

Affiliated Resources, LLC

Order Acknowledgement - Terms and Conditions

1. *Definitions.*

These Terms and Conditions of Order Acknowledgement are referred to below as “these Terms and Conditions.” “Seller” means Affiliated Resources, LLC. “Buyer” means the company (ies) referenced herein, its subsidiaries, and when it does business under any assumed business name ordering Goods from Buyer. These Terms and Conditions and the Order Acknowledgement into which they are incorporated are referred to collectively below as the “Order Acknowledgement.” The order evidenced by the Order Acknowledgement is the “Order.” The Goods to be purchased by the Buyer under the Order are referred to as the “Goods.”

2. *Entire Contract.*

Goods sold to the Buyer will be confirmed with an Order Acknowledgement from Seller. The Order Acknowledgement will be the complete contract between Buyer and Seller. Unless a separate written agreement is signed by both parties, the entire contract between Buyer and Seller is contained in the Order Acknowledgement, these Terms and Conditions, and any credit application signed by Buyer

3. *Acceptance of Buyer’s Order Conditioned on Buyer’s Assent to Terms Herein.*

Seller’s acceptance of the Order is expressly conditioned on Buyer’s acceptance of the terms and condition of sales set forth herein in their entirety without any additions, deletions, modifications or exceptions. Any terms or conditions submitted by Buyer (in any order or other communication) that are different from or in addition to the terms and conditions contained herein are hereby objected to and rejected by Seller; shall not be effective or binding on Seller; and shall not become a part of the contract of purchase and sale between Buyer and Seller. Seller’s silence or failure to respond to any terms or conditions submitted Buyer shall not be deemed to be an acceptance or approval thereof.

4. *Limited Warranty.*

- a. Seller provides limited warranties for certain product, the terms and conditions of those limited warranties are available at www.affiliatedresources.net/download-directory.
- b. **EXCEPT FOR THE LIMITED WARRANTIES REFERENCED IN SECTION 4(a) SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS, AND SPECIFICALLY DISCLAIMS ANY (a) WARRANTY OF MERCHANTABILITY; OR (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.**
- c. Products manufactured by a third party (“**Third Party Product**”) may constitute, contain, be contained in, incorporated into, attached to or packaged together with, the Goods. Third Party Products are not covered by the limited warranty in Section 4.a. For the avoidance of doubt, **SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY THIRD-PARTY PRODUCT, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL**

PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.

- d. Seller shall not be liable for a breach of the limited warranties referenced in Section 4(a) unless: (i) Buyer gives written notice of the defective Goods reasonably described, to Seller within 30 days of the time when Buyer discovers or ought to have discovered the defect; (ii) if applicable, Seller is given a reasonable opportunity after receiving the notice of breach of the warranty set forth in Section 4(a) to examine such Goods and Buyer (if requested to do so by Seller) returns such Goods to Seller's place of business at Seller's cost for the examination to take place there; and (iii) Seller reasonably verifies Buyer's claim that the Goods are defective.
5. *Limitation of Liability.*
SELLER'S LIABILITY SHALL BE LIMITED TO THE COST OF REPLACING DEFECTIVE AND/OR NONCONFORMING GOODS AT THE POINT OF DELIVERY AS SPECIFIED IN SELLER'S ORDER ACKNOWLEDGEMENT WITHIN A REASONABLE PERIOD OF TIME FOLLOWING PROPER AND TIMELY REJECTION BY BUYER. UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE TO BUYER FOR LIQUIDATED, DELAY, CONSEQUENTIAL OR INCIDENTAL DAMAGES OF ANY NATURE WHATSOEVER, ARISING FROM NONCONFORMITY OF GOODS OR DELAY IN SHIPMENT, OR ANY OTHER BREACH BY SELLER. Except as may be provided in a written limited warranty issued by Seller, no litigation or arbitration by Buyer concerning the sale shall be commenced later than one year after date of shipment.
6. *Indemnification.*
Buyer assumes and agrees to indemnify and save Seller harmless from any and all liability which may arise from the use by Buyer or others of the goods sold hereunder, whether used alone or in combination with other materials, whether such liability is based on contract, tort, strict liability or other theory except the extent such liability is caused solely by Seller's gross negligence or willful misconduct.
7. *Assumption of Liability.*
Buyer assumes all risks and liabilities resulting from the use of the Goods. Seller neither assumes nor authorizes any person to assume for Seller any liability in connection with the sale or use of the Goods.
8. *Inspection, rejection, and claims procedure.*
Buyer shall inspect the Goods, at its sole cost and expense. In the event of any claims related to the Goods, including but not limited to claims for compliance with specifications, shortages, defects, nonconformity, errors and for in transit loss or damage, (hereinafter, "Claims"), Buyer shall give written notice of any Claims to Seller within five (5) days of shipment by Seller, except that notice of any claims based on moisture content must be given to Seller within 48 HOURS AFTER RECEIPT OF SHIPMENT BY BUYER. Written notice as required herein shall be sent to:

