

TERMS AND CONDITIONS OF SALE OF PRODUCTS

JM Eagle appreciates your business. The terms and conditions of JM Eagle's sale of products are as follows:

1. ACCEPTANCE OF ORDERS: Prices are based on written, authorized JM Eagle quotes. A quote is not an offer but an invitation to Buyer to tender an offer at the quoted price. Orders are accepted only on written acknowledgement by an authorized JM Eagle representative which is conditioned on Buyer's agreement to all the terms and conditions stated herein ("Terms") and the waiver by Buyer of any terms and conditions contained in any other document or other communication of Buyer, whether previously or hereafter delivered to JM Eagle, to which JM Eagle hereby objects.

2. FREIGHT AND SHIPPING: All quotes are F.O.B. shipping point. Freight costs may be prepaid, collect or allowed depending on order size and other JM Eagle criteria in effect when the order is accepted.

3. TERMS OF PAYMENT: Payment terms, including any discount for prompt payment, will be specified in JM Eagle's invoice. Any discount for prompt payment will be given only if payment to JM Eagle is U.S. postmarked on or before the discount date shown on the invoice. All payments shall be made by Buyer without setoff. Buyer is responsible for payment of any tax or other charge imposed by governmental authorities upon the production, sale or shipment of the products.

4. LATE PAYMENT PENALTIES: Payments received by JM Eagle after the due date shall be subject to a late payment charge of 1.5% per month (18% per year) until the outstanding balance, including accrued late payment charge, is paid in full, plus collection costs (including attorney fees).

5. CREDIT: All orders and shipments are subject to the credit approval of JM Eagle. JM Eagle reserves the right at any time not to fulfill orders placed by a non-approved Buyer or to require advance payment or other security.

6. LIMITED WARRANTY AND LIMITATION OF LIABILITY: JM Eagle's Limited Warranty and Limitation of Liability as in effect at the time of the acceptance of an order shall apply to such order and is incorporated by reference herein. A copy of such Limited Warranty and Limitation of Liability is attached hereto.

7. CLAIMS:

A) All claims for damage or shortage in transit shall be handled with the carrier by Buyer. If the damage or shortage is ascertainable on arrival, Buyer and/or receiver must make a detailed note on the bill of lading before signing it, and immediately notify the carrier so that an inspector for the carrier may check the damaged products or shortage. The carrier must sign the bill of lading with noted damage. If the damage or shortage is not ascertainable on arrival, Buyer must notify the carrier within 10 days of receipt so that an inspector for the carrier may check the damaged products or shortage and provide a report noting such damage or shortage. JM Eagle will not be liable for any damage or shortage caused by a carrier.

B) Claims for breach of warranty in respect of products manufactured by JM Eagle must be made as specified in, and are governed by, JM Eagle's Limited Warranty and Limitation of Liability.

C) All other claims under these Terms or in connection with the sale of products must be made within thirty (30) days of the date of the invoice for the product. **THE SOLE AND EXCLUSIVE REMEDY FOR ANY SUCH CLAIM, AND THE SOLE AND EXCLUSIVE OBLIGATION OF JM EAGLE IN RESPECT OF ANY SUCH CLAIM, SHALL BE, AT JM EAGLE'S SOLE DISCRETION, (1) THE REPLACEMENT OF THE SAME TYPE, SIZE AND LIKE QUANTITY OF APPLICABLE PRODUCT, AT THE ORIGINAL POINT OF DELIVERY, OR (2) CREDITS, OFFSETS, OR A COMBINATION THEREOF, FOR THE WHOLESALE PURCHASE PRICE OF THE APPLICABLE PRODUCT. IN NO EVENT SHALL JM EAGLE BE LIABLE FOR LOST PROFITS, LOSS OF GOODWILL, LOSS OF BUSINESS**

OPPORTUNITIES, DAMAGE TO REPUTATION, SPECIAL DAMAGES, INDIRECT DAMAGES, DELAY DAMAGES, PUNITIVE DAMAGES, EXEMPLARY DAMAGES, CONSEQUENTIAL DAMAGES OR INCIDENTAL DAMAGES.

