

## CROVEN CRYSTALS, WENZEL INTERNATIONAL, INC. GENERAL TERMS AND CONDITIONS OF SALE

Croven Crystals, Wenzel International, Inc., a Canadian corporation with its principal place of business at 500 Beech Street West, Whitby, Ontario, L1N 7T8 (hereinafter referred to and designated below as "CROVEN CRYSTALS"), accepts and will fill orders by the purchasing company, designated below as "Buyer", only upon the terms and conditions appearing below.

3/16/2006

1. **AGREEMENT:** Any of the terms and provisions of Buyer's order which are inconsistent with the terms and provisions hereof shall not be binding on CROVEN CRYSTALS and shall not be considered applicable to the sale of the products mentioned herein. Unless Buyer notifies CROVEN CRYSTALS in writing to the contrary within ten (10) days after receipt of this form, these terms and conditions shall be deemed to be accepted and, the shipment by CROVEN CRYSTALS of the products covered hereby shall be deemed to be subject to the terms and conditions hereof. No modification hereof shall be valid unless expressly accepted in writing by an authorized representative of CROVEN CRYSTALS.

2. **PRICES:** Unless otherwise specified on the order, prices are for the specific quantity stated and do not include taxes, or charges for transportation, documentation, special packaging, marking or testing. The prices quoted herein are payable in U.S. Dollars unless otherwise stated.

3. **CANCELLATION:** If the buyer cancels the order in whole or in part, cancellation charges will apply.

4. **TAXES:** The prices quoted by CROVEN CRYSTALS do not include sales, use, excise or other similar taxes. The Buyer shall pay, in addition to the prices quoted, the amount of any Federal, State, City, or other tax, import or export duty, tariff or customs charge levied by any jurisdiction either inside or outside the United States which is applicable to the sale of goods or performance of services by CROVEN CRYSTALS or in lieu thereof the Buyer shall supply CROVEN CRYSTALS with an appropriate tax exemption certificate.

5. **TERMS:** Subject to credit approval by CROVEN CRYSTALS, payment terms are net 30 days from date of invoice. CROVEN CRYSTALS reserves the right to require payment in advance or C.O.D. or otherwise modify credit terms either before or after order acceptance. A service charge of 1 1/2% per month on the unpaid balance shall be imposed on accounts not paid when due.

6. **SHIPMENT:** All shipments are F.O.B. the CROVEN CRYSTALS' factory. In the absence of Buyer shipping instructions, CROVEN CRYSTALS will select the carrier. Title and risk of loss of material shall pass to the Buyer upon delivery thereof by CROVEN CRYSTALS to the carrier or delivery service. Buyer is responsible for insuring shipment.

7. **DELIVERY:** CROVEN CRYSTALS acknowledged shipping dates are good faith estimates. If conditions arise which prevent compliance with delivery schedules, CROVEN CRYSTALS shall not be liable for any damage, general, consequential or otherwise, for delay in delivery, or for failure to give notice of delay, and such delay shall not constitute grounds for cancellation. CROVEN CRYSTALS reserves the right to deliver partial shipments.

8. **CHANGES:** Change orders are valid only with CROVEN CRYSTALS' written consent and acceptance by Buyer of CROVEN CRYSTALS' changes, if applicable.

9. **FORCE MAJEURE:** CROVEN CRYSTALS shall not be liable for any failure to deliver, or delay in the delivery of any goods or services due to any cause beyond its control, including but not limited to acts of God, acts of civil or military authority, fires, epidemics, floods,

riots, wars, sabotage, labor disputes, governmental actions, or inability to obtain materials, labor, components, manufacturing facilities, or transportation. In the event of any such delay, the date of delivery or performance hereunder shall be extended by a period equal to the time lost by the reason of such delay. In the event CROVEN CRYSTALS' production is curtailed for any of the above reasons, CROVEN CRYSTALS may allocate its production among its various customers in a commercially fair and reasonable manner.

10. **PRODUCT ACCEPTANCE:** Unless Buyer notifies CROVEN CRYSTALS in writing within ten (10) days from shipment receipt that shipment is rejected or invalid, shipment will be deemed to have been accepted by Buyer and CROVEN CRYSTALS will expect payment terms to be complied with.

11. **PRODUCT WARRANTY:**

A. CROVEN CRYSTALS warrants that all Products delivered under this Agreement shall be free from defects in workmanship and materials for one (1) year from the date of shipment of each item. Products shall conform to the specifications, drawings, or other descriptions approved in writing by CROVEN CRYSTALS. Further, Buyer's sole remedy shall be that, CROVEN CRYSTALS shall, at CROVEN CRYSTALS' option, repair, replace, or issue credit for any product deemed by CROVEN CRYSTALS to be nonconforming. CROVEN CRYSTALS shall promptly provide the Buyer with a Return Material Authorization (RMA) number. Upon such authorization, and in accordance with instructions by CROVEN CRYSTALS, the product will be returned, shipping charges paid by CROVEN CRYSTALS. Replacements made under this warranty will be shipped prepaid.

