

Replacement Parts

TERMS AND CONDITIONS

1. Terms. The standard terms and conditions of sale ("Terms of Sale") set forth below apply to all sales by Seller except to the extent that such Terms of Sale have been expressly altered or modified in writing by Seller. Any terms and conditions contained in any purchase order acceptance, which are either different from or additional to the Terms of Sale stated herein and in Seller's quotation and acknowledgment have been and are hereby objected to and, irrespective of the materiality of any such terms and conditions, are excluded from the Terms of Sale unless Seller has expressly agreed in writing or expressly agrees in writing prior to Buyer's acceptance of the goods to the inclusion of such terms and conditions in the Terms of Sale.

When this invoice is issued and the goods are shipped in response to a purchase order by the Buyer, such an issuance and shipment does not constitute an acceptance of the terms of the purchase order but rather the Terms of Sale stated herein shall govern such purchase and sale. The Buyer's assent to the Terms of Sale stated herein shall be conclusively evidenced by (i) any written or oral assent by the Buyer of the Terms of Sale or (ii) Buyer's receipt of the goods covered thereby together with its failure to object to any term or condition of the Terms of Sale within ten (10) days after receiving such goods.

2. Prices. (a) Unless otherwise expressly agreed in writing signed by the Seller, goods which are to be released for immediate shipment are invoiced at the price in effect at the time the quotation was accepted or assented to by the Buyer.
(b) Except as otherwise specifically provided, prices are F.O.B. Seller's plant or warehouse. List prices and discount are subject to change without notice.

3. Taxes. Any tax, public charge, tariff or duty assessed, levied or imposed upon Seller by reason of the manufacture, sales or delivery of any goods ordered by the Buyer shall be added to the price for such goods and shall be paid by the Buyer.

4. Delivery. All shipments by Seller are F.O.B. Montgomery, Texas. Freight allowed on orders \$25,000 net on one Purchase Order to one continental U.S. destination via surface delivery. Risk of loss with respect to any goods shall pass to Buyer when such goods are delivered to the carrier at such plant or warehouse. Claims of lost or damaged products in transit shall be filed by the Buyer directly with the carrier. Although Seller attempts to ship all goods within the time of delivery stated in its quotation, Seller does not guarantee to do so. The time of delivery quoted is based on Seller's past judgment in accordance with conditions prevailing on the quotation date and is subject to confirmation or modification at any time prior to Buyer's acceptance of or assent to the quotation and may be extended after acceptance to compensate for other sales commitments made by Seller prior to acceptance. The quoted delivery time commences when Seller receives acceptance or assent to its quotation, or in the case of specially manufactured goods, when Seller receives authorization to proceed with fabrication of the goods, but not before Seller and Buyer agree on complete specifications and drawings are approved (if drawing approval is required) by Seller's General office at the point of manufacture.

5. Contingencies. Seller shall not be liable for any delay or failure to manufacture or deliver any of the goods ordered by the Buyer or for any failure to perform any obligation required to be performed by Seller under the Terms of Sale stated herein if such delay or non-delivery is caused, or if performance of the obligation is made impractical or commercially unreasonable, by any fire, explosion, earthquake, windstorm, accident, breakdown, strike, lockout, other labor trouble, flood, drought, embargo, war, riot, Act of God or of the public enemy, action or request of any governmental authority or agency, delay or failure of carriers or contracts, equipment breakdown, inability to obtain or shortages of necessary labor, raw materials, operation materials, plant equipment, manufacturing facilities or tools or materials required for maintenance and repair, or other contingency, delay, failure or cause beyond the control of the Seller, irrespective of whether such contingency is specified herein or is presently occurring or anticipated. In the event of the occurrence of any contingency described in Paragraph 5, the time of delivery stated in the quotation shall be extended for a period equal to the time lost by reason of such occurrence. During any period of shortage described herein Seller may, in its sole discretion, prorate its supply of goods among all of its customers in such a manner as may be deemed equitable.

