

TERMS AND CONDITIONS OF SALE

1. Complete Agreement; Modifications Must be in Writing. The provisions on the face hereof and these Terms and Conditions of Sale constitute the complete and exclusive agreement between Gorman-Rupp Industries Division of The Gorman-Rupp Company ("Seller") and Buyer and supersede any and all prior, oral or written, or contemporaneous oral, promises, agreements, warranties and representations not set forth herein including, without limiting the generality of the foregoing, any inconsistent or different terms in Buyer's purchase order, if any, which order is accepted only on the express condition that Buyer agree to these Terms and Conditions of Sale. No other promise, agreement, representation or warranty, and no waiver, modification or amendment of any provision hereof, shall be binding upon Seller unless set forth in a writing signed by a duly authorized representative of Seller.

2. Acceptance, Inspection, Rejection. All claims for errors, defects, shortages or any other non-conformity in any shipment discoverable upon inspection of the product must be made in writing to Seller within 30 days after Buyer's receipt of the product or such claim shall be barred. No product may be rejected or its acceptance revoked without affording Seller a reasonable time to cure.

3. Warranty; Returns. Seller warrants to Buyer that products sold by it will upon shipment conform to the description on the face hereof and any written specifications expressly approved by Seller and be free from defects in title, material and workmanship. **NO OTHER WARRANTY, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SHALL EXIST IN CONNECTION WITH ANY PRODUCTS SOLD BY SELLER, AND ALL SUCH WARRANTIES ARE HEREBY EXPRESSLY EXCLUDED.** Any claim by Buyer under Seller's warranty must be made in writing to Seller promptly upon discovery of any defect or non-conformity and in any event within 15 months from Seller's manufacturing date of the product or such claim shall be barred. Such claim must show the product model number and installation date and describe the defect or non-conformity and the date on which it occurred. Buyer's failure properly to install, service, maintain and operate the product will void Seller's warranty. No product shall be returned without prior authorization from Seller. Seller may, at its option, either inspect the product where located or authorize return of the product to Seller. All returns shall be shipped to Seller freight prepaid F.O.B. Seller's plant, Bellville, Ohio. On products determined defective or non-conforming under Seller's warranty for which timely claim has been made. Seller will reimburse Buyer for the shipping cost of authorized returns and will pay shipping costs on the repaired or replacement part or product. Buyer shall pay all shipping costs of all other returns and of all other repaired or replacement products.

4. Exclusive Remedy; Limitation on Liability. Seller shall, at its option, repair or furnish a replacement part or product for any product sold by Seller to Buyer which is defective or non-conforming under Seller's warranty and for which timely claim is made by Buyer as herein provided. The foregoing sets forth Buyer's sole remedy for any breach of Seller's warranty and for any defect in any product. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER SHALL IN NO EVENT BE LIABLE TO BUYER FOR LOSS OF USE OR PROFITS OR FOR ANY CONSEQUENTIAL DAMAGE RESULTING FROM THE USE, LOSS OF USE OR MALFUNCTION OF ANY PRODUCT SOLD BY SELLER, WHETHER OR NOT DUE TO SELLER'S NEGLIGENCE.

5. Delivery. All deliveries are F.O.B. Seller's plant, Bellville, Ohio. Seller shall arrange at Buyer's expense for shipment to Buyer by such carrier or shipper and routing as Seller deems appropriate. Shipping dates are approximate and are based upon the prompt receipt of all necessary information from Buyer. Seller shall not be liable for delays in delivery due to acts of Buyer, fires, floods, epidemics, war, riot, delays in transportation or car shortages, inability to obtain, at a commercially reasonable cost, necessary labor, materials or components, or strikes, labor disputes, governmental restriction, force majeure or any other cause, whether or not similar to the foregoing, beyond Seller's control. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost by reason of the delay. Buyer may postpone delivery only with Seller's prior written consent, which shall in no event be given unless Buyer's request for postponement is received at least 30 days prior to the scheduled shipping date and Buyer furnishes Seller such assurance as Seller may request of payment of storage charges, the purchase price and interest thereon. Minimum shipment on blanket order releases will be 50 units or \$2,500.00 net billing.

6. Risk of Loss. Risk of loss to products shall pass to Buyer upon delivery by Seller at its Bellville, Ohio plant to the first carrier or shipper except that, if delivery is delayed by Buyer, risk of loss with respect to the products shall pass to Buyer at the time the products are ready for delivery. Unless otherwise agreed in writing, Buyer will be solely responsible for obtaining any insurance on products during transit.

7. Price and Payment. Unless otherwise expressly agreed by Seller in writing, the price for the products shall be Seller's price in effect on the date of shipment. Prices quoted are based upon quantities specified and any reduction in quantity will result in higher per unit prices. All payments shall be made in United States dollars. Pro rata payments shall become due as shipments are made, and Buyer's acceptance and payment for any partial delivery shall be a condition to Seller's obligation to make subsequent deliveries under this or any other contract. If the work to be performed hereunder is delayed by Buyer, payment shall be made based on the Seller's price in effect as of the scheduled date of shipment and the percentage of completion. Any payment not made when due as set forth in the invoice shall be subject to a late charge at the rate of 1½% per month.

8. Cancellation. No order is subject to cancellation without Seller's prior written consent, which shall in no event be given unless Buyer pays to Seller 20% of the Seller's price in effect as of the date of cancellation of the products cancelled plus all unrecoverable labor and material costs incurred by Seller applicable to the order.

9. General. Captions have been inserted solely for convenient reference and shall not limit or affect the scope or interpretation of any provision hereof. Buyer may not assign its rights hereunder or under Seller's warranty without Seller's prior written consent. This agreement shall be governed by Ohio law.