



LINCOLN COMPOSITE MATERIALS, INC. – TERMS & CONDITIONS OF SALE – LIMITED WARRANTY

LIMITED WARRANTY Lincoln Composite Materials, Inc., hereinafter referred to as "Seller," warrants to its customers that all goods and services rendered and sold by LINCOLN COMPOSITE MATERIALS, INC. to its customers relative to the manufacture of composites materials or adhesives, manufacture or repair of parts, components, equipment, appliances, structures or related fixtures or any other goods or services sold hereunder are free from defective material and workmanship. SELLER MAKES NO OTHER REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO MERCHANT ABILITY, FITNESS OR PARTICULAR PURPOSE, OR ANY OTHER MATTER WITH RESPECT TO ANY OF SELLER'S PRODUCTS whether used alone or in combination with other components, parts, equipment or substances. Any suggestions made by Seller, its' agents, employees, sales representatives concerning uses or application of said material reflect Seller's opinion only and Seller makes no warranty of results to be obtained. The term of this limited warranty as to all goods and services sold and rendered shall be limited to the specific representations set forth in the Seller's Product Data Sheet and shall not exceed 90 days, whichever comes first.

LIMITATION OF LIABILITY In the event of breach of warranty per paragraph one above, Seller, at its sole discretion, will either issue credit or replace materials in question. Credit issued only under the following conditions: Seller must be notified in writing of any claims within 30 days after Buyer physically received the material at Buyer's dock. Seller must be given the opportunity to examine and test any allegedly non-conforming work. No materials may be returned without Seller's prior authority. A Return Authorization Number must be obtained and referenced on all paperwork prior to returning parts or issuance of Seller's debit memo. At Seller's request, Buyer must return the material on which claim was based by packaging the item in the same manner as the original shipment, transportation charges collect by a carrier of Seller's choice. The returned material must be received at Seller's dock in the same condition as when received by Buyer. Seller will allow credit for unreturned material to the extent required to properly evaluate the alleged defect. No claim shall be greater in amount than the price of the cost of the material.

The remedies stated above are the only remedies available for failure of the work or services to conform to Seller's specifications; special, incidental or consequential damages shall under no circumstances be recoverable. Buyer assumes the risk and liability for using Seller's material in combination with any other substances. No statement, recommendation or technical advice of Seller to Buyer's representatives, regarding use of the materials will be considered a waiver of these provisions or affect in any respect to Seller's liability outlined above.

TERMS Domestic (U.S.) orders are due Net 30 days from date of invoice, upon prior credit approval. For international orders, Confirmed Letter of Credit, cash against documents or by other written agreement is required. Any other payment or delivery terms required the express mutual consent of the Buyer and Seller. All domestic and international sales are made in U.S. dollars and in accordance with Seller's pricing at the time orders are shipped.

BUYER'S CREDIT Seller reserves the right, among other remedies, either to terminate this agreement or to suspend further deliveries in the event Buyer fails to pay for any shipment when due. Should Buyer's financial responsibility become unsatisfactory to Seller, cash payments or satisfactory security may be required by Seller for future deliveries and for goods theretofore delivered. Buyer agrees to pay all expenses that Seller incurs to obtain collection of any amounts owed to Seller under this agreement, including interest, collection agency expenses, court costs and reasonable attorney's fees.

EXCUSE OF PERFORMANCE Seller shall not be subject to any liability for delay in performance or nonperformance as a result of fire, flood, natural catastrophe, strike, labor trouble, accident, riot, act of governmental authority or compliance with government request, act of God, or other contingencies and circumstances beyond Seller's reasonable control interfering with the production, supply, or transportation of the material covered by this agreement or with the supply of any raw materials at a commercially reasonable price, or in the event Seller ceases or suspends operation of any facility where it is manufacturing any quantity of material or parts deliverable hereunder and such termination or suspension is made by Seller because said facility, the operation thereof, and/or the product therefrom violates or fails to comply with any applicable governmental law, regulation, ordinance, standard, order or decree relating to pollution, ecology, occupational safety and health or environmental matters. Material so affected may be eliminated from the agreement without liability, but the agreement shall otherwise remain unaffected.

UNLOADING AND DEMURRAGE If Seller's delivery equipment is furnished hereunder, Buyer will use all reasonable efforts to unload and return the same to delivering carrier within the tariff or contracted period free of demurrage or extra detention charges. Demurrage or extra detention charges on such equipment is for Buyer's account.

