

## STANDARD TERMS AND CONDITIONS OF SALE

**PRICES** – All prices are subject to change without notice in the event of any changes in cost of materials or labor, specifications, quantities, delivery schedules, customs duties, other factors beyond Seller's control, or in the event of delays caused by instructions of the Buyer, or failure of the Buyer to give Seller adequate information. Further, prices payable by the Buyer shall be subject to immediate increase, should the Seller as a result of governmental action or regulation including, without limitation, those contemplated by an investigation under Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862), incur additional duties, tariffs or restrictions on products sold hereunder, or on the raw materials that are used in making such products. In no event shall prices include any amounts imposed on the Buyer in connection with Buyer's purchases from Seller, such as taxes, including but not limited to Value Added Tax (VAT) or excise taxes, duties, tariffs, or any other costs assessed against the Buyer by a governmental authority. If within a reasonable time thereafter an equitable price cannot be agreed upon, the contract may be terminated by either party upon written notice with compliance to 'Order Changes' paragraph.

**WARRANTIES** – The seller warrants to the buyer that all products to be delivered hereunder will be free from defects in material and workmanship for the time period listed below.

The warranty does not cover damage in transit, damage resulting from mishandling by the buyer, his employees or customers, normal wear or improper use of application thereof. The foregoing warranty is in lieu of and excludes all other warranties expressed or implied (including any warranty of merchantability or fitness for purpose). If within the time period below, the buyer notifies the seller promptly that the products delivered hereunder do meet the warranty specified below, the seller will, at its option, issue credit, repair or replace any item or part thereof which is proved to be other than as warranted. The seller undertakes no liability and the buyer waives any claim for the cost for removing old and installing new or replacement parts. Goods returned without the seller's consent will be held at buyer's risk and expense. Any goods returned upon a claim of breach of any warranty shall be returned with transportation costs prepaid by the buyer. If any goods proved to be other than as warranted, transportation costs for return of such goods from buyer's plant will be borne by seller. The following are the specific limits of warranty by product.

- Seal Type Water Circulating Pump
  - Seal; 1 1/2 Years from date of shipment, or 1 year from installation.
  - Motor, pump (other than seal); 2 1/2 years from date of shipment, or 2 years from installation.
- Seal-Less Type 47FR 18 GPM Water Circulating Pump
  - Motor & Pump with date code after 01-01-02; 4 1/2 years from date of shipment, or 4 years from installation.
- 64FR ECDC Air Conditioning Motors & 64FR 26 GPM Pump & Motor
  - 4 1/2 years from date of shipment, or 4 years from installation.
- All Other Brushless Motor, Blower & Pump Products
  - 2 1/2 years from date of shipment, or 2 years from installation.
- All Brush Motor, Blower & Pump Products
  - 1 1/2 years from date of shipment, or 1 year from installation

**ORDER ACCEPTANCE** – Buyer's order is accepted upon the terms, provisions and conditions contained herein. No additional or different terms shall become part hereof without written approval by Seller. All acceptances and orders are subject to approval by Seller. No waiver or alteration of any terms herein shall be binding unless in writing, signed by an executive officer of Seller.

The Seller will comply with the terms and provisions of the Buyer's order as expressly set forth on Seller's Acknowledgment. Any of the terms or provisions of the Purchaser's order which are not expressly contained in Seller's Acknowledgment shall not be binding on the Seller and shall not be considered applicable to this sale.

All orders for special items are based on Buyer accepting over-run or under-run on each individual item not exceeding 10% of quantities ordered. Where closer control of quantity is required special arrangements must be made. Order is accepted and priced based on complete delivery within 12 months of the 1 scheduled delivery date. Seller reserves the right to ship and invoice the order complete on the 12 month anniversary of the first shipment or; cancel the balance of the order and invoice the Buyer for unique materials, work in process and finished goods or; negotiate new pricing on the open order balance.

**PATENTS** – It is not the intention of the Seller to manufacture any product which is an infringement of a patented article. With respect to parts manufactured, or furnished by the Seller, strictly to specifications, designs and/or drawings furnished by the Buyer, it is agreed that the Buyer will defend and save harmless the Seller from any and all expense involved in any claims or damages from patent infringements.