### **B. WARRANTY EXCLUSIONS -**

**(1) EXCEPT AS STATED IN THIS WARRANTY CLAUSE, CROVEN CRYSTALS, ITS**

**SUBSIDIARIES, AFFILIATES AND SUBCONTRACTORS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIM ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

**(2) THE WARRANTY DOES NOT EXTEND TO ANY PRODUCT SOLD BY CROVEN CRYSTALS WHICH HAS BEEN SUBJECTED TO MISUSE, NEGLIGENCE, ACCIDENT, IMPROPER INSTALLATION OR USED IN VIOLATION OF INSTRUCTIONS FURNISHED CROVEN CRYSTALS.**

**(3) THE WARRANTY DOES NOT EXTEND TO OR APPLY TO ANY UNIT WHICH HAS BEEN REPAIRED OR ALTERED AT ANY PLACE OTHER THAN AT CROVEN CRYSTALS' FACTORY BY PERSONS NOT EXPRESSLY APPROVED BY SELLER.**

**(4) THE WARRANTY DOES NOT EXTEND INTO ANY SYSTEM INTO WHICH THE MATERIAL IS INCORPORATED. THIS WARRANTY APPLIES ONLY TO THE BUYER AND MAY NOT BE ASSIGNED OR EXTENDED BY THE BUYER WITHOUT THE WRITTEN PERMISSION OF CROVEN CRYSTALS.**

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12. **PATENT INDEMNITY:** To the extent that items delivered hereunder are manufactured in accordance with design furnished by Buyer, Buyer agrees to indemnify and hold CROVEN CRYSTALS harmless from all legal expenses which may be incurred as well as all damages and costs which may finally be assessed against CROVEN CRYSTALS in any action for infringement and or misrepresentation of any intellectual property including patents, by such items delivered hereunder. CROVEN CRYSTALS agrees promptly to inform the Buyer of any claim for liability made against CROVEN CRYSTALS with respect to such items and CROVEN CRYSTALS agrees to cooperate with the Buyer in every way reasonably available to facilitate the defense against any such claim at buyers' expense. **CROVEN CRYSTALS DOES NOT WARRANT THAT THE BUYER SHALL BE FREE FROM ANY RIGHTFUL CLAIM OF THIRD PERSONS FOR ANY INTELLECTUAL PROPERTY CLAIMS, PATENT, COPYRIGHT OR TRADEMARK INFRINGEMENT OF CROVEN CRYSTALS FURNISHED PRODUCT.**

13. **MODIFICATIONS:** CROVEN CRYSTALS reserves the right to modify product specifications of products ordered by the Buyer herein providing that the modification will not materially affect form, fit or function.

14. **SELLER PROPERTY:** CROVEN CRYSTALS shall retain title to and possession of any models, patterns, dies, molds, jigs, fixtures, tools, and test equipment, any specifications, drawings, schematics or other types of information, data, software or any other item designed or created by CROVEN CRYSTALS in performance of Buyer's order not withstanding the fact that Buyer may have paid charges. No right, title or license in any such item or design is hereby granted to Buyer.

15. **GOVERNING LAWS:** The courts in the jurisdiction of CROVEN CRYSTALS shall have exclusive jurisdiction for any dispute arising here from and shall be governed by and construed in accordance with the law of the jurisdiction of the plaintiff, excluding its conflict of law s provision and excluding the United Nations Convention on the Sale of Goods. The prevailing party in any legal proceeding shall be entitled to recover its reasonable attorneys' fees in connection therewith.

16. **LIMITATION OF LIABILITY:** CROVEN CRYSTALS WILL NOT BE LIABLE FOR ANY LOSS, DAMAGE, COST OF REPAIR, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR FOR LOST PROFITS, SAVINGS, OR REVENUES

**OR FOR DE-INSTALLATION OR RE-INSTALLATION EXPENSES OF ANY KIND, WHETHER OR NOT BASED UPON EXPRESS WARRANTY OR IMPLIED WARRANTY (EXCEPT FOR THE OBLIGATIONS ASSUMED BY CROVEN CRYSTALS UNDER THE PRODUCT WARRANTY CLAUSES), CONTRACT, NEGLIGENCE, OR STRICT LIABILITY ARISING IN CONNECTION WITH THE DESIGN, MANUFACTURE, SALE, USE OR REPAIR OF THE PRODUCTS. IN NO EVENT SHALL CROVEN CRYSTALS BE LIABLE TO BUYER FOR ANY AMOUNT IN EXCESS OF THE PURCHASE PRICE OF THE PRODUCT WHICH PROVES TO BE DEFECTIVE.**

17. **SUPPLEMENTAL LICENSE AND PERMIT CLAUSES FOR EXPORT ORDER:**

(1) CROVEN CRYSTALS will secure all export licenses and permits except in those cases where the Buyer already holds a valid export license. When CROVEN CRYSTALS secures the license application, the Buyer will furnish reasonable cooperation in providing the required information. If such licenses and permits are not paid for by the Buyer, such fees will be added to the contract price.

(2) Buyer will secure all licenses and permits required to import CROVEN CRYSTALS products and CROVEN CRYSTALS will furnish reasonable cooperation in acquiring such licenses and permits. The delivery schedule is contingent upon securing all necessary licenses and permits.

(3) Delivery dates are contingent upon obtaining licenses or permits in a timely schedule.

18. **COMPLIANCE WITH LAWS:** The Buyer shall comply with all applicable laws, rules and regulations, including but not limited to those concerning export from the United States or re-export of any item purchased hereunder.

19. **WAIVER:** Any waiver by CROVEN CRYSTALS is ineffective unless it is in writing and signed by CROVEN CRYSTALS. CROVEN CRYSTALS' failure to enforce any provision, or waiver of any breach of any provision, shall not constitute a continuing waiver or inability to enforce.

20. **SEVERABILITY:** If any provision hereof is invalid or unenforceable, all other provisions shall remain in full force and effect.