



TERMS AND CONDITIONS

All price quotations and sales are subject to the following terms and conditions:

1. **Pricing.** All prices quoted by Courage Industries, Inc. ("Seller") shall be accepted by Purchaser within thirty (30) days of the date hereof. All prices are F.O.B. Origin, Local CFS, or Seller's warehouse. Price does not include local transportation charges unless otherwise stated. If shipment is to be arranged by Seller for Purchaser's account, the freight charges to Purchaser will include a 10% service charge. All taxes and excises of any nature whatsoever now or hereafter levied by governmental authority, whether federal, state or local, upon the sale or transportation of any goods covered hereby shall be paid by Seller.

2. **Terms of Payment.** All invoices are payable within thirty (30) days after date of invoice unless otherwise stated under the "Terms" heading on the invoice. A 1 1/2% per month surcharge may be added to any invoice not paid within the time period stated under the "Terms" heading on the invoice.

3. **Delivery.** Delivery dates shall be interpreted as estimates. Failure by Seller to deliver any order shall not be a breach of the remainder of this agreement, and shall not affect Purchaser's obligation to accept and pay for future deliveries. No contract to deliver at a specified time shall be effective unless in writing and signed by an authorized official of the Seller. Purchaser shall furnish Seller with written shipping instructions in sufficient time to permit Seller to make shipment within the times specified herein for shipment. Seller will use all reasonable efforts to comply with such instructions, but Seller reserves the right to use an alternate method of shipment if substantial delay might otherwise occur. Seller will notify Purchaser of such alternate method of shipment as soon as reasonably possible.

4. **Warranties.** Seller warrants that the goods sold hereunder have the capacities and ratings set forth in the Seller's catalogs and bulletins and shall be free from defects in material and workmanship for a period of one year from the date of delivery thereof, provided that the good are properly serviced and operated under normal conditions according to Seller's instructions. THE FOREGOING WARRANTIES ARE IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES NOT EXPRESSLY SET FORTH HEREIN, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Seller's liability hereunder shall be limited to the repair or replacement of any improper or defective goods, and in no event shall Seller be liable to Purchaser or any subsequent owner or user of the goods sold hereunder for any incidental, indirect or consequential losses, damages, or expenses, whether such claim is based upon breach of contract, breach of warranty, strict liability in tort, negligence or any other legal theory. Seller's liability hereunder shall in no event exceed the amount of the purchase price of the goods in question sold hereunder.

Goods may only be returned to the Seller after receipt of written authorization from Seller.

5. **Title/Risk of Loss.** Title to and risk of loss or damage to goods shall pass to Purchaser upon delivery to carrier F.O.B. Origin, Local CFS, or Seller's warehouse. Any claim by Purchaser against Seller for shortfall or damage occurring prior to such delivery must be made in writing within ten (10) days after receipt of shipment and accompanied by original transportation bill of lading signed by carrier noting that carrier received goods from Seller in the condition claimed. Any claim by Purchaser for damage occurring during shipment shall be made directly against the freight carrier, with a copy of such claim forwarded to Seller within ten (10) days.

6. **Security.** Purchaser hereby grants to Seller a security interest in the goods until Seller has received payment in full for the goods. Seller reserves the right to require payment for early shipment hereunder in advance, or additional satisfactory security, if the financial performance or credit worthiness of Purchaser is unsatisfactory to Seller. Such security includes, but is not limited to, execution by Purchaser of a promissory note, additional security agreements, financing statements and/or personal guaranty. If Purchaser fails to make payment in accordance with the terms of this agreement or otherwise fails to comply with any provision hereof, Seller may, at its option (and in addition to other remedies), cancel any unshipped portion of this order; in such event, Purchaser will remain liable for all unpaid accounts.

7. **Acceptance.** All orders based on this quotation are subject to acceptance by the Seller. Acceptance of orders is based on the express condition that Purchaser agrees to all of the terms and conditions contained herein. Acceptance of delivery by Purchaser will constitute Purchaser's assent to these terms and conditions. These terms and conditions represent the complete agreement of the parties, and no terms or conditions in any way adding to, modifying or otherwise changing the provisions stated herein shall be binding upon Seller unless made in writing and signed and approved by an authorized officer of the Seller. The terms of this quotation are agreed by the Parties to supercede any inconsistent terms of any purchase order of Purchaser, or any other document. No modification of any of these terms will be effected by Seller's shipment of goods following receipt of Purchaser's purchase order, shipping request or similar forms containing printed terms and conditions conflicting or inconsistent with the terms herein.

8. **Force Majeure.** Seller shall have no liability from delay in performance or nonperformance caused, wholly or in part, by circumstances beyond the control of Seller, including but not limited to, acts of God, fire, flood, weather, war government regulation or action, accident, labor strike, trouble or shortage, inability to obtain goods, fuel or equipment or failure in production or production equipment, or contingencies of transportation.

9. **Governing Law; Choice of Forum.** All matters relating to the validity, construction and performance of this agreement shall be governed by the internal laws and judicial decisions of the State of Illinois, including the Uniform Commercial Code, as enacted in that jurisdiction. All disputes arising out of this agreement or the performance thereof shall be litigated in a court of competent jurisdiction in Illinois.

10. **Waiver.** Waiver by Seller of any of these terms and conditions shall not be construed as a waiver of any other breach, and failure to exercise any right arising from any default hereunder shall not be deemed a waiver of such right which maybe exercised at any subsequent time.

11. **Assignment.** Purchaser may not assign any of its rights hereunder without the prior written consent of the Seller.

12. **Severability:** If any term, covenant, warranty, remedy or condition of this Agreement, or the application thereof to any person or circumstance shall, to any extent, be held or deemed invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or provision, to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or provision of this Agreement shall be deemed valid and enforced to the fullest extent permitted by law.