6. (a) Warranty. Seller warrants that, for a reasonable period of time not to exceed one year from the date of shipment, the goods sold hereunder will be free of defects of workmanship or material under proper and normal storage and use; provided, however, that Seller only warrants its goods when they are used in the service and manner recommended; provided, further, that if goods sold by Seller are modified or otherwise altered at any place other than the point of original manufacture of such goods, the warranty described in this Paragraph 6(a) shall be null and void. Should any failure to conform to the foregoing warranty appear within a reasonable period of time not to exceed one year from the date of shipment, Seller, at its option, shall repair the defective goods, ship replacement goods or refund the purchase price of the defective goods. Any warranty other than those contained herein made by the Buyer in connection with the resale of any of the goods covered hereby constitutes an agreement between the Buyer and such vendee or end-user and shall not be binding upon Seller nor shall it obligate Seller to anything not contained herein. **THE FOREGOING REMEDY SHALL CONSTITUTE BUYER'S SOLE EXCLUSIVE REMEDY AND A FULFILLMENT OF ALL SELLER'S LIABILITY WITH RESPECT TO THE GOODS.**

To invoke the warranty set forth in this Paragraph 6(a), the Buyer must submit proof of the defect satisfactory to the Seller and, at Buyer's expense, return the defective goods to the factory or warehouse designated by the Seller. In no event shall Seller be responsible for any claimed defect in the goods sold hereunder unless written notice identifying such defect shall be received by Seller within one year after Seller's shipment of the defective goods.

(b) Warranty Limitation. There are no warranties other than those contained in these Terms of Sale. There are no warranties to any other person other than the Buyer. The warranty provided to the Buyer in Paragraph 6(a) hereof is exclusive and is lieu of all other warranties and the remedy provided in Paragraph 6(a) is the sole and exclusive remedy and all other remedies are expressly excluded. Neither any representation or affirmation made, nor an drawing or sample shown, shall be deemed to create any warranty, course of dealing, usage of trade or standard of performance. All warranties, other than the warranty provided in Paragraph 6(a) hereof, whether express or implied or arising by operation of law, course of dealing, usage of trade or otherwise, are excluded. **THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

7. General Limitation Liability. The Buyer's remedies against Seller and Seller's liability shall be limited in accordance with this Paragraph 7. Seller's liability for any and all losses and damages to Buyer or any other person resulting from any breach of any warranty by which Seller may be bound, any damaged or defective goods supplied by Seller (regardless of whether such defective is discoverable or latent), delay or failure to manufacture or delivery, breach of agreement or any other cause whatsoever, including Seller's negligence, shall in no event exceed the purchase price of the particular goods with respect to which defects, losses or damages are claimed or, at the election of Seller, the repair or replacement of defective or damaged goods. **IN NO EVENT SHALL BUYER OR ANY BUYER'S VENDEES OR ANY END-USERS BE ENTITLED TO RECOVER ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING BUT NOT LIMITED TO COMMERCIAL LOSS OR INJURY TO ANY PERSON, WHETHER OR NOT SAID DAMAGES ARE CAUSED, IN WHOLE OR IN PART, BY ANY DELAY, FAILURE, NONPERFORMANCE OR NEGLIGENCE OF SELLER, OR THE BREACH BY SELLER OF ANY OF THE TERMS OF SALE CONTAINED HEREIN OR ANY OTHER TERMS OF SALE CONTAINED HEREIN OR ANY OTHER TERMS OR CONDITION MADE A PART OF THE CONTRACT BETWEEN SELLER AND BUYER.**

Without limitation to the foregoing, in no event shall Seller be liable to the Buyer, any of Buyer's vendees or any end-users for (i) the loss of use of Seller's goods, or (ii) the loss of the Buyer or the end-user, whether partially or wholly due to defects in material, workmanship and/or design of Seller's goods or (iii) for the costs or expenses incurred in or attendant to the removal or reinstallation of any goods supplied by Seller for any damage to other property or equipment resulting from any such removal or reinstallation.

Seller shall not be liable to the Buyer for any damages which result from improper handling or improper installation of its goods. Seller will not assume any expense or liability caused by or relating to repairs or modifications made to its goods outside the facilities and without the written consent of the Seller. Unless specifically provided in writing signed by Seller, Seller does not warrant and shall not be liable for equipment and accessories supplied by other manufacturers.

8. Buyer's Acceptance. Unless otherwise specifically provided, Buyer shall conduct a reasonable and complete inspection of goods delivered hereunder after Buyer's actual receipt of goods. All claims for damages to goods, defects (other than warranty defects), shortages or any other nonconformity in any shipment of goods delivered to Buyer shall be made in writing to Seller's General Office within a period of ten (10) days after Buyer's receipt of such goods. Buyer's failure to make such claims within such time periods shall constitute an irrevocable acceptance of the particular shipment and an admission that such shipment fully complies with all terms, conditions and specifications contained in the Terms of Sale for such goods. Each shipment of goods shall be accepted or rejected in its entirety and Buyer's acceptance of part of the goods tendered in a shipment shall constitute acceptance of all goods tendered in that shipment, unless otherwise consented to by Seller in writing. If Buyer accepts a shipment, such acceptance shall be final and irrevocable and no attempted revocation of such acceptance shall be effective. If Buyer rejects any shipment, Buyer must notify Seller of such rejection by a written notice mailed by registered mail; to Seller's General Offices within ten (10) days after Buyer's receipt of the goods. Such notice of rejection must fully specify any error, defect, shortage or nonconformities giving rise to the rejection and any failure to specify any error, defect, shortage or nonconformity shall constitute a waiver of that error, defect, shortage or nonconformity.

