

TERMS AND CONDITIONS OF SALE

1. Acceptance of Terms and Conditions

Goods and/or services sold by CRP Industries Inc, hereinafter referred to as "Seller", to customer, hereinafter referred to as "Buyer", are expressly subject to these terms and conditions set forth below, which shall constitute the entire final and exclusive statement of the agreement between the parties ("Sales contract"). Any proposal for different or additional terms and conditions contained in any prior oral or written communication, including, without limitation, Buyer's purchase order, are hereby objected to and rejected, but such proposal shall not operate as a rejection of this agreement unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods and/or services but shall be deemed a material alteration thereof, and this agreement shall be deemed accepted by Buyer without said additional or different terms. Buyer's acceptance of shipment or performance and/or payment for the goods or services constitutes acceptance of Seller's terms and conditions. The Seller may, from time to time, change or supplement these terms and conditions.

2. Cancellation

Buyer may not modify or cancel the purchase order or any portion thereof except upon written consent of Seller and payment of cancellation charges as follows: (i) thirty-five (35) % of the sales price of the goods and/or services, when cancellation notice is received less than sixty (60) days prior to scheduled delivery; (ii) twenty (20) % of the sales price of the goods and/or services, when cancellation notice is received sixty (60) or more days prior to scheduled delivery. Buyer may not modify or cancel the purchase order for a custom manufactured motor after signing the order confirmation.

3. Price

List prices and/or discounts are subject to change without prior notice. All prices quoted by Seller will be in effect for a period of thirty (30) days from the date of the written quotation unless otherwise stated.

4. Payment Terms

Terms of payment are thirty (30) days net from date of invoice, pending credit approval by Seller. A late payment charge of one and one half (1 ½) % per month (an annual percentage rate of 18 %) shall be charged on all past due accounts. If the forgoing charges exceed that rate which is the maximum permitted by law, then such charges shall be calculated to be the highest allowable lawful rate. Buyer agrees to pay all collection costs and expenses, including reasonable attorney fees, incurred by Seller in collecting or attempting to collect any amounts owed by Buyer to Seller. Unless and until the goods or services are fully paid for, Seller reserves a Security Interest in them to secure the unpaid balance.

5. Returned Goods

Any claims or requests to return goods must be made within thirty (30) days from date of shipment. Only saleable goods of standard manufacture are eligible to be returned. Goods may not be returned for credit, unless Buyer has obtained written Return Material Authorization ("RMA") in advance from Seller. Authorized returns are subject to a restocking charge of fifteen (15) % of the net invoiced amount. All return shipments have to be made freight prepaid.

6. Shipment

Unless otherwise noted, all sales of goods are made F.O.B. point of shipment and, in all cases, title and risk of loss or damage shall pass upon Buyer with delivery to the carrier at point of shipment. Seller reserves the right of carrier selection. Delivery dates given in advance of actual shipment of goods or performance of services are estimates and shall not be deemed to represent fixed or guaranteed delivery dates. Buyer is required to examine all shipments upon arrival to ascertain condition. If any shortages or damages occurred in transit, Buyer must file claim with the carrier within 10 days. Seller will notify customer of backorders beyond the date of planned delivery.

7. Limited Warranty

Seller warrants that the goods and/or services sold by it are free from defects in material and/or workmanship under normal use for a period commencing upon the date of shipment and continuing for the following specified period of time after that date: (i) one (1) year for new motors, (ii) three (3) months for repair motors. This Limited Warranty does not cover defects or damage (i) due to failure to use the good for its intended purpose, (ii) resulting from accident, misuse, abuse, neglect, unauthorized alteration, or (iii) because the good was not installed and maintained in accordance with instructions. Any modification or corrective maintenance performed by anyone other than the Seller during the warranty period shall void the warranty. During the applicable warranty period Seller will repair at its factory or replace, at its sole option, without charge any goods or part thereof, upon (i) written notification concerning the claimed defect, including the date purchased and the problem encountered and (ii) when Seller's inspection discloses any such defects. All items to be repaired or replaced may only be returned to Seller within the warranty period in the event a RMA has been obtained from the Seller. THIS WARRANTY SHALL BE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (Some states do not allow the exclusion or limitation of incidental or consequential damages, so this exclusion might not be applicable). Seller's employees or representatives' oral or written statements, or any description or specification of goods or any other written statements do not constitute any warranty. This Limited Warranty states the entire obligation of Seller with respect to the goods and/or services.

This warranty gives specific legal rights. There might be also other rights, which vary from state to state. If any portion of this Limited Warranty is held illegal or unenforceable by reason of any law, such partial illegality or unenforceability shall not affect the enforceability for the remainder of this Limited Warranty, which Buyer acknowledges is and will always be construed to be limited by its terms or as limited as the law permits.

8. Limitation of Liability

Seller's liability on any claim for loss or damage arising out of this contract or from the performance or breach thereof or connected with any goods or services supplied hereunder, or the sale, resale, operation or use of goods, whether based on contract, warranty, tort (including negligence) or other grounds shall not exceed the price allocable to such goods or services or part hereof involved in the claim regardless of cause or fault. Seller shall not under any circumstances be liable for any labor charges without its prior written consent. In no event shall Seller be liable for any incidental or consequential damage, including but not limited to, loss of profits or revenue, loss of use of products or associated product, cost of capital, cost of substitute products, facilities or services, downtime costs, or claims of customers of Buyer for such damage.

9. Trademarks and Copyrights

Buyer shall have no right, title or interest in the trademarks, copyrights or other intellectual property rights of Seller in regard to the goods, and Buyer covenants, that it will take no action to register or otherwise interfere with any such rights.

10. Governing Law

This Agreement shall be governed by and construed according to the laws of the State of New Jersey.

11. Entire Agreement

This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes any prior discussions or agreements between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing, duly executed by both parties.

12. Severability

If any provision of this Agreement is held to be invalid by a court of competent jurisdiction, then the remaining provisions shall nevertheless remain in full force and effect.

13. Force Majeure

Seller shall not be liable for failure to deliver or for delay in delivery or performance due to (i) a cause beyond its reasonable control, (ii) an act of God, act or omission of Buyer, act of civil or military authority, governmental priority or other allocation or control, fire strike or other labor difficulty, riot or other civil disturbance, insolvency or other inability to perform by the manufacturer, delay in transportation, or (iii) any other commercial impracticability. If such a delay occurs, delivery or performance shall be extended for a period equal to the time lost by reason of delay.

14. Indemnification

Buyer hereby (1) waives, releases and discharges any and all claims with the exception of claims for breach of this sales contract of every kind, including, but not limited, to injury or death of any person or damage to property, which it may have at any time against Seller, its agents or employees, by reason of or arising out of any condition of or defect in the goods and (2) covenants to indemnify and hold harmless Seller, its agents and employees from and against any and all loss, damage, expense, claims, suits, costs of defense, including attorney's fees which Seller or any of its agents or employees may sustain or incur at any time for or by reason of any injury to or death of any person or persons or damage to any property arising out of any condition of or defect in the goods or any claimed inadequate or insufficient safeguards of safety devices or warnings.

15. Assignment

Buyer shall not assign or delegate any or all of its duties or rights hereunder without Seller's prior written consent. Any assignment or delegation made without Seller's consent shall be null and void.

16. Headings

Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.