metriguard, payment of royalties in addition to amounts paid in this Agreement, or seek relief in the courts. The structure, organization and code are valuable trade secrets of Metriguard Inc. United States Copyright Law and international Treaty provisions also protect the Software. You must treat the Software just as you would any other copyrighted material, such as a book. You may not copy the Software or the Documentation, except as set forth in A. "Use of the Software". Any copies that you are permitted to make pursuant to this Agreement must contain the same copyright or other proprietary notices that appear on or in the Software. You may not modify, adapt, or translate the Software. You also agree not to reverse engineer, decompile, disassemble, or otherwise attempt to discover the source code of the software. Trademarks shall be used in accordance with accepted trademark practice, including identification of trademark owner's name. Trademarks can only be used to identify printed output produced by the Software. Use of any trademark does not give you any rights of ownership in that trademark. Except as stated above, this Agreement does not give you intellectual property rights in the Software. REMEDIES for violation of this clause shall be as follows: Metriguard shall have the right to pre-litigation injunctive relief, permanent injunction, elimination of infringement effects and the right to recover its losses, any infringer's gain, reasonable royalty and attorney fees and statutory damages in addition to any further compensation deemed appropriate by a court of law.

C. Transfer. You may not rent, lease, sublicense, or lend the Software or Documentation. You may, however, transfer all your rights to use the Software to another person or legal entity, provided that you transfer this Agreement, the Software, including all copies, updates, and prior versions, all copies of supporting software converted into other formats, and all Documentation to such person or entity and that you retain no copies including copies stored on a computer.

D. Limited Warranty (software only). Metriguard warrants to you that the Software will perform substantially in accordance with the Documentation for ninety (90) days following delivery of the Software. If the Software does not perform substantially in accordance with the Documentation, the entire and exclusive liability and remedy shall be limited to either, at Metriguard's option, the replacement of the Software or the refund of the license fee you paid for use of the Software. Metriguard does not and cannot warrant the performance or results you may obtain by using the Software or its Documentation. THE FOREGOING STATES THE SOLE AND EXCLUSIVE REMEDIES FOR METRIGUARD'S BREACH OF WARRANTY. EXCEPT FOR THE FOREGOING LIMITED WARRANTY, METRIGUARD MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO NON-INFRINGEMENT OF THIRD-PARTY RIGHTS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. Some states do not allow the exclusion of implied warranties or limitations on how long an implied warranty may last, so the above limitations may not apply to you. To the extent permissible, any implied warranties are limited to ninety (90) days. This warranty gives you specific legal rights. You may have other rights, which vary from state to state or jurisdiction to jurisdiction. For further warranty information, please contact Metriguard.

E. Other Software. Metriguard may supply software of other vendors, and when it does so, Metriguard warrants that each copy of such software was purchased under a single-user-installation license to be registered and maintained by the Buyer. Buyer agrees to be bound by the original software manufacturers' license agreement(s) and save and hold harmless Metriguard Inc for license infringement or piracy that may result from use or misuse of software supplied as a part of this Agreement or from installing any additional software on the Equipment supplied as a part of this Sales Agreement.

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