9. Cure. If a shipment of goods is rejected by Buyer, Seller shall have the right to cure in any reasonable manner the error, defect, shortage or other nonconformity giving rise to the rejection.

10. Indemnification. Except as otherwise provided in Paragraph 6, Buyer shall indemnify and hold Seller harmless from any and all losses, damages, expenses, decrees and claims (including reasonable attorneys' fees and court costs incurred by Seller in defending any of same) which may be incurred by or asserted against Seller and which may arise out of or in connection with the sale, use or inability to use any of the goods (or portion thereof) covered by the invoices which were produced out of Seller's compliance with drawings, specifications or designs furnished to Seller by Buyer.

11. Patent, Copyright, Trademark Indemnity. Buyer, at its own expense, shall defend any suit or proceeding of any kind whatsoever brought against Seller, in any capacity, if such suit or proceeding involves a claim that any goods, services or part thereof, manufactured or rendered by Seller under or according to Buyer's specifications constitutes an infringement of any patent, copyright or trademark or infringes any other right of any person and Buyer shall pay and all judgements, expenses and costs that may be awarded therein against the Seller. Buyer shall pay all reasonable attorneys' fees and court costs expended by Seller in the defense of any such suit or proceeding.

12. Cancellation or Modification. Except as specifically agreed to by Seller, a quotation which has been accepted by Buyer, or an order which has been received by Seller, is not subject to cancellation, change in specifications or change in time of delivery. Cancellation of an order for products of special design, size or material will not be accepted. Other cancellations, change in specification or changes in time of delivery will be permitted if such adjustment is specifically approved in writing by Seller. Such approval will be conditioned upon reasonable cancellation charges, in the event of cancellation, or any equitable price adjustment in the event of changes in specification or changes in time of delivery.

13. Return of Goods. Refer to Saunders HC4 Returned Goods Policy, dated 01/04/2005.

14. Waiver. No right or remedy of Seller shall be deemed to have been waived or renounced, in whole or in part, unless such waiver or renunciation is supported by consideration and in writing, signed by the Seller. Any such waiver or renunciation shall be effective only to the extent expressed in writing.

15. Remedies. Seller shall have all rights and remedies specified herein in addition to those specified in the Uniform Commercial Code as adopted in the state of manufacture. All such rights and remedies are cumulative. No delay or failure by Seller to exercise any right or remedy shall impair in any manner whatsoever any of such rights or remedies or be construed to be a waiver of any breach or acquiescence therein, and any single or partial exercise of any other right or remedy. Buyer shall pay all costs and expenses paid or incurred by Seller in enforcing its rights hereunder, including, without limitation, reasonable attorneys' fees and court costs.

16. Clerical Errors. Seller reserves the right to correct clerical or stenographic errors or omissions in quotations, acknowledgments, invoices or other documents.

17. Technical Data. Seller reserves the right to modify and/or amend drawings, weights, dimensions and material specifications as needed without prior notice.

18. Changes of Design. Without any notice whatsoever, Seller may, in the ordinary course of its manufacturing process, change or modify the design and construction of any Seller's goods without affecting its rights under this agreement or incurring any obligation for any such changes or modifications on goods previously or subsequently sold.

19. No Oral Modification. The Terms of Sale contained herein are complete and final, and no addition to, deletion of, or change in any such terms shall be effective unless contained in a written instrument signed by a duly authorized representative of Crane Valve North America and a duly representative of the Buyer.

20. Governing Law. All rights and obligations arising out of or relating, directly or indirectly to this order or any contract resulting therefrom, including but not limited to matters of formation, interpretation, construction, validity and/or performance, shall be governed by the laws of the state of manufacture. All terms used in this order which are defined in the Uniform Commercial Code as adopted in the state of manufacture, shall have the same meaning herein as the Code.

21. Minimum Invoice Value. An order for completed products with Invoice price less than \$200.00 net will be billed at \$200.00 per point of shipment. An order for repair parts with Invoice price less than \$100.00 net will be billed at \$100.00 per point of shipment.