

Standard Terms and Conditions

STANDARD TERMS AND CONDITIONS

This Agreement is made and dated as of ___/___/___ by and between U.S. Rubber Recycling, Inc., whose business address is located at 1231 South Lincoln Street, Colton, CA 92324 ("Seller"), and _____ ("Buyer") whose business address is located at _____.

THEREFORE, in consideration of the mutual conditions and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Sale and Purchase of Goods

Seller hereby agrees to sell, and Buyer hereby agrees to purchase, goods of the description and quantity described on the attached PURCHASE ORDER attached hereto and incorporated herein by this reference ("Goods") on the terms and conditions set forth in this Agreement.

2. Purchase Price

Buyer agrees to pay the purchase price of the Goods as set forth on the attached PURCHASE ORDER attached hereto ("Purchase Price"). Buyer shall bear all applicable federal, state, municipal and other government taxes (such as sales, use and similar taxes), as well as license fees and similar charges, however designated, levied on this sale or the Goods (or the delivery thereof) or measured by the Purchase Price. The Purchase Price may not include such taxes, fees and charges, and Seller reserves the right to separately invoice Buyer for all applicable taxes, fees and charges and Buyer agrees that these amounts shall be immediately due and payable.

3. Payment Terms

The total amount of the Purchase Price shall be payable in full by Buyer within 30 days after the date of this Agreement. Any portion of the Purchase Price that is unpaid past [~ 30 days shall be considered overdue. All amounts past due are subject to a late charge of the lesser of one and one-half percent (1 1/2%) per month (being eighteen percent (18%) per annum) or the highest lawful rate. In addition, Seller shall have the right to pursue any remedies available at law or as provided herein and shall be entitled to reimbursement from Buyer for Seller's costs of collection, including legal fees and disbursements.

4. Delivery

Unless otherwise agreed in writing, delivery shall be made in accordance with Seller's shipping policy in effect on the date of shipment. Delivery is subject to the payment provisions set forth herein and to Seller's receipt from Buyer of all necessary information and documentation relating to the sale and shipment of the Goods. Delivery dates provided by Seller are estimates only. Seller will make reasonable efforts to deliver in accordance with such dates; however, Seller will not be liable for failure to deliver as estimated. Unless otherwise agreed in writing by Seller, Goods shall be packaged according to Seller's standards and practices.

5. Inspection

Buyer shall inspect the Goods at delivery and shall notify Seller of any defects or discrepancies within 10 days of receipt of the Goods. Failure to provide any such notice within such time shall be deemed an acceptance in full of any such delivery.

6. Title and Risk of Loss; Grant of Security Interest

Title in the Goods shall not pass until full payment has been received by Seller. Buyer hereby grants and Seller hereby reserves a purchase money security interest in the Goods (including all accessions, accessories, parts, supplies and replacements therefor) and the proceeds thereof until all obligations of Buyer to Seller from time to time are satisfied in full. Buyer hereby appoints

Seller as its attorney-in-fact to prepare, sign and file in Buyer's name any financing statement or other document necessary to perfect Seller's security interest and also agrees that Seller may take any action necessary to perfect the security interest of Seller in the Goods. Notwithstanding the retention of title, all risk of loss or damage with respect the Goods, however caused, shall pass to Buyer upon delivery by Seller to Buyer or Buyer's representative. Buyer assumes all of the obligations and risks of an absolute owner and agrees to indemnify and save harmless Seller from any and all loss or damage or claim for loss or damage to persons or properties caused by reason of the use, possession or operation of the Goods.

7. Installation: Seller represents and buyer understands that U.S. Rubber Recycling Inc. is a rubber flooring manufacturer and not a flooring installer. As a convenience to the buyer, U.S. Rubber Recycling Inc. will sometimes recommend an installer who has performed competent installations of U.S. Rubber products and floors in the past. This recommendation in no way means that U.S. Rubber is acting to control the order or scope of any installation performed, and any floor installer is an independent contractor subject to whatever contractual agreement is made between that installer and Buyer.

However, seller, will, from time to time, bill or remit invoices for floor installation charges (and seeking payment for) pursuant to a separate agreement with a flooring installer to protect a security interest in the materials and or labor utilized. Seller hereby agrees to fully protect Buyer for any amount so remitted to U.S. Rubber Recycling Inc. as a credit for whatever monies were owed and due to be paid for installation.

8. Limited Warranty

Seller warrants that the Goods will be free from defects in materials and workmanship for five years from the date of purchase by the original buyer.. During the warranty period, Seller will, at its option: (1) provide replacement parts necessary to repair the Goods, (2) replace the Goods with a comparable product, or (3) refund the amount paid by Buyer for the Goods, LESS DEPRECIATION, upon return. The warranties provided for herein shall be governed by Seller's warranty policies in effect on the date of shipment. Seller shall have no obligation to Buyer with respect to providing any warranty on any Goods for which Seller has not received full payment from Buyer and Seller's warranties do not extend beyond the original Buyer and may not be assigned or passed through by Buyer

The colors and patterns of the product that are available are indicated in the seller's current catalog and/or sample requested and furnished.

