

ENGINEERED ENDEAVORS, INC.
STANDARD CONDITIONS GOVERNING SALE OF PRODUCTS

1. TERMS AS STATED HEREIN:

All orders are subject to the approval of Engineered Endeavors, Inc.'s (herein called the Seller) Credit Department. The Seller reserves the right to quote special terms for extended deliveries.

2. PRICE POLICY:

a) Unless specifically stated otherwise, prices quoted are firm provided Seller is able to complete fabrication and shipment on or before the specified date as quoted herein. All prices are F.O.B. fabrication facility unless specified otherwise.

b) Prices quoted herein are based on award of the entire project unless stated otherwise in proposal.

3. TERMS OF PAYMENT:

a) Net 30 days from date of shipment or order to hold.

b) Past due accounts will bear interest at the lower of 1-1/2% per month or the maximum rate permitted by law in Buyer's state with Buyer to pay all costs of collection. Buyer agrees that any past-due account may be assigned for financing.

c) Any agreed-to retentions shall be paid 30 days from date of final shipment.

d) Acceptance of Seller's proposal shall not constitute a binding contract until approval of credit and terms of payment is made by Seller regardless of any implied conditions stated in specifications.

4. STORAGE CHARGES:

a) Ninety day grace period from scheduled shipment date.

b) On 91st day, one-time fee of \$250 per structure will be made to cover shipping to storage.

c) Storage assessments are \$200 per structure per month, or any fraction thereof. For Pine Tree Poles, monthly storage will be \$750.

5. TAXES:

Any taxes which the Seller may be required to pay and does pay under any existing or future law upon or with respect to the sale, purchase, delivery, storage, processing, use, consumption or transportation of any of the products covered by this proposal shall be deemed to have been so paid for the account of the Buyer, who shall promptly pay the amount thereof to the Seller upon demand; provided, however, that this section shall not apply if Buyer furnishes Seller, with order, a valid tax exemption certificate in form acceptable to the appropriate taxing authority. In a case where the Seller is not required by law to collect taxes, it is the Buyer's responsibility to self assess and remit tax payments to the proper governmental authorities. The Company's prices do not include sales, use, excise, or similar taxes. When applicable, these taxes will be shown as separate line items on the Seller's invoices to Buyer.

6. SHIPMENT/DELAYS:

a) Any shipment estimate period included herein shall not commence until Seller has accepted Buyers' written purchase order with complete material requirements including any required approved drawings or written releases to proceed with manufacturing.

b) If there is any design change, suspension, or unreasonable delays not caused by Seller which prevents completion of the Seller's work, or if Buyer defaults, Seller shall have the right to estimate the value of all work performed, including engineering and administrative, and of all material fabricated, in whole or in part, under any contract entered into on the basis of Seller's proposal, and the Buyer shall promptly pay in full the amount of the estimate (including engineering, administrative, profit, and opportunity costs) to the Seller upon invoice.

c) Seller shall be excused for any delay or failure in performance due to acts of God, war, authorities, failures of suppliers, vendors, or subcontractors, fires, floods, accidents, quarantine restrictions, mill conditions, labor unrest, delays in transportation, shortage of fuel, labor, materials, breakdown, or destruction of plant or equipment or other manufacturers' difficulty, or any other cause beyond the reasonable control of Seller. During the above described events any contract between the parties shall be suspended. Upon the cessation of said intervening event, the Sellers shall have a reasonable time to perform hereunder and Buyer agrees to accept delivery of the Products.

d) THE SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS, FOR ANY DELAYS OR FAILURE TO PERFORM FOR ANY REASONS WHETHER OR NOT EXPRESSLY SET FORTH HEREIN.

7. DESIGN:

a) Seller's designs, details, erection plans or bills of material are prepared in accordance with generally accepted engineering practices.

b) The parties acknowledge and agree that, if Buyer has identified specific applications for the use of the products, Seller shall not be responsible for any deviations from the specific applications or the nondisclosure by Buyer of any additional information, whether known or unknown which may affect or relate to the selection or recommendation by Seller of any specific products, designs, erection plans, or bills of material.

c) Buyer's Specifications: If the design and specifications are specified by Buyer, the parties agree that Buyer is exclusively responsible for the design and specifications. Seller shall not be responsible for the correctness or adequacy of any design details, or erection plans, or bills of material not furnished by Seller. Unless otherwise expressly provided, the parties agree that Seller shall not be responsible for or obligated to inspect, correct, or modify in any regard the designs, specifications, or bills of material supplied by Buyer.

d) Combined Specifications: In the event that both the Seller and Buyer each shall partially design the Products or select the bill of materials, the Seller shall not be responsible for the integration of its design or selection with those of the Buyer and Buyer shall be exclusively responsible for said integration.

e) Modifications: The parties further agree that the Seller shall not be responsible for any Products which have been modified or integrated with other products not designed or selected by the Seller.

