

STANDARD TERMS AND CONDITIONS OF SALE - U.S.

1. SCOPE

The Terms and Conditions ("Terms") contained herein shall apply to all Altamont quotations, offers, and sales of products and/or services, except to the extent that these Terms conflict with a written contract, sales agreement or distributor agreement signed by both Altamont and Buyer. Altamont quotations, offers, and sales are expressly conditioned upon Buyer's acceptance of the Terms herein, which acceptance may be express or implied. Altamont expressly rejects any Buyer terms and conditions, including but not limited to any Buyer terms and conditions which have been or may in the future be included as part of any purchase order, procurement document, or other communication from Buyer. Altamont's failure to object to provisions contained in any communication from buyer shall not be deemed to waive any provisions herein, or to accept any different terms and conditions communicated by Buyer. These Terms apply in lieu of any course of dealing between the parties or usage of trade in the industry.

2. PRICE, TAXES AND QUOTATIONS

Price proposals by Altamont for products and/or services are valid for 30 days from issuance, unless otherwise provided by Altamont in writing. Except where specifically indicated in Altamont's written price proposal, all prices are exclusive of all taxes applicable to the manufacture or sale of any product. All applicable taxes shall be the responsibility of and paid by Buyer unless Buyer provides a proper tax exemption certificate. Any amounts paid at any time by Altamont that are the responsibility of Buyer, such as export license fees, shall be invoiced to buyer and shall be reimbursed by Buyer to Altamont .

3. TIME OF DELIVERY

Altamont reserves the right to ship product in advance of any Confirmed Shipping Date. Time of delivery by Altamont is not of the essence and any dates provided may change without notice. At any time prior to delivery, Altamont Company may cancel this purchase order or any part hereof or change the delivery date, in either case, without any expense or liability to Altamont.

4. PAYMENT TERMS

Payment terms shall be net thirty (30) days from the date of invoice, unless otherwise provided. If amounts are not paid when due, Buyer agrees to pay interest on any unpaid balance at a rate of one and one half percent (1.5 %) per month, or the maximum rate permitted by law, whichever is less. All payments are to be in United States dollars. Where payment is made by letter of credit, all costs of collection shall be for Buyer's account. Buyer agrees to pay Altamont's reasonable costs to collect delinquent accounts, including but not limited to attorney fees and costs of legal action. When applicable, payment prior to shipment may be required at the sole discretion of Altamont.

5. NON-CONFORMING DELIVERY AND RISK OF LOSS

(a) All sales are FOB origin. Risk of loss and title shall pass to Buyer as soon as the products have been placed with a transport agent. Altamont shall be entitled to retain a security interest in the products until Buyer's final payment. (b) Buyer shall notify Altamont in writing of any visible defects, quantity shortages or incorrect product shipments, within ninety (90) days of receipt of products or services. Failure to so notify Altamont within ninety (90) days shall constitute acceptance and be deemed an unqualified waiver by Buyer of any rights to reject or return products or services on the basis of visible defects, shortages or incorrect shipments.

6. ORDER CANCELLATION

(a) Buyer's Cancellation for Convenience: Buyer may cancel an order for convenience on the following terms: (i) For standard Altamont products, Buyer may cancel delivery without penalty if the cancellation is prior to the Shipping Date; (ii) For services, nonstandard parts, custom products, or standard parts with minimum usage, Buyer may cancel an order by providing written notice to Altamont more than thirty (30) days in advance of the Confirmed Shipping Date, except that (1) Buyer shall accept delivery and pay Altamont the contract price for all products and services completed at the time of such cancellation; (2) for products which are in the work-in-process inventory and services which Altamont has not completed at the time of cancellation, the Buyer shall pay Altamont an amount equal to the percentage complete multiplied by the contract prices; and (3) Buyer shall pay promptly to Altamont the costs of settling and paying claims relating to termination of the work of Altamont's subcontractors and vendors, as well as accounting, legal, and clerical costs relating to the cancellation. (b) Buyer's Cancellation for Default: If Altamont does not deliver products or services by an order's Confirmed Shipping Date; Buyer provides written notice with at least sixty (60) days for Altamont to cure; and, after such cure period, Altamont is unable to complete delivery, then Buyer may cancel the order in whole or in part. Notwithstanding any termination of Altamont for default, Buyer shall accept and pay Altamont the contract price for all conforming products and services delivered by Altamont prior to such termination. (c) Altamont's Cancellation: Altamont shall have the right to cancel any order in whole or in part, without notice to Buyer, in the event that Buyer

becomes insolvent, adjudicated bankrupt, petitions for or consents to any relief under any bankruptcy reorganization statute, otherwise in Altamont's judgment becomes unable to meet its financial obligations in the normal course of business, or, on notice before the confirmed shipping date, without cause. Nothing in this Agreement shall be construed to limit any right or remedy of Altamont at law or in equity. All rights and remedies of Altamont under this Agreement and at law and in equity are cumulative and not mutually exclusive, and the exercise of one shall not be deemed waiver of the right to exercise any other.