ORDER REVISION Seller requires receipt of written notice of any order change seven (7) prior to the scheduled material or part manufacture date. Buyer agrees to pay a charge for any subsequent change to Buyer's first acknowledged order. In the event that Buyer provides less than 7 working days' notice for any change of order for any reason, Buyer shall nevertheless take delivery and make payment for such work or material as has been completed and such as in process on the date Seller receives notice from Buyer, provided, however, that if for any reason, Buyer cannot accept delivery of such material, Buyer will pay for it as though delivery has been made and accepted. In such case, Seller will store parts, components or material for Buyer for a reasonable period of time at Buyer's expense and risk.



EXPORT In performing the obligations of this Agreement, both Parties will comply with United States export control and sanctions, laws, regulations, and orders, as they may be amended from time-to-time, applicable to the export and re-export of goods, software, technology, or technical data ("Items") or services, including without limitation the Export Administration Regulations ("EAR"), International Traffic in Arms Regulations ("ITAR"), and regulations and orders administered by the Treasury Department's Office of Foreign Assets Control (collectively, "Export Control Laws"). The Party conducting the export shall be responsible for obtaining the required authorizations. The Party conducting the re-export shall be responsible for obtaining the required authorizations. Each Party shall reasonably cooperate and exercise reasonable efforts to support the other Party in obtaining any necessary licenses or authorizations required to perform its obligations under this Agreement. The Party providing any Items under this Agreement shall, upon request, notify the other Party of the Item's Export Control Classification Numbers ("ECCNs") as well as the ECCNs of any components or parts thereof if they are different from the ECCN of the Item at issue. Each Party represents that (i) the Items, and the parts and components thereof, it is providing under this Agreement are not "defense articles" as that term is defined in 22 C.F.R. § 120.6 of the ITAR and (ii) the services it is providing under this Agreement are not "defense services" as that term is defined in 22 C.F.R. § 120.9 of the ITAR. The Parties acknowledge that this representation means that an official capable of binding the Party providing such Items knows or has otherwise determined that such Items, and the parts and components thereof, are not on the ITAR's Munitions List at 22 C.F.R. § 121.1. Each Party agrees to reasonably cooperate with the other in providing, upon request of the other Party, documentation or other information that supports or confirms this representation. To the extent that such Items, or any parts or components thereof, were specifically designed or modified for a military end use or end user, the Party providing such Items shall notify the other Party of this fact and shall also provide the other Party written confirmation from the United States Department of State that such Items, and all such parts or components thereof, are not subject to the jurisdiction of the ITAR.

TERMINATION In the event the Seller is a Contractor or Subcontractor to the U.S. Government, then the termination clauses set forth in Part 52 of the Federal Acquisition Regulations control termination of this agreement. Otherwise, Buyer may not cancel this agreement without express written consent of the Seller.

FREIGHT AND TAXES Any increase in freight rates paid by Seller on shipments covered by this agreement and any tax or governmental charge or increase in same here-after becoming effective increasing the cost to the Seller of producing, selling or delivering the goods or of procuring materials used therein, and any tax now in effect or increase in same payable by Seller because of the importation, production, sale or delivery of the goods, other than income or franchise taxes, may at Seller's option, be added to the purchase price herein specified.

MISCELLANEOUS This agreement contains all the terms and conditions of sale and purchase of the materials named herein and constitutes the complete understanding of the Parties with respect thereto. No modification, extension or release from any provision hereof shall be effected by mutual agreement, acknowledgement, acceptance of purchase order or shipping instruction forms, or otherwise, unless the same shall be in writing, signed by the party to be bound, and specifically described as an amendment or extension of this agreement only in accordance with the terms hereof. No waiver by either Seller or Buyer with respect to any breach or default or of any right or remedy and no course of dealing shall be deemed to constitute a continuing waiver of any other breach or default or of any other right or remedy unless such waiver is expressed in writing signed by the party to be bound. This agreement and performance hereunder shall be construed and governed by the laws of the State of California. Neither agreement nor any interest therein shall be transferred or assigned by a party except upon the prior written consent of the party, which consent shall not be unreasonably withheld. We hereby certify that these goods were produced, repaired or overhauled in compliance with all applicable requirements of Section 6, 7 and 12 of the Fair Labor Standards Act as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof. Seller reserves the right to apply payments to oldest invoice outstanding.