Seller and Buyer acknowledge that, as manufactured, the rubber recycled product may exhibit some surface texture and striation and may vary in hue and shade from the catalog-where color match is a concern, samples will be sought and accepted by buyer prior to purchase

SELLER NEITHER ASSUMES, NOR AUTHORIZES, ANY OTHER PERSON PURPORTING TO ACT ON ITS BEHALF TO MODIFY OR CHANGE THIS WARRANTY, NOR TO ASSUME FOR IT ANY OTHER WARRANTY OR LIABILITY CONCERNING THE GOODS.

9. Disclaimer of Warranty/Limitation of Liability

Seller undertakes no responsibility for the quality of the Goods or that the Goods will be fit for any particular purpose for which Buyer may be buying the Goods, except as otherwise provided in this Agreement, and Seller disclaims all other warranties and conditions, express or implied, nor is Seller liable for any acts of any kind whatsoever for the flooring installer hired by Seller even if recommended by Seller as a courtesy to Buyer. The right to return defective Goods, as described in Section 7 above, shall constitute Seller's sole liability and Buyer's exclusive remedy in connection with any claim of any kind relating to the quality, condition or performance of any Goods, whether such claim is based upon principles of contract, warranty, negligence or other tort, breach of any statutory duty, principles of indemnity or contribution, or otherwise.

SELLER (INCLUDING ITS SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR SUBCONTRACTORS, ALL OF WHICH ARE REFERRED TO

HEREIN COLLECTIVELY AS THE "SELLER AFFILIATES") SHALL NOT BE LIABLE UNDER ANY CIRCUMSTANCE TO BUYER OR ANY OTHER PARTY FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR EXEMPLARY DAMAGES ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GOODS OR OTHERWISE, INCLUDING BUT NOT LIMITED TO DAMAGES FOR LOST PROFITS, LOSS OF THE GOODS OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE OR REPLACEMENT EQUIPMENT, FACILITIES OR SERVICES, DOWN TIME, BUYER'S TIME, LOST DATA, INJURY TO PROPERTY OR ANY DAMAGES OR SUMS PAID BY BUYER TO THIRD PARTIES, EVEN IF SELLER OR ANY OF THE SELLER AFFILIATES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER ANY CLAIM IS BASED UPON PRINCIPLES OF CONTRACT, WARRANTY, NEGLIGENCE, OR OTHER TORT, BREACH OF ANY STATUTORY DUTY, PRINCIPLES OF INDEMNITY OR CONTRIBUTION, THE FAILURE OF ANY LIMITED OR EXCLUSIVE REMEDY TO ACHIEVE ITS ESSENTIAL PURPOSE, OR OTHERWISE.

IN NO EVENT SHALL SELLER OR ANY SELLER AFFILIATE BE LIABLE TO BUYER OR ANY OTHER PARTY FOR LOSS, DAMAGE, OR INJURY OF ANY KIND OR NATURE ARISING OUT OF OR IN CONNECTION WITH THESE TERMS AND CONDITIONS IN EXCESS OF THE NET PURCHASE PRICE OF THE GOODS ACTUALLY DELIVERED TO AND PAID FOR BY BUYER HEREUNDER.

SELLER DISCLAIMS ANY WARRANTIES OF NON-INFRINGEMENT WITH RESPECT TO THE GOODS AND NONE OF SELLER OR ANY SELLER AFFILIATE SHALL HAVE ANY DUTY TO DEFEND, INDEMNIFY, OR HOLD HARMLESS BUYER FROM AND AGAINST ANY OR ALL DAMAGES OR COSTS INCURRED BY BUYER ARISING FROM THE INFRINGEMENT OF PATENTS OR TRADEMARKS OR VIOLATION OF COPYRIGHTS BY ANY OF THE GOODS.

9. Force Majeure

Seller shall not be held responsible for any failure of performance to make timely delivery of all or any part of the Goods in the event such failure was due, in whole or in part, to federal, provincial or municipal action, statute, ordinance or regulation, strike or other labor trouble, fire or other damage to or destruction of, in whole or in part, the Goods or the manufacturing facility for the Goods, the lack of or inability to obtain raw materials, labor, fuel, electrical power, water or supplies, or any other cause, act of God, contingency or circumstances not subject to the reasonable control of Seller, which causes delays or hinders the manufacture or delivery of Goods. Seller shall determine in good faith the extent to which it can reasonably control a cause, contingency, or circumstance that affects the performance of its obligations.

10. General

Buyer may not assign this Agreement without Seller's written consent. Seller and its subsidiaries and affiliates are intended beneficiaries of this Agreement. If there is any inconsistency between this Agreement and any other agreement included with or relating to the Goods, this Agreement shall govern. This Agreement may not be modified, altered or amended without the written agreement of Seller. Any additional or altered terms attached to any order submitted by Buyer shall be null and void, unless expressly agreed to in writing by Seller. If any term of this Agreement is illegal or unenforceable, the legality and enforceability of the remaining provisions shall not be affected or impaired. This Agreement shall be interpreted under the laws of the State of California, without giving effect to conflicts-of-law rules. All notices with respect to the Goods and the subject matter of this Agreement shall be sent to the addresses set forth above.

11. This Agreement:

Buyer agrees that by executing and returning this TERMS and CONDITIONS document, to U.S. Rubber Recycling Inc., below, it will be bound by said terms for all future purchases from the date executed unless expressly repudiated by Buyer in writing.

So Agreed: _____ Date ____/____/____
{For Buyer}