Affiliated Resources, LLC
5 Centerpointe Dr., Suite 530
Lake Oswego, OR 97035
Attention: Claims

together with all documents supporting any Claims and a summary of all material facts upon which any Claims are made. FAILURE TO GIVE TIMELY RECEIVE NOTICE OF ANY CLAIMS IN WRITING SHALL CONSTITUTE IRREVOCABLE AND UNQUALIFIED ACCEPTANCE OF THE GOODS BY BUYER AND SHALL CONSTITUTE A WAIVER BY BUYER OF ALL CLAIMS WITH RESPECT THERETO. Provided that Buyer provides timely written notice of Claims, Seller may, in its sole discretion, either replace the portion of the Goods found by Seller to be nonconforming on the same terms applicable to the initial orders, ship additional Goods to remedy any shortage or in transit loss as determined by Seller, repair any defects in the Goods confirmed by Seller at Buyer's expense, or refund to Buyer the portion of the purchase price or portion thereof actually received by Seller for the affected portion of the Goods.

9. *Title; Risk of Loss.*

Unless expressly agreed by Seller, title and risk of loss shall transfer to Buyer upon delivery of Goods to any carrier at Seller's location or other shipping point ("Point of Delivery") irrespective of whether Seller has sold the Goods "freight prepaid" and notwithstanding any right of Buyer to cancel or return Goods.

10. *Force Majeure.*

Seller is not responsible for loss or damages resulting from loss of merchandise at sea, or failure to make shipment within the specified time or to ship at all, when such failure is due to delays of carriers or delays caused by labor difficulties, shortages, strikes, stoppages, fires, accidents, failure or delay in obtaining materials or manufacturing facilities, acts of any government affecting Seller in any way, bad weather, causes beyond Seller's control, acts of God, flood, lightning, war, military operation, terrorist attack or any other force majeure event or contingency that was not foreseen at the time when Buyer placed its order for Goods with Seller. In the event of force majeure, both Buyer and Seller will attempt to overcome it and keep each other informed of progress. If a force majeure event continues for 30 days, Buyer and Seller will attempt to negotiate reasonable accommodation for performance. Should the force majeure event continue for 30 days or more, Seller may terminate the Order. Seller shall not be liable for any damages or penalties whatsoever, whether direct, indirect, special, liquidated, delay, consequential, contingent, exemplary, punitive or otherwise, resulting from Seller's failure to perform or delay in performing as a result of the foregoing.

11. *Buyer Compliance.*

The Buyer agrees to comply with all applicable laws, regulations, and ordinances. Buyer shall maintain in effect all licenses, permits, authorizations, and permits that it needs to carry out its obligations under this Agreement. Buyer shall comply with the following: A) Executive Order 11246 as amended and all regulations promulgated pursuant to that Executive Order including but not limited to the provisions of paragraphs (1) through (7) of the "Equal Opportunity Clause" and the "Certification of Nonsegregated Facilities", each of which is incorporated herein by reference, B) Section 503 of the Rehabilitation Act of 1973 including the applicable parts of the affirmative action clause entitled "Affirmative Action for Handicapped Workers" (41 CFR 60-741.4) incorporated by reference, C) The Vietnam Era Veterans Readjustment Assistance Act (30 USC §2012) including the applicable parts of the affirmative action clause entitle "Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era" (41 CFR 60-250.4) incorporated herein by reference, D) Executive Order 13496 "Notification of Employee Rights Under Federal labor laws" (29 CFR Part 471, Appendix A to Subpart A) also incorporated herein by reference, E)

Buyer agrees to comply with all applicable commercial and public anti-bribery laws, including, without limitation, the US Foreign Corrupt Practices Act, the Canadian Corruption of Foreign Public Officials, and the UK Bribery Act and F) Buyer hereby represents and warrants that neither Buyer, nor any persons or entities holding any legal or beneficial interest whatsoever in Buyer, are (i) the target of any sanctions program that is established by Executive order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"); (ii) designated by the President of OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, The International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, The Patriot Act, Public law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated nationals and Blocked Persons." If the foregoing representation is untrue at any time, an event of default will be deemed to have occurred without the necessity of notice to Buyer.

Buyer assumes all responsibility for shipments of Goods requiring any government import clearance. Seller may terminate the Order if any governmental authority imposes antidumping or countervailing duties or any other penalties on Goods.

12. *Default.*

If Buyer breaches or is otherwise in default under the Order Acknowledgement or under any other contract between the parties hereto, Seller at its option may defer delivery of the Goods until the default is cured or may treat the default as a repudiation by Buyer of the order in its entirety, resell the Goods and hold the Buyer liable for such damages as Seller may incur, including consequential and incidental damages. For purposes of the Order Acknowledgement, Buyer's insolvency shall be a default under the Order Acknowledgement.

13. *Security Interest.*

Until the unpaid contract price and any other amounts payable by Buyer to Seller under the Order Acknowledgement are paid in full, Seller retains lien rights on the goods for the unpaid amounts. Buyer hereby conveys and grants to Seller a security interest in and assigns to the Seller a security interest in all goods purchased from seller, now existing or hereinafter acquired and not paid in buyers proceeds therefrom, including accounts receivable. These terms and conditions shall operate as a security agreement, and seller may file such UCC-1 Financing Statements as it deems necessary to reflect said security interest.

