

1. DEFINITIONS

For purposes of any Estimate, Phillips Scales or "Seller" is the party providing the goods and services, and Customer is defined as the party receiving the goods and services. The Estimate is subject to the following terms and conditions, which shall be considered a part of this Estimate.

2. GENERAL WARRANTIES

- a. Where only materials (including manufactured articles) are furnished, Seller agrees and warrants as follows:
1. To furnish the materials described in this Estimate within the times specified therein;
 2. To provide the materials described at the price indicated;
 3. That no materials are furnished which may involve a patent infringement action or claim; and
 4. To deliver same where required free and clear of any lien rights, royalties, or extra charges of any nature, including sales or use taxes of any description not shown on the face hereof.

3. ACCEPTANCE

A signature by Customer's authorized employee on this Estimate, or other written acknowledgment of this Estimate shall constitute acceptance by Customer of this Estimate and of all its terms and conditions. This supersedes any and all proposals, correspondence and oral agreements made prior to the date hereof, and without limitation it is expressly agreed that all provisions of quotations, brochures, sales proposals, proposal forms and other documents provided by Seller shall be void to the extent they are in any way inconsistent with this. Should the acknowledgment copy of this Estimate be enclosed, Customer is requested to execute (sign) same and return promptly to Seller. No additional terms or conditions stated by Customer in acknowledging or otherwise accepting this Estimate shall be binding upon Seller unless specifically accepted in writing by Seller.

4. PAYMENTS

Payments shall be made as follows:

- a. Customer shall pay Seller based on progress invoices provided by Seller;
- b. For orders that exceed \$5,000.00, the following payment terms may apply:
1. Customer shall pay 50% at the time of the order or have an approved credit application on file, and
 2. The remaining 50% due shall be paid on the net shipment date.

5. ASSIGNMENTS

No right or interest in this Estimate shall be assigned nor shall delegation of any obligation be made by Customer without the express written consent of Seller. Any attempted assignment or delegation by Customer shall be void unless made in conformity with this clause.

6. RIGHT TO TERMINATE

If Customer fails to make payments as required by Seller and this Estimate, or becomes insolvent, or makes a voluntary assignment for the benefit of creditors, or commits an act of bankruptcy, Seller shall have the right, without prejudice to any other right, on three (3) days' written notice, to terminate all or a part of this Estimate. In such event, Customer shall be liable for any indirect or direct loss, damage or expense, including attorney fees and related collection costs, arising out of Customer's failures.

7. DAMAGES

Customer shall be liable for all damages, costs, and expense, including but not limited to Seller's actual attorney's fees, consequential damages, and all other losses resulting from any breach of this Estimate. In the event of termination caused by the fault of the Seller, Customer's damages shall be expressly limited to the return of the purchase price and in no event shall Seller be liable for any and all damages, if any, that exceed the amount paid to Seller by Customer. In no event shall Seller be liable for special, incidental, or consequential damages that arise from any act or omission by Seller.

8. DELIVERY DATE/QUANTITIES

Time is of the essence in the fulfillment of all the terms of this Estimate. The whole of the material and work shall be fully delivered, installed (if so specified) and/or otherwise completed by the date or dates specified on this Estimate.

9. FORCE MAJEURE

The term Force Majeure, as employed herein, shall mean acts of God, strikes, lockouts, acts of public enemy, changes in any applicable laws, riots, civil disturbances, explosions, blockades or embargoes, fires, floods, or other causes not reasonably within control of the party or those retained by a party claiming such inability. If, by any reason of Force Majeure, either party hereto shall be rendered unable wholly or in part to carry out its obligation under this Estimate, then such party shall give notice and full particulars of such Force Majeure in writing to the other party as soon as possible after such occurrence of the event or cause relied upon. The obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, except hereinafter provided, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch.

10. PLACE OF DELIVERY

All orders are FOB Origin unless otherwise provided on the face of this Estimate. The place of delivery shall be that set forth in the area titled "Deliver/Ship To" on the Estimate.

11. INDEMNITY

Customer shall indemnify, defend, and hold harmless Seller, its agents, employees, successors, assigns, affiliates and subcontractors, against any claim of any kind that is caused by or arises from any acts or omissions by Customer.

12. TERMINATION

In addition to the rights set forth in Paragraph 6 above, either party, provided such party is not in default of this agreement, may terminate this Estimate for any reason by providing thirty (30) days prior written notice to the non-terminating party. Any amounts owed to Seller at the time of termination shall promptly be paid at the earlier of when due or within seven (7) days following the effective date of termination.

13. SPECIAL TOOLS AND TEST EQUIPMENT

If the price stated on the face of this Estimate includes the costs of special tooling or special test equipment fabricated or required by Seller for the purpose of filling this order, unless otherwise stated in writing, such special tooling equipment or any process sheets related thereto shall become the property of Customer and, to the extent feasible, shall be identified by Seller as such.

14. TITLE AND RISK OF LOSS

Title and risk of loss of any goods subject to this Estimate shall pass to Customer only when Customer actually receives or takes possession of the goods at the place(s) specified for delivery on the face of this Estimate, unless otherwise mutually agreed to in writing.

15. DISPUTES

Disputes shall be decided by arbitration in Anchorage, Alaska in accordance with the American Arbitration Act unless Seller, in its sole discretion, decides to dispense with arbitration; in that case resort shall be to the courts. The award rendered by the arbitrators shall be final, and judgment may be entered upon and in accordance with applicable law.

16. LAWS

This agreement shall be interpreted and controlled by the laws of the State of Alaska.

17. CONSTRUCTION

This Estimate shall not be construed against either party.

18. ENFORCEABILITY

If any provision or part of this is determined to be unlawful or unenforceable, then all other provisions or parts not held to be unlawful or unenforceable shall remain effective and in full force.