



Terms and Conditions of Sale: Tree Island Steel

1. Scope. Buyer accepts the terms and conditions set forth herein and agrees that the Buyer's additional or different terms in any of Buyer's forms, documents, or purchase orders, if any, shall have no application to any contract or agreement between the Buyer and Tree Island Steel (hereafter called the "Seller") except to the extent that the Seller agrees in writing to any terms and conditions of such purchase order. No part of the agreement may be changed or cancelled except by a written document signed by Seller and Buyer.
2. Prices, Taxes and Duties. All prices and quotations are subject to change by Seller, prior to shipment, without notice and all orders shall be accepted subject to the express condition that the Seller's prices in effect at the time of shipment shall apply. Transportation charges, where involved, in effect at the time of shipment shall apply. All prices are subject to mill confirmation. All prices are subject to the addition of any applicable sales, excise or other taxes or duties imposed by any governmental authority. All such taxes, unless otherwise expressly stipulated, shall be added to the price payable by the Buyer to the Seller.
3. Terms of Payment. Terms of payment are net 30 days from date of invoice unless otherwise stipulated in writing by Seller. The Buyer's offer to purchase is subject to prior credit approval by the Seller, and subject to credit limits as established by the Seller (prior credit approval may be withdrawn at Seller's discretion). Past due accounts shall bear interest at the lower of 2% per month or the maximum legal rate on all amounts not received by the due date. In the event of litigation or arbitration the prevailing party shall be entitled to reasonable attorney fees and costs.
4. Returns. Products returned by the Buyer will not be accepted without prior expressed written consent of the Seller. All products accepted for return will be subject to a minimum restocking fee of 20% of the purchase price provided that the product is returned in new, re-saleable condition F.O.B. to the location determined by the Seller.
5. Delivery. Unless otherwise stipulated in writing by the Seller, all sales are F.O.B the Seller's place of manufacture. All shipping terms are per Incoterms 2010. All deliveries are to be made during the Seller's regular hours of operation, by common carrier. Seller may impose a fuel surcharge as deemed necessary. Unless otherwise noted in writing, any variation in quantities shipped over or under the quantities ordered (not to exceed 10%) shall constitute full compliance with the Buyer's order and the stated price per item will apply.
6. Cancellation. Seller reserves the right to cancel any purchase agreement or release there under, or terminate any agreement relating to the purchase of Seller's products on not less than 30 days notice.

7. Inspection. Except in cases where goods are sourced by, rather than manufactured by Seller, or to the extent otherwise agreed in writing, all products shall be delivered in accordance with the Seller's standard practice and shall be subject to the normal tolerances consistent with practical inspection and testing procedures. Sourced goods, shall be deemed without flaw or defect, so long as these goods comply with the Seller's order specifications and tolerances, unless the buyer has provided specifications and Seller has agreed, in writing, to provide goods based on these specifications. Only the Seller may determine if a product is defective or damaged. The inspection of goods that are drop shipped to the Buyer's location is the sole responsibility of the Buyer. If upon this inspection a concern is discovered, the Buyer must notify the Seller immediately and request inspection and evaluation by the Seller. Buyer shall notify Seller and delivering carrier within (24) twenty four hours from the date of receipt of goods, of any damage or shortage, and afford the Seller a reasonable opportunity to inspect the goods. In no event may any goods be rejected or claimed as defective or damaged more than (24) twenty four hours after delivery of sold/purchased goods at the point of delivery. Any loss occasioned by damage or shrinkage in transit will be for the Buyer's account and claims for such loss shall be made solely against. If a portion of any delivery is deemed defective or damaged, this shall not affect the Buyers continuing obligation to accept and make payment for the balance of the goods delivered or to be delivered under a purchase agreement. The Seller reserves the right to determine the remedy for damaged or defective goods. This remedy shall be limited solely to replacement, rework, refund or make allowance. All orders shall be subject to the Seller's regular commercial practice concerning over and under shipments.

Except as stated above, Seller makes no warranties, conditions or guarantees, either expressed or implied, including but not limited to those of merchantability and fitness for a particular purpose, whether arising by statute, custom or trade, or based upon any theory of law or equity.

8. Limitation of Liability. Except as expressly stated in these Conditions, the Seller shall not be liable to the Buyer or any other person or entity for incidental, consequential, punitive or special loss, or damage of any kind whether foreseeable or not, however caused, arising out of, or in any way connected with, any contract for sale, delivery, use of and ability to use the Seller's products, or any delay or failure on the part of the Seller to deliver the products including without limitation, any interruption of service, loss of business or participatory profits suffered by the Buyer or any person or entity. Buyer shall assume all risk and liability for loss, damage, or destruction caused by use or misuse by any user or third parties who may acquire or use the Seller's products. The Seller's total liability in connection with the sale of products will be limited to the replacement of any defective product. These limitations apply whether the liability is based on contract, tort, strict liability or any other legal theory.
9. Indemnity. Seller shall indemnify, defend and hold Buyer harmless from any claim, cause of action or liability incurred by Buyer as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by Seller's negligence. Seller shall have the sole authority to direct the defence of and settle any indemnified claim. Seller's indemnification is conditional upon the Buyer (a) promptly notifying Seller of any claim, and (b) providing reasonable cooperation in the

defense of any claim.

10. Force Majeure. Seller shall not have any liability for any breach caused by extreme weather or other act of God, strike or other labor shortage or disturbance, fire, accident, war or civil disturbance, delay of carriers, failure of normal sources of supply, act of government or any other cause beyond such party's reasonable control.
11. Miscellaneous. Any Buyer operating within the United States will hereafter be referred to as Buyer (US). Any Buyer operating outside of the United States will hereafter be referred to as Buyer (Canada). Any contract entered into between the Seller and the Buyer (US) shall be governed by the laws of the State of California. Any contract entered into between the Seller and the Buyer (Canada) shall be governed by the laws of the province of British Columbia, Canada. If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable, and all other terms shall remain in full force and effect. Buyer may not assign or permit any other transfer of the agreement without Seller's prior written consent.