

### Terms & Conditions

effective January 2009

All sales are conditional on Buyer's consent to the following Terms and Conditions. Buyer's acceptance of the provisions of Cavawood's terms and conditions as recited herein shall be conclusively presumed on Buyer's submission of a purchase order. These Terms and Conditions constitute the entire agreement between Cavawood and the Buyer, and supersede other communications between the two parties, whether written or oral. Cavawood reserves the right to select its customers and reject any order. Any other terms proposed by Buyer and/or stated in a customer's purchase order are not accepted by Cavawood unless expressly accepted in writing by Cavawood. Acceptance of all orders is subject to availability of the product.

#### PAYMENT TERMS

Payment in full, including freight, is required at the time of shipment. An invoice will be sent to the customer three weeks prior to the week of shipment.

#### FREIGHT AND FOB POINT

All sales are FOB shipping point. Risk of loss and title of goods shall pass to Buyer upon delivery to the designated carrier. Freight is prepaid and added on all shipments. Cavawood will select a carrier, routing and method of transportation by way of the least expensive route. Cavawood will not be responsible for any cartage or storage charges at the destination. Claims for loss or damage must be reported directly to the carrier.

#### PRICING

All prices are subject to change without notice. Price protection will be provided for 180 days from the date of quotation from Cavawood. Prices exclude all taxes and tariffs. The amount of any present or future sales tax, use tax, excise tax or other taxes applicable to the sale or use of the equipment hereunder, shall be paid by the Buyer, or in lieu thereof, the Buyer shall provide Cavawood with a tax exemption certificate acceptable to the taxing authorities.

#### CANCELLATIONS

All products are made to order. Buyer may cancel orders with written notice to Cavawood subject to the following conditions and with Cavawood's written consent. Cancellation of any product may be made only if no work has been performed and no material purchased. Once the order production has started, any and all costs incurred will be charged to the customer, which may include a cancellation charge up to the price of the product.

#### LIMITED WARRANTY AND LIMITATION OF LIABILITY:

Cavawood warrants all of its products to be merchantable (as defined in the Uniform Commercial Code) and to be free from defects in material and workmanship for a period of 3 years from the date of shipment. Buyer must notify Cavawood promptly of any claim under this warranty. The Buyer's only remedy for all warranty claims shall be the repair or replacement of the product at Cavawood's option. Any and all other costs, including the costs of labor, transport or costs relating to the removal, installation or proper selection of products, are excluded from this warranty. The warranty applies only to the use of the product as intended by Cavawood and does not cover any misapplication or misuse of said product.

#### CONFIDENTIALITY

Buyer agrees that all information furnished by Cavawood in connection with the sale of items will be confidential. The Buyer agrees not to disclose any such information to any other person, or use such information for any purposes other than performance hereunder. Cavawood retains the sole ownership of any and all intellectual property rights of all drawings, other documents and physical materials related to Cavawood products and technologies.

#### PRODUCT SPECIFICATION

Cavawood reserves the right to discontinue items, modify designs, and change specifications without incurring any liability. Any assignment of rights hereunder by Buyer without the prior written consent of Cavawood are void.

#### APPLICABLE LAW AND COURTS

The sales agreement Cavawood and the Buyer hereunder and all transactions hereunder shall be governed according to the laws of the State of Colorado. Venue for any litigation arising hereunder shall be pursued exclusively in the State and Federal Courts of Colorado, Effective January 1, 2009.