



AdvanTec Manufacturing Canada Inc.
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AdvanTec Manufacturing USA Inc.
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TERMS AND CONDITIONS

1. TERMS APPLICABLE TO ANY SALE:

These Terms and Conditions of Sale (these "Terms") are the exclusive terms under which AdvanTec Manufacturing Canada Inc. ("AMC") or AdvanTec Manufacturing USA Inc. ("AMU") will agree to sell or supply any goods now or in any future transaction. AMC / AMU hereby gives notice that it rejects any additional, supplemental or conflicting terms proposed by Buyer, including any contained in any form or correspondence sent to AMC / AMU by Buyer unless it has been approved by AMC / AMU in writing. Accordingly, Buyer is advised that any bid, quote or other offer to supply goods by AMC / AMU, and any confirmation or other communication by AMC / AMU that it will fulfill a customer's purchase order, is expressly limited by the condition that Buyer accepts only these Terms for the sale and no other terms whatsoever. At the time of any sale, these Terms (together with the agreed upon price and product specifications) will constitute an integrated sales agreement and will be deemed to supersede any other oral or written agreements between the parties regarding the subject matter of the sale. As applied to any sales agreement between AMC / AMU and Buyer, these Terms can be modified or cancelled only in writing signed by a duly authorized corporate officer of Buyer and of AMC / AMU.

2. RISKS ASSOCIATED WITH DESIGN, INSPECTION, AND INSTALLATION:

To the extent that Buyer provides custom specifications for the materials, dimensions, and/or design of any goods sold by AMC / AMU, Buyer acknowledges that it will be solely responsible for ensuring proper engineering, adequacy and safety of such custom specifications, and fitness and suitability for Buyer's intended application of such goods.

Buyer agrees to have the installation, maintenance and use of all goods manufactured or sold hereunder, whether custom or standard, inspected, supervised and approved by knowledgeable experts, including the appropriate authority having jurisdiction. In the event that Buyer or any other party other than AMC / AMU performs installation of the goods, Buyer agrees to defend, indemnify and hold AMC / AMU affiliates, contractors, agents, and suppliers harmless from and against any third party claim, suit or demand arising from or related to any improper installation of the goods.

3. PATENTS, INTELLECTUAL AND PROPERTY RIGHTS:

To the extent goods manufactured or sold hereunder are produced, in whole or in part, pursuant to Buyer's designs, specifications, processes, or formulas, Buyer shall defend, indemnify and hold AMC / AMU and its affiliates, contractors, agents, and suppliers harmless from and against any third party claim, suit, or demand arising from or related to allegations that any goods manufactured or sold hereunder infringe on any patent, intellectual or other property rights of such third party.

4. PRICE, TAXES, TERMS OF PAYMENT:

All prices are quoted with negotiated Incoterms for AMU's plant in Gold Beach, OR, USA. Upon receipt of a credit application an evaluation of customer's credit worthiness will determine payment terms and credit limits. Unless otherwise specified, quoted prices do not include any applicable sales, use, excise or any other tax, fee or duty which may be imposed by any governmental authority which shall be invoiced by AMC / AMU to Buyer and be paid by Buyer. Buyer shall likewise pay all shipping and delivery costs and associated insurance costs. All such charges shall be paid by Buyer. In the event AMC / AMU advances such charges for Buyer, Buyer agrees to reimburse AMC / AMU within 30 days. If Buyer self-assesses and remits any applicable sales, use, excise or any other tax, fee or duty, Buyer shall indemnify and save harmless AMC / AMU from any claim against AMC / AMU by any governmental authority for such tax, fee or duty. AMC / AMU shall have the continuing right to approve Buyer's credit and may, at any time, demand a) full payment in advance, b) a bond, letter of credit or other commercial security, or c) a guarantee of prompt payment by a creditworthy affiliate. If AMC / AMU has accepted an order but Buyer does not authorize production or fails to pay the first installment within 90 days after the order is accepted, AMC / AMU is entitled to increase the agreed price by giving notice to Buyer of such price increase. Thereafter, if Buyer does not authorize production and make the initial deposit (including any increase to the deposit due to price increase) within an additional 90 days, at its option may give written notice to Buyer that the order is deemed cancelled by Buyer's inaction. Upon such cancellation AMC / AMU shall be entitled to an order cancellation fee of 15% of the purchase price which Buyer agrees to pay within 30 days. A service charge of 2.0% per month (or, if less, the highest interest rate permitted by applicable law) will be imposed on all overdue amounts. Buyer agrees to pay all of AMC / AMU's costs of collection of overdue invoices, including but not limited to attorney's fees.