8. CHANGE ORDERS:

a) Seller shall not be obligated to furnish or perform extra material or labor required by changes in the scope of the work and/or additions to the project until all of the terms and conditions thereof have been agreed upon and the Seller has received written approval for such from the Buyer. If Seller furnishes extra labor or materials at Buyer's request, but without Buyer's prior written approval of all terms and conditions, Buyer agrees that such labor or materials shall be furnished at Seller's price and terms for similar work.

b) Seller will apply best efforts to make any changes in the work that Buyer or his agents order in writing, and Buyer shall promptly furnish all necessary information. Design and detail drawings reflecting changes in the work which Buyer or his agent may make subsequent to the date of this proposal shall constitute extra orders in writing to Seller to make such changes. Unless otherwise agreed upon between Buyer and Seller, Buyer shall pay Seller for any additional work Seller performs as a result of any such changes.

9. INSPECTION:

The material to be furnished by Seller shall be subject to Seller's standard inspection at the place of manufacture. If Buyer or his agent is to inspect, such inspection shall be so conducted as not to interfere unreasonably with the manufacturer's operations. Consequent approval or rejection shall be made before shipment of the material. Notwithstanding the foregoing, if, upon receipt of such material by Buyer, the same shall appear not to conform to the contract between Buyer and Seller, Buyer shall notify Seller, in writing, of such condition within ten (10) days of unloading and afford Seller a reasonable opportunity to inspect the material. No withholding of funds, back charges, returns, credits, or repairs against amounts otherwise due Seller will be permitted unless agreed to in writing by Seller before incurrence of such charges.

10. TITLE, RISK OF LOSS, SHIPPING:

Risk of loss will pass to Buyer at Seller's point of shipment. If Buyer is unable to accept Products in accordance with the shipment schedules, Seller will store the finished products at place of Seller's choosing. Costs related to storage beyond ninety (90) days (including insurance) shall be borne by the Buyer. Invoices for the Product will be issued the date the Product is placed in storage, less applicable freight charges. It will be the responsibility of the Buyer to notify Seller within 48 hours on F.O.B. destination shipments of any shipping damage and note on the shipping documents prior to receiving the Product. Failure to comply with this requirement will absolve Seller from any damage claims.

11. PATENTS:

The Buyer shall indemnify and save the Seller harmless from infringement of U.S. and Foreign patents resulting from Seller's compliance with design or specifications furnished by Buyer. Seller shall indemnify and save the Buyer harmless from infringement of patents by materials furnished or work performed hereunder in conformity with designs or specifications furnished by Seller.

12. LIMITED WARRANTY:

Seller warrants to the original purchaser for a period of one year from date shipped that the Products are free from defects in materials and workmanship.

THERE IS NO WARRANTY THAT THE PRODUCTS ARE MERCHANTABILITY OR ARE FIT FOR ANY PARTICULAR PURPOSE NOR IS THERE ANY OTHER WARRANTY, EXPRESS OR IMPLIED, EXCEPT SUCH AS IS EXPRESSLY DESCRIBED HEREIN. THE SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR ANY BREACH OF WARRANTY.

Seller's liability and Buyer's exclusive remedy is expressly limited to the repair of defective products or the replacement thereof with conforming goods at the F.O.B. point.

13. LIMITATIONS OF ACTIONS:

Any action for breach of this agreement must be commenced within one year after final shipment of the Products.

14. CONTROLLING TERMS:

Buyer agrees that the terms set forth herein by Seller supersede any terms which may appear on Buyer's purchase order and no additional or conflicting terms contained in any confirmation or similar document by Buyer shall be binding upon Seller and Seller hereby gives notice of its objection to any such additional or conflicting terms.

15. ACCEPTANCE

The parties agree that any offer to purchase by the Buyer shall only be accepted by the Seller upon written acknowledgment by the Seller at the home office of the Seller.