

## Rehrig Pacific Company

## TEXT IN RED BOX CONFIDENTIAL PER WAC 480-07-160

## **TERMS and CONDITIONS**

BUYER'S ACCEPTANCE OF TERMS: The shipment of goods by Rehrig Pacific Company ("Rehrig" or "Seller") to Buyer is expressly limited to the terms and conditions set forth herein and on the face hereof. Buyer agrees it has full knowledge of the terms and conditions printed on both sides of this Invoice/Acknowledgment. These terms and conditions are part of the agreement between Seller and Buyer (the "Agreement") and, subject to the terms of any applicable separate definitive written agreement between Buyer and Seller with respect to the goods subject to this invoice (if any), supersede any and all other terms and conditions and bind each party either if the goods are delivered to and accepted by Buyer, or if Buyer does not within 10 day from the date of this order deliver to Seller written objection to the terms and conditions.

CREDIT: Prior credit approval and non-delinquent status are necessary before Rehrig will consider shipping on an open-account basis. Rehrig may at any time, in its sole discretion, require cash in advance, C.O.D., letter of credit, or wire transfer prior to shipping.

PAYMENT AND TERMS: Unless indicated otherwise on the front of this form, all prices are in U.S. funds, F.O.B. Rehrig's plant of shipment. Unless otherwise specified by Rehrig in writing, all invoices are due and payable 30 days from the date of invoice, except for invoices paid via credit card. Credit card payments are due within 5 business days of shipment or the date services are provided. Rehrig accepts only Visa and Mastercard. No early pay discounts will be granted for invoices paid via credit card. Amounts not paid when due will bear a late payment charge of 1-1/2 percent per month or the maximum legal rate, whichever is less, together with all reasonable attorneys' fees associated with the collection of same. Each shipment shall be considered a separate and independent transaction, and payment therefore shall be made accordingly. Products held for Buyer shall be at the sole risk and expense (including interest) of Buyer.

**DÉLIVERY**: For shipments made F.O.B. point of shipment, title passes to Buyer and Rehrig's liability as to delivery ceases upon delivery to the carrier at the shipping point. All claims for damages must be filed with the carrier. All shipments will normally be made by common carrier, parcel post, air express, or airfreight. Unless specific instructions from Buyer specify shipping instructions, Rehrig will ship by the method it deems most advantageous. Delivery dates are approximate and subject to delay due to events beyond the reasonable control of Rehrig. Seller assumes no responsibility for failure to deliver on particular dates, and when orders are placed for delivery on specified dates, if, for any reason the goods will not be accepted if delivery is made later than the date named, Rehrig must be notified to that effect when the order is placed.

All prices are exclusive of any present or future federal, state, local taxes, or any other taxes or levies.

Rehrig will invoice Buyer for sales tax unless Buyer has provided Rehrig with a proper tax exemption certificate prior to shipment. Rehrig will not retroactively credit tax once orders are shipped. Any certificates received after shipment will be applied to future orders only.

ACCEPTANCE: Buyer shall accept or reject products within 10 days of delivery. Failure to notify Rehrig in writing of nonconforming products within such period is an unqualified acceptance. INSPECTION: Inspection shall be made by the Buyer at the time and place of delivery.

CLAIMS: Buyer's failure to give notice of any claim within 10 days from the date of delivery shall constitute an unqualified acceptance of the goods and a waiver by the Buyer of all claims with respect thereto.

RETURINS: Products may be returned only upon obtaining a return authorization from Rehrig and subject to the terms and conditions set forth herein.

ASSIGNMENT: Buyer may not assign its rights or delegate its performance hereunder without the prior written consent of the Seller, and any attempted assignment or delegation without such consent shall be void.

WARRANTY: Rehrig warrants that its products when purchased new will conform to all applicable manufacturer's specifications and will be free from defects in materials or workmanship for a period of one year from date of shipment. The warranty expressly excludes (1) normal wear of equipment and components, (2) cosmetic damage, (3) use under circumstances exceeding specifications or use inconsistent with the terms of the product manual for such product, if any, (4) buyer or user abuse, improper operation, misapplication, induced contamination, overloading, misuse, neglect, negligence, or vandalism, (5) unauthorized or improper repair or alteration, including performance enhancements and/or modifications, or use of parts not approved by Rehrig, (6) damage or failure as a result of failure to inspect and maintain in accordance with Rehrig's published schedules, (7) damage or failure caused by natural calamities such as fire, storm, high winds, hail, ice or flooding, or (8) damage caused in transit. Warranty coverage is limited solely to repair, replacement, or refund, at Rehrig's or the one-year warranty period of any claimed defect in the article, ii) Buyer obtains authorization from Rehrig to return the alleged defective article is returned to Rehrig, with transportation charges paid by Buyer; and iv) Rehrig's examination of such article discloses to its satisfaction that any defect was caused by a reason covered under this warranty. THE FOREGOING WARRANTY IS EXCLUSIVE AND EXPRESSLY MADE BY SELLER AND ACCEPTED BY BUYER IN LIEU OF ALL OTHER WARRANTIES (WHETHER WRITTEN, ORAL, IMPLID, EXPRESS OR STATUTORY). NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE SHALL APPLY.