5. TITLE AND RISK OF LOSS:

Title, risk of loss or damage, and other incidents of ownership shall pass to Buyer upon tender of goods for delivery F.O.B. at AMC's plant in Chilliwack, BC, Canada / AMU's plant in Gold Beach, OR, USA or its designated supplier's or partner's plant. Buyer agrees to inspect the goods upon receipt by the carrier and report any apparent non-conformity, defect or damage to AMC / AMU, the carrier, and as applicable the insurer, in writing. In the event Buyer fails to inspect or fails to give notice, it will be deemed to have waived any claims which could have been discovered upon immediate inspection (see Appendix I for details).

6. LIMITED WARRANTY AND DISCLAIMER OF OTHER WARRANTIES:

See Appendix I.

7. TEMPLATE RETURNS:

Requests for template returns must be indicated by BUYER on all templates sent to AMC / AMU **AND** on purchase orders (prior to BUYER'S approval). AMC / AMU reserves the right to destroy templates left at our facility for a period longer than 6 months.

8. ADDITIONAL DOCUMENTATION:

Should BUYER require additional documentation such as conformance reports, testing information or other, BUYER must request it prior to placing an order with AMC / AMU. Documentation charges may apply where necessary.

9. LIMITATION OF REMEDIES:

In the event of AMC's / AMU's failure to deliver conforming goods on all or part of an order or breach of the limited warranty by AMC / AMU, Buyer's remedies shall be limited to the following. AMC / AMU shall, at its option either (i) replace or repair the missing, defective or non-conforming goods in situ (where appropriate) or upon return of the goods at Buyer's cost to AMC's plant in Chilliwack, BC, Canada / AMU's plant in Gold Beach, OR, USA (where appropriate), or (ii) refund the purchase price for the missing, defective or nonconforming goods provided that Buyer is to return defective or non-conforming goods to AMC's plant in Chilliwack, BC, Canada / AMU's plant in Gold Beach, OR, USA where practicable. Buyer shall not return any incomplete, defective or nonconforming goods to AMC / AMU until AMC / AMU has had a commercially reasonable opportunity to investigate Buyer's complaint and then only upon receipt of AMC's / AMU's written shipping instructions. **THE FOREGOING SHALL BE BUYER'S EXCLUSIVE REMEDY.**

10. LIMITATION OF DAMAGES:

EXCEPT AS SET FORTH HEREIN, AMC / AMU SHALL NOT BE LIABLE FOR INJURIES TO PERSONS OR PROPERTY AND IN NO EVENT SHALL AMC / AMU BE LIABLE FOR SPECIAL, DIRECT, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL OR COMMERCIAL DAMAGES INCLUDING WITHOUT LIMITATION DAMAGES OR LOSSES SUFFERED ON ACCOUNT OF DELAY OR LATE DELIVERY. AMC'S / AMU'S LIABILITY SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE GOODS SOLD, WHETHER LIABILITY RESULTS FROM BREACH OF WARRANTY, CONTRACT, TORT, OR ANY OTHER CAUSE WHATSOEVER.

11. DELIVERY DELAYS / FORCE MAJEURE:

Delivery dates are approximate and AMC / AMU shall not be liable for any loss, damage or delay in shipment, including such as may be caused in whole or in part by fire, flood, windstorm, earthquake, other acts of God, strikes, labor troubles, civil commotion, riot, war, civil or military authority, priorities, epidemics, quarantine restrictions. Delay resulting from any such cause shall extend shipping dates for a commercially reasonable period. AMC / AMU shall in no event be liable for any special, indirect or consequential damages arising from delay, irrespective of the reasons for delay.

12. WAIVER; SUCCESSORS AND ASSIGNS; SEPARABILITY OF CLAUSES:

Neither party shall be deemed to have waived any of its rights, powers or remedies under this Agreement or at law or equity unless such waiver is in writing and executed by it. No waiver of any default shall operate as a waiver of any other default or the same default on another occasion. No rights, agreements or obligations hereunder may be assigned or transferred by Buyer without the prior written consent of AMC / AMU. The obligations and conditions hereof will be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions.

13. CHOICE OF LAW; ARBITRATION:

AdvanTec Manufacturing Canada Inc.