D) If Buyer purchases products for resale, Buyer shall notify JM Eagle immediately of any claim by Buyer's customer so that JM Eagle has an opportunity to investigate. JM Eagle shall have no obligation to honor any settlement made by Buyer with its customer without JM Eagle's prior written consent.

8. END USE AND WARNINGS: Buyer agrees to deliver to the end user JM Eagle's Limited Warranty and Limitation of Liability together with all product warnings. Buyer shall defend and indemnify JM Eagle from any claims resulting from a failure to deliver such documents and warnings.

9. FORCE MAJEURE: JM Eagle shall not be liable for or be deemed to be in default on account of any failure to perform its obligations or attempt to cure any breach thereof if JM Eagle has been delayed or prevented from doing so by any cause or condition beyond its reasonable control, including without limitation an Act of God (e.g., fire, flood, inclement weather, epidemic, or earthquake); war or act of terrorism, including chemical or biological warfare; labor dispute, lockout, strike, embargo; governmental acts, orders, or restrictions; or the failure of suppliers or third persons.

10. RETURNED GOODS: Buyer must obtain written approval before returning any products to JM Eagle. On authorized returns of conforming goods, Buyer shall be responsible for any incoming and outgoing freight charges and a handling charge of up to 25%, and will be credited at the invoiced price or the prevailing price, whichever is lower. No credit shall be allowed for products returned which are found not to be in first class resalable condition after testing, count and inspection by JM Eagle.

11. ORDER CANCELLATION: In the event of non-acceptance or repudiation by Buyer of an acknowledged order, JM Eagle may seek remedies as provided by applicable law, except that Buyer shall stipulate the profit and reasonable overhead which JM Eagle would have made from full performance by Buyer to be 25% of the contract price.

12. WAIVER AND MODIFICATIONS: No delay or failure by JM Eagle to exercise any one or more of these Terms shall be construed or shall operate as a waiver thereof. No waiver, modification or alteration of these Terms shall be effective unless made in writing and executed by the President of JM Eagle.

13. GOVERNING LAW: These Terms shall be governed by the laws of the state in which JM Eagle's headquarters are located at the time of the delivery of the applicable products, without regard to its conflicts of law principles that would require the application of the law of any other jurisdiction. Any and all disputes arising out of or relating to these Terms or the products shall be subject to the exclusive jurisdiction of the state or federal courts located in the state and county in which JM Eagle's headquarters are located at the time the proceeding is initiated or, at JM Eagle's sole election, to binding arbitration before a single arbitrator pursuant to the American Arbitration Association's Commercial Dispute Resolution Procedures, with such arbitration to take place in the state and county in which JM Eagle's headquarters are located at the time the proceeding is initiated. In the event that any provision of these Terms is held to be illegal or unenforceable by any court of competent jurisdiction or arbitrator, as applicable, the remaining provisions of these Terms shall remain in full force and effect.

14. ADMINISTRATION: JM Eagle reserves the right to revise these Terms without notice at any time.

LIMITED WARRANTY AND LIMITATION OF LIABILITY FOR JM EAGLE PRODUCTS

1. LIMITED WARRANTY:

JM Eagle warrants that the standard polyvinyl chloride (PVC), polyethylene (PE), conduit/plumbing/solvent weld and Acrylonitrile-Butadiene-Styrene (ABS) pipe, and related products manufactured by JM Eagle (each a "Product" and collectively, the "Products") are manufactured in accordance with applicable industry specifications referenced on the Products and are free from defects in workmanship and materials for a period of one (1) year from the date of invoice.

