

TERMS, PAYMENT & INVOICING

Standard payment terms are NET 30 days from the date of invoice. Retaining a percentage of the contract sale amount is prohibited without prior, written agreement. Payment must be made in U.S. Funds. An invoice will be rendered as of the date product is ready for shipment. A service fee of 1-1/2% per month on all invoices over 30 days past due will be imposed. In the event of any default by the Purchaser, Carry Manufacturing, Inc. shall have the right to repossess the product as well as all other rights afforded to a conditional seller under the provisions of the Uniform Conditional Sales Act and any other applicable laws.

STANDARD WARRANTY AND CONDITIONS OF SALE

LIMITED WARRANTY: CMI warrants the product sold by it to be free from defects in materials and workmanship for a period of one (1) year from the date of purchase of the pump.

WARRANTY DISCLAIMER: This warranty does not apply to the product if used in an aquacultural application or to pumps that have been subject to misuse (including use in a manner inconsistent with the design of the pump), abuse, neglect, accident or improper installation or maintenance, or to pumps that have been altered or repaired by anyone other than CMI. The warranties in this agreement are in lieu of all other warranties, express or implied, including without limitation, any warranties of merchantability or fitness for a particular purpose, said warranties being expressly disclaimed.

WARRANTY AMENDMENTS: Prior or subsequent courses of dealing, trade usage and verbal agreements not reduced to a writing signed by CMI, to the extent they differ from, modify, add to or detract from this warranty shall not be binding upon CMI. There are no agreements, promises or understandings, either verbal or written, that are not fully expressed in this warranty. No statements, recommendations or assistance by either party have been relied upon by either party nor shall they be relied upon and shall not constitute a waiver by either party of any of the provisions hereof. This warranty may be amended or altered only if agreed to in writing signed by CMI.

LIMITED REMEDY: CMI and Purchaser agree the repair or replacement of the pump at issue is a commercially reasonable allocation of risk and, therefore, Purchaser agrees that its sole and exclusive remedy against CMI shall be limited to the repair or replacement of the pump at issue. This exclusive remedy shall not be deemed to have failed of its essential purpose so long as CMI is willing and able to repair or replace the pump at issue. In the event CMI is unable to repair or replace the pump at issue in a manner acceptable to purchaser, or in the event it shall be determined by a court having jurisdiction thereof that any provisions of this warranty are unconscionable or fail in its essential purpose, then the maximum liability of CMI shall be that as set forth in the paragraph next following entitled "Limitation on Liability".

LIMITATION ON LIABILITY: CMI shall not be liable for any loss, damage or injury resulting from delay in delivery or installation of the pump or for any failure to perform which is due to circumstances beyond its control. CMI and Purchaser agree it is a commercially reasonable allocation of risk that the maximum liability, if any, of CMI for all damages, including without limitation contract damages and damages for injuries to persons or property, whether arising from CMI's breach of this agreement, breach of warranty, negligence, strict liability or other tort, is limited to an amount not to exceed the purchase price of the pump at issue in the dispute and said liability is so limited. In no event shall CMI be liable to Purchaser for any incidental, consequential or special damages, including without limitation, lost revenues and profits, even if it has been advised of the possibility of such damages.

WARRANTY CLAIM PROCEDURE: This warranty is valid only if the following conditions are complied with by the Purchaser: Purchaser shall notify CMI in writing of the defect in the pump at issue within 30 days of discovery of the defect. The notice shall include with it copies of the proof of purchase and the return receipt signed by a representative of CMI as provided above. In the event repair or replacement of the pump at issue is approved by CMI, Purchaser shall, upon written notice by CMI of the approval, return the pump to CMI, freight pre-paid. CMI will return the repaired or replaced pump to Purchaser, freight prepaid. The repair or replacement of the pump shall not extend the duration of the one-year warranty term.

GOVERNING LAW: This warranty shall be governed and controlled by and enforced in accordance with the laws of the State of Michigan, U.S.A., in all respects.

FORUM: The parties agree they are of equal bargaining power and irrevocably submit to the jurisdiction and venue of the Circuit Court for the County of Tuscola, State of Michigan or, if original jurisdiction can be established, the United States District Court for the Eastern District of Michigan, Northern Division, with respect to any performance or breach of this agreement. The parties hereby stipulate that the venues referenced in this agreement are convenient to each of them.

RETURNS: Authorization and shipping instructions for the return of any product must first be obtained by the Purchaser from CMI otherwise shipment will be refused. Only unused standard product or materials of current design by CMI will be considered for return. Custom products cannot be returned for credit. If the returned product is in sellable condition, a credit memorandum will be issued minus a minimum restocking charge of 15% and minus all transportation charges paid by CMI.

GENERAL: These terms and conditions shall constitute a part of any contract which may be entered into and shall not be altered, modified, or added to unless specifically and expressly agreed to in writing by CMI. All oral agreements and representations of CMI or its representative to the Purchaser shall be embodied in any written contract of which CMI is a part.