The laws applicable to these Terms or any other aspect of the sales agreement between Buyer and AMC shall be the applicable laws of British Columbia and Canada. Any controversy or claim arising out of or relating to these Terms or any other aspect of the sales agreement with AMC, or the breach thereof, shall be determined by private arbitration before a single arbitrator to be jointly selected by the parties, and the rules that shall apply shall be the International Arbitration Rules of the Internal Centre for Dispute Resolution ("ICDR"). In the event the parties are unable to agree to an arbitrator, the parties shall submit the dispute to be administered by the ICDR including its rules for selection of an arbitrator. The arbitrator may be of any nationality & shall have a recognized background in the maritime law of the Canada. The place of arbitration shall be Vancouver, British Columbia, Canada. The language of the arbitration shall be English. It is the intent of the parties that, barring extraordinary circumstances, arbitration proceedings will be concluded within 120 days from the date the arbitrator is appointed. The arbitrator may extend this time limit in the interests of justice. Any decision of the arbitrator shall be final, binding and non-appealable in accordance with the 1958 United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Each party shall bear its



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own attorney fees in and about the arbitration and further shall bear equally the other costs of the arbitration regardless of who prevails.

AdvanTec Manufacturing USA Inc.

Any dispute, controversy, claim, civil action, or demand arising out of or relating to this Agreement in its broadest construction shall be determined by binding and mandatory arbitration. Unless the parties otherwise agree, the arbitration shall be administered in the same manner as court ordered arbitrations are then administered by the Circuit Court of the State of Oregon for Curry County and by a single arbitrator, and shall be governed by chapter 36, or its then equivalent, of the Oregon Revised Statutes. In the event the parties cannot agree on a single arbitrator, then each party shall appoint an arbitrator and the two selected arbitrators shall appoint a third arbitrator who shall serve as chief arbitrator of the selected panel.

These three arbitrators shall have the power and right to assign resolution of this case to the panel of all three arbitrators or may designate one of their members as the sole arbitrator to hear and decide an issue or all issues presented to the arbitration panel. The panel shall also have the power and the right to appoint master's as fact finders if their work product is deemed advisable by the arbitrators. Judgment on the award rendered by the arbitrator(s) may be entered in the circuit court in the county in which the arbitration occurs, and the resolution of the disputed matter as determined by the arbitrator shall be binding on the parties. This arbitration shall include the following:

- a) A party may, without inconsistency with this Agreement, seek from a court of competent jurisdiction as hereinafter defined any interim or provisional relief that may be necessary to protect the rights or property of that party pending the establishment of the arbitration (or pending the arbitrator's determination of the merits of the dispute, controversy, or claim).
b) The arbitrator(s) shall have authority to issue preliminary and other equitable relief.
c) Discovery under the Oregon Rules of Civil Procedure shall be permitted.
d) The arbitrator(s) shall have the discretion to order a prehearing exchange of information by the parties, including an identification of the witnesses, evidentiary exhibits both demonstrative and substantive, and an exchange of summaries of testimony of proposed witnesses, and shall have the exclusionary powers to exclude any evidence that does not conform to the procedures so ordered.
e) The arbitrator(s) shall have the authority to award any remedy or relief that an Oregon court could order or grant, including, without limitation, specific performance of any obligation created under this Agreement, the issuance of an injunction, or the imposition of monetary sanctions against the parties, counsel for the parties, or any third party who frustrates or abuses the arbitration process, except no punitive damages may be awarded.
f) The arbitration award shall be in writing, shall make specific findings of fact and conclusions of law, and shall be signed by the arbitrator(s), and shall include a statement regarding the disposition of any claim.

Jurisdiction and Venue. This Agreement and all rights and obligations of this Agreement or in any other manner related to the goods, the parties, or third party acts or omissions shall, by specific agreement of the parties, be subject to the exclusive jurisdiction of the Circuit Court of the State of Oregon for Curry County, or subject to applicable jurisdictional requirements the Federal District Court of the State of Oregon. These courts shall have the exclusive jurisdiction to determine all rights, obligations, and remedies, including enforcement of the terms requiring mandatory and binding arbitration. In all actions, exclusive venue shall be in Curry County, State of Oregon, USA.

APPENDIX I

LIMITED WARRANTY AND EXCLUSIONS

AMC / AMU PROVIDES NO WARRANTIES WITH RESPECT TO THIRD PARTY GOODS THAT ARE PROVIDED BY BUYER TO BE INCORPORATED INTO GOODS SOLD BY AMC / AMU, INCLUDING THE WARRANTY OF MERCHANTABILITY AND ANY IMPLIED WARRANTY FITNESS FOR BUYER'S PARTICULAR PURPOSE.

