

Lubrication Specialties Corporation
Fall City, Washington

STANDARD TERMS AND CONDITIONS

1. **PRICE.** Prices are subject to change without notice. Written proposals and quotations will be effective for a 10 day period unless otherwise quoted, and any orders placed on the basis of such proposals and quotations during this specified period will be billed at quoted prices. Orders placed after the specified period will be billed at the Seller's price in effect at time of shipment. Prices do not include customs duties, sales, excise, use or other taxes now in effect or hereafter levied by reason of this transaction and all such taxes are for the account of the buyer.

2. **DELIVERY AND PAYMENT.** All shipments and deliverables are F.O.B. Seller's factory unless otherwise quoted. By placing his order, Buyer represents that he is able to pay the purchase price of the products and services and that he is solvent. Our terms are 100% payment prior to shipment from Seller's factory unless otherwise quoted.

Past Due Accounts shall be charged interest at the rate of 1.5% per month. In the event of default resulting in legal action the prevailing party shall be entitled to reasonable attorney's fees and costs. Venue of any action shall be in Superior Court of King County, Washington.

3. **WARRANTY.** Seller warrants its products against defects in materials and workmanship under normal use and service for which such products were designed. This warranty is in lieu of any other liability for defects. SELLER MAKES NO OTHER WARRANTY OF FITNESS OF ITS PRODUCTS, nor are there any other warranties, express or implied by operation of law or otherwise. Any claim by Buyer on account of breach of warranty shall be deemed waived conclusively unless written notice thereof is given to Seller within thirty (30) days after discovery of the defect and within one year after shipment from Seller's plant. Seller shall have the option of requiring the return of the defective product to his factory with transportation charges prepaid, to establish the claim and Seller's liability shall be limited to the repair or replacement of the defective product, F.O.B. Seller's factory and without charge. Seller may elect to repair or replace defective product at customer's site. All warranties apply only to unopened containers of liquid products.

Seller shall not be liable for expense incurred in repairs or alterations made outside Seller's factory without Seller's prior authorization, nor shall Seller be responsible for the performance of products to which any revisions or alterations have been made by others.

Seller shall in no event be liable for damages or delay, nor for any consequential, special or contingent damages for breach of warranty.

4. **DELAYS.** All agreements as to time for shipment of products are made contingent upon strikes or other labor difficulties, labor shortage, fire, flood, war, breakdowns or failure of plant machinery or equipment, Governmental priorities or allocations, delays of suppliers or any cause beyond our reasonable control. In no event shall Seller be liable for consequential, special or contingent damages on account of delay.

5. **CANCELLATION.** Acceptance by Seller of Buyer's order will give rise to a binding contract between the parties on the terms set forth herein, which may not be modified or cancelled by either party without consent in writing of the other except as otherwise specifically provided herein. Seller's acceptance of buyer's request for cancellation shall not relieve Buyer of the obligation to pay appropriate cancellation charges and shall be subject to Buyer's payment of such charges

6. **CHANGE ORDERS.** Buyer shall bear the cost of all change orders submitted after placement of order with Seller. Seller may, at his discretion, levy additional fees and charges as required to process Buyer's change orders.

7. **EXPEDITED ORDERS.** Standard delivery terms are 10 days from date of order (remittance of payment) unless otherwise quoted. Orders requiring expedited delivery in less than 10 days shall incur a surcharge of 25% of the sales price in effect at the time of order.