**DELIVERY** – Shipping or delivery dates are determined based on receipt of details and materials required to support the order. Shipping or delivery dates are estimates only and may be changed at the sole discretion of the Seller. The Seller shall not be liable for delays in delivery or failure to manufacture or deliver; (1) due to causes beyond its reasonable control, or (2) due to acts of God, acts of the Buyer, acts of civil or military authority, subcontracts, priorities, fires, strikes, floods, epidemics, war, riot, delays in transportation or car shortages, or (3) inability due to causes beyond its reasonable control to obtain necessary labor, materials, components, or manufacturing facilities. In the event of any such delay, Seller shall have the option of being excused from further performance or to extend delivery for a period equal to the time lost by reason of the delay. In absence of shipping instructions, Seller

will use own discretion in choice of carrier. Seller assumes no responsibility for insuring shipments unless specifically requested by Buyer and then at Buyer's expense and valuation.

**PACKAGING** – Prices stated are based on Seller's standard packaging. Seller reserves the right of packaging material in pallets, bulk or individual cartons. Packaging will be standard commercial package and acceptable to commercial carrier. Special customer or government packaging will be furnished only when specified and so stated herein.

**INSPECTION** – Inspection by the Seller will be made in accordance with Seller's standard practice of quality control. Any special test or inspections will be furnished only when specified and so stated herein.

**CLAIMS** – All claims for damaged material must be made to the transportation company by the Buyer. Unless notice of claim, for shortage and/or defective material, for products covered by Buyer's order is given in writing to the Seller within ten (10) days after receipt of shipment, such products shall be deemed finally inspected, checked and accepted by Buyer.

**TAXES AND INSURANCE** – Any taxes imposed by federal, state or local authorities on the manufacture or sale of articles covered by Buyer's order shall be charged to Buyer.

Buyer's material, dies, or tooling shall not be insured by Seller unless specifically requested by Buyer and made a part of the order at Buyer's expense. If no special agreement is made, Seller assumes no responsibility for destruction or partial loss due to fire, or other casualty beyond Seller's specific and reasonable control.

**Order Changes** – Orders cannot be cancelled or modified, or deliveries deferred after acceptance of Buyer's order by Seller, except with Seller's written consent and subject to conditions then agreed upon which shall indemnify Seller against liability and expense incurred and commitments made by Seller and which shall provide for profit on work in process and contract value of parts completed and ready for shipment.

**LIABILITY** – The Seller's liability for any claim of any kind, including negligence, for any loss or damage arising out of, connected with, or resulting from this contract, or from the performance or breach thereof, or from the manufacture, sale, delivery, resale, repair or use of any equipment covered by or furnished under this contract shall in no case exceed the price allocable to the equipment or part thereof furnished by Seller which gives rise to the claim. In no event shall the Seller be liable for any incidental or consequential damages. Any action for a breach of the contract must be commenced within one (1) year after the cause of action has accrued.

**CREDIT TERMS** – All orders, shipments, deliveries and payment terms shall at all times be subject to the approval of the Seller's Credit Department. The Seller reserves the right of declining to make deliveries whenever for any reason, there is doubt as to Buyer's financial responsibility and Seller shall not in such event be liable for non-performance of contract in whole or in part.

**DIES, TOOLS, JIGS, ETC.** – Charges for such items when stated, separately include only a portion of the total cost. Therefore, payment of these charges does not convey title, ownership nor the right of removal from the Seller. Ownership, including the right of removal, may be obtained by Buyer by negotiation and agreement between Seller and Buyer, for a fair reimbursement for the complete cost including design, development, experimental work, maintenance, storage, etc. Such equipment when inactive for a period of two (2) years at option of Seller be scrapped upon notification of intent to Buyer and upon failure to receive written advice to the contrary from Buyer within thirty (30) days. Resulting scrap value shall belong to Seller as payment for storage and maintenance costs.

**ENTIRE CONTRACT** – Upon Seller's acceptance of Buyer's order the terms and provisions hereof shall constitute the entire agreement between Buyer and Seller and no statement, correspondence, samples or other term shall modify or affect the terms hereof.

**GOVERNING LAW** – Seller shall in performance of work or services under this order, fully comply with all applicable federal, state and local laws, rules, regulations or ordinances. This order will be interpreted in accordance with the laws of the Commonwealth of Pennsylvania. The Seller certifies that these goods were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and the regulations and orders of the United States Department of Labor issued under Section 14 thereof.

**SEVERABILITY** - The invalidity or unenforceability of any phrase, sentence or section shall not affect the validity or enforceability of the balance of this Agreement.