14. *Cancellation.*

Buyer warrants that Buyer is solvent and that Buyer is able to pay the purchase price for Goods purchased. Seller may cancel because of any arbitrary deductions made by Buyer or failure to comply with contract terms in respect to any shipment, including prior shipments, because of any transfer or changes in Buyer's business, Buyer's insolvency, suit by other creditors, failure of Buyer to meet any financial obligations to Seller, impairment of Buyer's credit worthiness, or unfavorable credit reports made to Seller through usual channels of credit information, unless, Buyer shall pay cash in advance of receiving the shipment to be made. Seller shall retain the right to renegotiate price or cancel in the event of force majeure, mill insolvency, or other causes beyond Seller's control.

15. *Dispute Resolution.*

Except as set forth herein, any claim of any kind that arises out of or relates to the Order Acknowledgement, or to the interpretation or breach thereof, shall be brought solely in the state of Oregon. Notwithstanding this provision, Seller may take whatever action is necessary, in any jurisdiction, to file and perfect a construction (mechanics) lien claim, a public works bond claim, or similar claim, and may bring an action to foreclose or enforce such lien claim, bond claim, or similar claim, in such jurisdiction. Additionally, Seller, in its sole discretion, may require and compel that any claim brought by, or dispute between, Buyer and/or Seller, including but not limited to any claim filed in court, and any construction lien foreclosure action, be resolved by arbitration administered by the American Arbitration Association ("AAA"), under the then effective arbitration rules of AAA, which are incorporated herein by reference. Pursuant to the AAA Rules, the parties shall be entitled to assert all claims and defenses allowed by law, shall be entitled to discovery as allowed under the Oregon Rules of Civil Procedure, and the arbitrator shall be impartial and be required to disclose any relationship to the parties. Such arbitration shall be conducted before a single, neutral arbitrator in Portland, Oregon, and shall be subject to the Oregon Uniform Arbitration Act and the Oregon International Commercial Arbitration and Conciliation Act, as applicable. If it becomes necessary for Seller to pursue collection of any amounts due Seller related to the Order Acknowledgement, Seller shall be entitled to its reasonable attorney fees, collection costs and expenses, whether or not an action is commenced. No action taken by Seller with respect to any lien claim, bond claim, or similar claim, or security interest, or any other action or inaction of Seller, shall be deemed a waiver of any provision of these Terms and Conditions. Except with respect to a lien foreclosure action, bond claim, or similar claim, which shall be governed by the law of the state where the action is filed, all claims and disputes arising out of or related to the Order Acknowledgement shall be governed by and in accordance with the state law of Oregon. Judgement may be entered upon the arbitration award. In connection with any arbitration proceeding, each party shall pay (a) one-half of the arbitrator's fees and any administrative charges associated with the proceeding, and (b) all of its own attorney and other professional fees and costs.

16. *Collection.*

Buyer agrees that if Seller extends credit to Buyer and it becomes necessary for Seller to place unpaid amounts in the hands of an attorney, or collection agency, Buyer will pay any and all costs of collection, including, but not limited to, reasonable attorney fees and any court costs necessary to collect the past due balance. In the event an invoice is over 30 (thirty) days past due, Buyer agrees to pay a service charge of 1-1/2% per month (18% per annum) calculated from the original invoice due date.

17. *Environmental.*

Buyer acknowledges that the Goods sold to Buyer may contain material that may pose an environmental hazard under various laws and regulations. Buyer agrees to familiarize itself (without reliance on Seller) with any hazard of such Goods and their applications and the containers in which the good are shipped. Buyer agrees to inform and train its employees and customers as to such hazards.

Seller make no representation or warranty of any kind, express or implied, with regard to the existence or nonexistence of mold or other contaminants on the Goods and Buyer waives any and all claims against Seller in connection therewith.

18. *Taxes.*

Unless otherwise agreed by Seller in writing, all prices are exclusive of applicable federal, state, local and foreign sales, use, excise, value added and other taxes. Any and all current or future tax or other governmental charge applicable to the sale, delivery, shipment or storage of the Goods that Seller is required to pay or permitted to collect shall be for Buyer's account and shall be added to the price, and shall not be subject to any reduction.

19. *Waiver.*

No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

20. *Severability.*

If any portion of the Agreement or its application is construed to be invalid, illegal or unenforceable, then the other portions of the Agreement or its application thereof shall not be affected thereby and shall be given full force and effect without regard to the invalid or unenforceable portions.

21. *General.* The rights and obligations of the parties under the Order Acknowledgment shall be governed by the laws of the State of Oregon, U.S.A. in effect as of the date of the Order Acknowledgment, including without limitation the provisions of the Oregon Uniform Commercial Code, but without regard to conflicts of law principles. The 1980 United Nations Convention on Contracts for the International Sale of Goods, as amended, shall not apply to the Order Acknowledgment. If any provision of the Order Acknowledgment is determined by any court or arbitrator to be unenforceable, the provision shall be deleted, and the balance of the Order Acknowledgment shall be binding upon the parties. Any agreement signed and sent by facsimile shall be treated as a binding original.