AMC / AMU warrants their manufactured product against Latent Defects in materials and craftsmanship for a period of 12 months from the date of shipment from our facility OR extended to 24 months with commissioning of product by AMC / AMU personnel - signed, dated and accepted by Buyer, excluding HPU's, which are covered from date of manufacture for 18 months, "Latent Defect" means a defect in a product or material that could not reasonably be expected to be discovered on visual inspection of the product, and which was not found upon testing the product.

The above limited warranty is conditioned on normal use, proper storage, and proper service of the products. The limited warranty is accepted by Buyer in lieu of any and all other warranties. Buyer agrees to visually inspect all products and packaging delivered by AMC / AMU forthwith upon receipt and report any shipping damage within two (2) business days. Unless Buyer notifies AMC / AMU of some defect or deficiency in a product other than a Latent Defect within fifteen (15) days of receipt by Buyer, Buyer will be deemed to have accepted the product. AMC / AMU will not be held responsible for damages during shipping if they are not reported within fifteen (15) business days of receipt of the products. Deemed acceptance of a product shall not limit Buyer's rights or AMC's / AMU's obligations under the warranty provisions above with respect to Latent Defects.

Buyer acknowledges that Buyer is responsible to ensure final specification drawings are accurate and it is buyer's sole judgment to select goods or merchandise that is suitable for any particular purpose. By signing AMC / AMU supplied approval drawings or quotations, buyer agrees that all specifications are accepted as stated. At its discretion, AMC / AMU will repair or replace any defective product with the same or equivalent product within the warranty period. This warranty is limited to AMC / AMU product only and does not include any installation or removal costs, shipping expenses, or other associated costs with the product. Furthermore, this warranty only applies where AMC / AMU product is used strictly for its intended purpose.

Regarding any claim pertaining to AMC / AMU manufactured product, AMC / AMU liability shall be limited to the cost of said product to the respective customer.

Exclusions from Warranty:

- Failure to follow installation instructions.
• Structural damage caused by improper installation.
• Failure to perform reasonable or necessary maintenance.
• Product that is altered in any way or installed incorrectly.
• Failure of performance due to improper application or installation conditions.
• Altering of any factory settings not covered in owners/operation manual.
• Discoloration and general "weathering" of the product due to exposure any of the following elements: Wind, Salt, UV light, erosion, snow, hail, rain or ice.
• Breakage of laminated or tempered glass.
• Negligence or exposure to harmful chemicals or pollutants.
• Any interior damage caused by condensation on the windows.
• Insulated glass units, ballistic glass, smart glass and heated glass are not covered under warranty from delamination where glass is not installed by AMC / AMU or one of its affiliates.
• Buyer supplied components are not covered under AMC's / AMU's warranty when incorporated into any product.
• Alteration or repair of product by anyone not authorized by AMC / AMU will void any warranty obligations from the manufacturer.
• Electrical, hydraulic or pneumatic power outside of limits stated in installation/operation manual.
• Operation of product beyond stated limits/capacity.
• Hydraulic Hose Assemblies, Including, chaffing/rubbing & weathering.
• Fluids & lubricants.
• Reimbursement for repairs/replacement parts for product not pre-authorized in writing by AdvanTec Service & Warranty Department.

In the event Buyer wishes to make a warranty claim on AMC / AMU manufactured product, the customer must contact AMC / AMU customer service. Notification must include the name and address of the owner, the product involved as well as a brief description and pictures of the defect. Upon receipt of a warranty claim, AMC / AMU will notify Buyer of whether it will repair/replace a product which has been installed on a vessel on site or whether it requires Buyer to return the product (where practical) to AMC / AMU. Buyer must receive authorization from AMC / AMU prior to returning the product. If, upon inspection by AMC / AMU, the product is deemed defective then repair or replacement will be carried out, at AMC's / AMU's facility or on site at the vessel, and the product repaired/returned to Buyer at AMC's / AMU's expense. All service personnel's travel & labor expenses shall be the responsibility of the Buyer.

The limited warranties set out above are the only expressed warranties applicable to AMC / AMU manufactured product. No other warranties, expressed or implied, are provided.

Authorized Corporate Officer of AMC / AMU

Authorized Corporate Officer of Buyer

Name / Title / Date

Name / Title / Date