7. WARRANTY

Altamont products carry a lifetime warranty. Altamont will replace any products returned for warranty if the product is currently being produced. If the part is obsolete, Altamont will replace it with a product of equivalent or lesser value only if such a part is available. If a part is obsolete and no replacement is available, Altamont is free of warranty obligation. Certain products are excluded from Altamont's lifetime warranty - those products will have their warranties specified separately. Except as specified below or otherwise agreed in writing, products sold hereunder shall be free from defects in materials and workmanship and shall conform to Altamont's published specifications or other specifications accepted in writing by Altamont. The foregoing warranty does not apply to any products which have been subject to misuse, neglect, accident or modification. Altamont shall make the final determination as to whether its products are defective.

Altamont's sole obligation for products failing to comply with this warranty shall be, at its option, to replace or issue credit for the nonconforming product where, (i) Altamont has received written notice of any nonconformity; (ii) after Altamont's written authorization, Buyer has returned the nonconforming product to it; and (iii) Altamont has determined that the product is nonconforming and that such nonconformity is not the result of improper installation, repair or other misuse. THE FOREGOING WARRANTY AND REMEDIES ARE EXCLUSIVE AND MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR OTHERWISE, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. ALTAMONT DOES NOT ASSUME OR AUTHORIZE ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH ITS PRODUCTS.

8. LIMITED LIABILITY

Neither Altamont nor Buyer shall be liable for delay, lost revenue, lost profits, loss of goodwill, or for any other incidental, consequential, special or punitive damages arising out of or relating to the sale of any Altamont products or services, or performance or nonperformance of this Agreement. Altamont's maximum aggregate liability to Buyer arising out of or relating to this Agreement,

including but not limited to any express or implied warranty, condition, or representation, shall be the price of the affected products or services for which Buyer has paid Altamont under this Agreement.

9. CONFIDENTIAL INFORMATION

Except as required by law, neither party shall use (except for purposes connected with the performance of its obligations to the other hereunder), divulge or communicate to any third party any information provided by the other that it reasonably knows to be confidential.

10. FORCE MAJEURE

Altamont shall not be liable for any damage or penalty for delay in delivery, or for failure to give notice of delay, when such delay is due to causes beyond the reasonable control of Altamont, including but not limited to the elements, acts of god, acts of the Buyer, act of civil or military authority, war, terrorist acts, riots, concerted labor action, or shortages of materials. The delivery date shall be deemed extended for a period of time equal to the time lost due to any such excusable delay.

11. COMPLIANCE WITH LAWS

Buyer shall comply with Federal, state, and local laws, rules and regulations pertaining to the goods or services purchased or received under this Agreement. Buyer is advised that the goods and services purchased or received from Altamont under this Agreement, including but not limited to any related drawings, samples, or technical manuals, may be restricted under the Arms Export Control Act, International Traffic in Arms Regulations (ITAR), Export Administration Act, and/or Export Administration Regulations (EAR). In addition, assembly of Altamont parts or placing other accessories onto Altamont products, and/or their transport or resale may violate applicable laws, rules or regulations and are done at Buyer's sole risk. Buyer expressly assumes all responsibility and all liability for its conduct and compliance with all laws, rules and regulations, and Altamont expressly disclaims any responsibility or liability therefor. Buyer agrees to indemnify and hold Altamont harmless from all sums, costs and expenses as a result of any and all loss, expense, damage, liability, claims, and demands, either at law or in equity, arising out of or relating to any of Buyer's actions or failures to act.

12. ASSIGNMENT AND SUBCONTRACTING

Altamont shall be entitled at all times to delegate or assign its rights under the contract (in whole or in part), or to subcontract any part of the work or services to be provided under the contract, as it

deems necessary or desirable. Buyer may not assign its rights under this contract without the written approval of Altamont.

13. NOTICES

Any notice hereunder shall be deemed to have been given if sent by prepaid first class mail to the party concerned at its last known address. Notice to Altamont shall be to Altamont Company, 901 N. Church St., Thomasboro IL 61878.

14. WAIVER

Failure by Altamont to exercise or enforce any rights hereunder shall not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof at any time or times thereafter.

15. APPLICABLE LAW

Any dispute arising out of or related to an Agreement to which these terms and conditions apply shall be resolved exclusively under the laws to the State of Illinois and in the state or federal courts located in Thomasboro, Illinois, United States of America.

16. INTELLECTUAL PROPERTY RIGHTS

Altamont reserves all intellectual property rights including, but not limited to, patent, copyright, trade dress, and trade secret. Buyer shall not reverse engineer, decompile, or attempt to do so or the like with respect to any Altamont product. The trademarks, trade dress, and service marks of Altamont may be used publicly only with prior permission from Altamont. Fair use of Altamont's trademarks in advertising and promotion of Altamont's products is permitted only with proper acknowledgment. The absence of any marking, name or logo shall not constitute a waiver of any intellectual property rights that Altamont may possess in any of its products, service marks or logos. No license is transferred or intended to be by these terms with respect to any Altamont product or its associated intellectual property.

17. SEVERABILITY

The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect or impair the validity, legality, or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

18. AMENDMENT OF TERMS

These Terms shall not be waived or amended except by Altamont's express written agreement.

These terms and conditions may change without notice at any time.