TERMS & CONDITIONS

1. APPLICATION OF CONDITIONS. All sales of products (the “Products”) are made pursuant to the terms and conditions contained herein and all orders are received with the understanding that they are placed under these terms and conditions.

2. MODIFICATION. This agreement may not be amended, changed or modified except by writing duly executed by Buyer and Seller and it is expressly understood, that in the case of Seller any such writing shall be executed by an authorized representative of Seller.

3. PRICES. Seller reserves the right to revise prices if there is a change in quantity, size, analysis, finish or method and time of shipment differing from those covered in the original order.

4. PAYMENT. Buyer shall make payment to Seller in the manner set forth herein. If in the judgement of Seller the creditworthiness of Buyer becomes impaired at anytime or Seller otherwise becomes insecure. Seller shall have the right to require payment in advance before making any future shipments, and Seller may, upon seven days written notice to Buyer, declare the unpaid purchase price of any Products shipped to Buyer to be immediately due and payable. Any payment for products not made when due shall accrue interest at a rate of 18 percent per annum or at the highest interest rate permitted by applicable law, whichever rate is less. At Seller's option, upon any breach or default by Buyer hereunder, Seller may declare any outstanding debt, obligation or liability of Buyer to Seller, under this agreement or otherwise, to be immediately due and payable. Time is of the essence with respect to all payments due to Seller from Buyer hereunder, and, unless in each instance waived by Seller in writing, timely payment shall be a condition precedent to any subsequent deliveries of Products or other performance by Seller of its duties and obligations hereunder.

5. RISK OF LOSS. All risk of loss or damage to any Products shall pass from Seller to Buyer upon Buyer's delivery of such Products to the carrier designated in the shipping instructions contained herein or to a carrier reasonably selected by Seller if such shipping instructions do not designate a carrier for shipment to Buyer. Any charges by carrier at destination for spotting, switching, demurrage or other services shall be paid by Buyer. Any price quotations contained herein are price terms only, and risk of loss or damages and shipping terms are as separately provided in this agreement.

6. DEFECTIVE NON-COFORMING OR REJECTED MERCHANDISE. Buyer shall inspect each shipment of Products by Seller to Buyer immediately upon arrival at the shipment's destination and within thirty days of each such arrival shall notify Seller of (a) any defects in any of the Products contained in such shipment and (b) any reason (other than any such defects) by which Buyer claims any such Products are non-conforming goods or for which Buyer rejects any of such Products except that with respect to any claims for shortages, such claims must be made within five days after accepted such Products. If any model or sample was used merely to illustrate the general type and quality of the Products and not to represent that the Products would necessarily be that type or nature.

7. SELLER'S RIGHT OF RESALE. If Buyer breach or repudiates any provision hereof or fails to comply with this agreement, Seller shall have the right to resell any undelivered Products ordered by Buyer, together with any Products rechaimed by Seller or to which Seller may agree to accept return. Any such resale may be public or private at wholesale or retail and may be held on one or more occasions and under such procedure, terms and conditions as Seller may determine in its sole discretion. In the event of any such resale, Buyer shall pay to Seller the amount by which the purchase price set forth herein exceeds the amount received by Seller in any public or private sale, plus all expenses of resale and all incidental expenses or damages incurred by Seller as a result of Buyer's Breach or repudiations. The parties agree that five days' written notice of any such resale is reasonable notice to Buyer of such resale.

8. CHANGES AND CANCELLATIONS. Should Buyer desire to cancel, revise or suspend this order, for reasons beyond Buyer's control, Seller shall discuss the matter promptly with Buyer and the parties shall do all possible to make a mutually satisfactory agreement. In cases where the material has been manufactured partially or completely for Buyer's requirement and the mill is unable to cancel, Buyer will be informed of charges incurred to Buyer's account and Buyer hereby agrees to pay such charges promptly.

9. LIMITATIONS OF LIABILITY. In no event shall the amount of Seller's liability for any breach or default hereunder exceed the purchase price paid or payable by Buyer to Seller for the Products and no event shall Buyer be entitled to claim compensation for special, incidental or consequential damages for defective goods or services, late delivery or non-delivery, nor shall Seller be liable for Buyer's loss of any kind or description whatsoever. BUYER ACKNOWLEDGES THAT SELLER HAS NOT MADE AND SHALL NOT MAKE OR BE LIABLE UNDER ANY AGREEMENTS, WARRANTIES, OR REPRESENTATIONS, EXPRESS OR IMPLIED IN ANY MANNER OR FORM WHATSOEVER, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OF PURPOSE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN OR IN A WRITING DELIVERED BY SELLER TO BUYER AND SELLER SHALL NOT, DIRECTLY OR INDIRECTLY, BE RESPONSIBLE OR LIABLE FOR ANY CLAIM LOSS, DAMAGE, LIABILITY, COST OR EXPENSE IN CONNECTION WITH, ARISING OUT OF OR RELATING TO THE PRODUCTS. EXCEPT AS EXPRESSLY SET FORTH HEREIN.

10. TERMINATION. In the event of any breach or default by the other party in any of the terms or conditions of this agreement, or any other contract or arrangement between the parties, either party may immediately terminate this agreement by giving written notice to the other party. This agreement shall immediately terminate without written notice by or to, or other action by, either party in the event of any assignment for the benefit of creditors or offer to make an extension to creditors by Buyer, the insolvency (as such term is defined in the Uniform Commercial Code) of Buyer, the commencement of any proceeding under any bankruptcy laws by or against Buyer, the suspension or liquidation of Buyer's usual business, or any transfer (either voluntary or involuntary) of a substantial part of Buyer's property or assets other than in the ordinary course of business, provided, however, that in the event of any such termination, the terms and conditions of this agreement shall continue to be binding upon the parties in connection with all Products shipped by Seller to Buyer.

11. NOTICES. Any notice required or permitted to be given under this agreement shall be in writing and shall be deemed to have been given upon personal delivery, or forty-eight hours after mailing by certified or registered United States mail, return receipt requested, postage prepaid, addressed in accordance with the addresses set forth herein, or such other addresses of which notice is so given.

12. ATTORNEY'S FEES. In the event any action is initiated of breach of or default in any of the terms and conditions of this agreement, then the party in whose favor judgment shall be entered shall be entitled to have and recover from the other party all costs and expenses (including attorney's fees) incurred in such action and any appeal there from.

13. LITIGATION. It is hereby irrevocably agreed that all actions, suits or proceedings between Seller and Buyer arising out of, in connection with or relating to this agreement or the interpretation, performance or breach of this agreement shall be litigated in the State or Federal Courts in the County of Riverside in the State of California, except that Seller may institute and prosecute to judgement in any court of competent jurisdiction an action, suit or proceeding to effect collection of any monies, due to Seller from Buyer and Buyer shall reimburse Seller for all costs and expenses (including attorney's fees) incurred by Seller in so doing. Buyer consents to the jurisdiction of the State of California waive the right to transfer, or change the venue of any litigation commenced in any of such Courts and waives personal service of all process upon Buyer on the condition that all such process is served personally or by registered or certified mail addressed to Buyer at Buyer's last known address.

14. GOVERNING LAWS. This agreement shall be governed by and interpreted in accordance with the laws of the State from which the Products are shipped.

15. SEVERABILITY. If any provision of this agreement, or any portion of any such provision, is held to be unenforceable or invalid, the remaining provisions and portions shall nevertheless be carried into effect.