REHRIG WILL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, CLAIMS OF LOSS OF BUSINESS, LOSS OF PROFITS, LOSS OF INCOME OR ANY OTHER LOSSES OR EXPENSE WHETHER INCURRED DIRECTLY OR BY A THIRD PARTY. REHRIG'S LIABILITY SHALL NOT UNDER ANY CIRCUMSTANCES EXCEED THE PURCHASE PRICE OF THE ALLEGEDLY DEFECTIVE PRODUCT. BUYER AGREES TO PROCURE SUCH INSURANCE, IF ANY, AS IT DEEMS APPROPRIATE TO COVER SUCH CLAIMS. REHRIG RESERVES THE RIGHT TO DENY ANY WARRANTY CLAIM UNLESS BUYER IS CURRENT ON ALL OUTSTANDING INVOICES WITH RESPECT TO THE SUBJECT PRODUCT. This warranty only extends to the first purchaser of the subject product. The foregoing warranty is subject to (and shall be superseded by) any product-specific warranty applicable to the products subject to this invoice, in each case as published by Seller from time to time.

**INTELLECTUAL PROPERTY:** Rehrig shall retain all right, title and interest in and to any intellectual property contained in the product, software or services provided under this Agreement. Nothing in this Agreement shall limit in any way Rehrig's right to develop, use, license, create derivative works of, or otherwise exploit Rehrig's intellectual property rights arising from or related to any product, software or service provided under this Agreement, or to permit third parties to do so. Rehrig shall be free to use the ideas, concepts, techniques and know-how used and developed in connection with this Agreement and including in connection with Buyer's use of any Rehrig product, software or service.

WAIVER AND MODIFICATION; ENTIRE AGREEMENT: This document and the documents referenced herein constitute the full understanding of the parties, and no terms, conditions, understanding or agreement purporting to modify or vary the terms of this document shall be binding unless hereafter made in writing and signed by the party to be bound. In addition, no modification, amendment, waiver, or other change in this Agreement shall be binding upon Seller unless made in writing duly executed by an authorized representative of Seller. The terms on conditions set forth herein and on the face hereof, together with the other documents and/or agreements referenced herein, set forth the entire agreement between Buyer and Seller concerning the subject matter hereof and are intended by Buyer and Seller to be a complete and exclusive statement of such agreement. No course of prior dealing between the parties and no usage of the trade shall be admitted in evidence to explain this Agreement.

FORCE MAJEURE: Neither party shall be liable for its failure to perform hereunder due to any contingency beyond its reasonable control, including acts of God, fires, floods, wars, sabotage, accidents, labor disputes or shortages, governmental laws, ordinances, rules and regulations, whether valid or invalid (including but not limited to, priorities, requisitions, allocations, and price adjustment restrictions), inability to obtain material, equipment or transportation, and any other similar or different contingency. The party whose performance is prevented by any such contingency shall have the right to omit during the period of such contingency all or any portion of the quantity deliverable during such period, whereupon the total quantity deliverable under this Agreement shall be reduced by the quantity so omitted. If, due to any such occurrence, Seller is unable to supply the total demands for any material specified in this Agreement, Seller shall have the right to allocate its available supply in a fair and equitable manner. In no event shall Seller be obligated to purchase material from others in order to enable it to deliver material to buyer hereunder.

SUBSTITUTIONS AND MODIFICATIONS: Rehrig retains the right to make substitutions and modifications from time to time in its product specifications, without notice, provided that such substitutions or modifications, in Rehrig's judgment, do not cause a material adverse effect on overall product performance.

**BUYER'S CREDIT**: Rehrig shall have the right, in addition to other remedies provided by law, to terminate this Agreement or to suspend further deliveries thereunder in the event the Buyer fails to pay for any one shipment when same becomes due. Should Buyer's financial condition become unsatisfactory to seller, seller may require cash payments or satisfactory security for future deliveries and for goods theretofore delivered.

**BANKRUPTCY**: Rehrig may terminate this Agreement if Buyer becomes bankrupt or insolvent, commences or has commenced against it any bankruptcy or insolvency proceeding, makes an assignment for the benefit of creditors, discontinues business, has a receiver appointed for all or any portion of its assets, or breaches its payment or other obligations under this Agreement.

SECURITY INTEREST: In the case of sales made on credit, Buyer hereby grants Rehrig a purchase money security interest in the goods to be shipped to the Buyer under the Agreement and any proceeds thereof, as security for Buyer's obligation to pay the purchase price, and Buyer agrees to execute any financing statement or other instrument reasonably required by Buyer to perfect such security interest.

VENUE AND LAW: This Agreement and all disputes and suits related thereto shall be governed, construed and interpreted in accordance with the laws of the State of California. All actions or proceedings relating to this Agreement shall be maintained in a court located in Los Angeles County, State of California, and Buyer and Seller hereby consent to the jurisdiction of said court and waive any objection to such venue.

**INDEMNITY**: If Rehrig supplies to Buyer products which Rehrig has specially produced for Buyer pursuant to Buyer's specifications, Buyer agrees to defend, indemnify, and hold Rehrig, its officers, directors, agents and employees harmless from any claims, losses, liabilities, or damaged (including court costs and attorneys; fees) arising out of Buyer's use, resale or distribution of such products. This indemnity obligation specifically includes, without limitation, claims based upon negligence, strict tort liability, or other legal theories.

SEVERABILITY: If any provision herein shall be held to be invalid or unenforceable for any reason, such provision shall be excluded from this Agreement and the balance of this Agreement shall be enforceable in accordance with its terms.