This limited warranty excludes any Product defects or failures caused after shipment by:

- improper installation (including, without limitation, misalignment),
- use in improper applications or conditions or in conjunction with improper materials (including, without limitation, improper lubricants, pastes, solvents or sealants),
- contact with aggressive chemical agents,
- freezing or overheating of liquids in the Product, or unusual pressure surges or pulsation,
- vibration,
- temperature shocking,
- U.V. degradation,
- failure to adhere to JM Eagle's instructions concerning the proper handling, installation, testing and use of the Product,
- failure to adhere to applicable standards set forth by local laws, codes, or regulations and the applicable industry standards, or
- any other improper activities not listed above or damage caused by the fault or negligence of anyone other than JM Eagle.

For the avoidance of doubt, this limited warranty does not cover any product not manufactured by JM Eagle even if it is sold by JM Eagle.

THE WARRANTIES IN THIS LIMITED WARRANTY ARE THE ONLY WARRANTIES APPLICABLE TO THE PRODUCTS. THERE ARE NO OTHER WARRANTIES, REPRESENTATIONS OR CONDITIONS OF ANY KIND, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, WITH RESPECT TO THE PRODUCTS SUPPLIED HEREUNDER INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ALL SUCH WARRANTIES ARE HEREBY SPECIFICALLY DISCLAIMED AND JM EAGLE SHALL NOT BE LIABLE IN THIS RESPECT NOTWITHSTANDING JM EAGLE'S ACTUAL KNOWLEDGE OF THE PRODUCT'S INTENDED USE OR ANY ADVICE OR REPRESENTATIONS THAT MAY HAVE BEEN RENDERED BY JM EAGLE CONCERNING THE DESIGN, MANUFACTURE, FABRICATION, SALE, USE, INSTALLATION OR PROVISION OF THE PRODUCTS. NO STATEMENT, CONDUCT OR DESCRIPTION BY JM EAGLE OR ITS REPRESENTATIVES, IN ADDITION TO OR BEYOND THIS LIMITED WARRANTY, SHALL CONSTITUTE A WARRANTY.

2. LIMITATION OF LIABILITY:

THE SOLE AND EXCLUSIVE REMEDY FOR BREACH OF THIS LIMITED WARRANTY, AND THE SOLE AND EXCLUSIVE OBLIGATION OF JM EAGLE IN RESPECT OF ANY CLAIMS FOR BREACH OF THIS LIMITED WARRANTY, SHALL BE, AT JM EAGLE'S SOLE DISCRETION, (1) THE REPLACEMENT OF THE SAME TYPE, SIZE AND LIKE QUANTITY OF NON-DEFECTIVE PRODUCT, AT THE ORIGINAL POINT OF DELIVERY, OR (2) CREDITS, OFFSETS, OR A COMBINATION THEREOF, FOR THE WHOLESALE PURCHASE PRICE OF THE DEFECTIVE PRODUCT.

IN NO EVENT SHALL JM EAGLE BE LIABLE FOR LOST PROFITS, LOSS OF GOODWILL, LOSS OF BUSINESS OPPORTUNITIES, DAMAGE TO REPUTATION, SPECIAL DAMAGES, INDIRECT DAMAGES, DELAY DAMAGES, PUNITIVE DAMAGES, EXEMPLARY DAMAGES, CONSEQUENTIAL DAMAGES OR INCIDENTAL DAMAGES, INCLUDING WITHOUT LIMITATION ANY COSTS INCURRED IN CONNECTION WITH THE REMOVAL OR REINSTALLATION OF ALLEGEDLY DEFECTIVE PRODUCTS.

3. CLAIMS:

Every claim under this warranty shall be void unless it is made in writing and received by JM Eagle within ten (10) days of the date the defect was discovered and, in any event, within one (1) year of the date of invoice. Claims for Product defects that affect the appearance of the Product, such as U.V. degraded Products, however, must be made within thirty (30) days of the date of the receipt of the Product. No claim under this limited warranty will be valid unless (1) proof of purchase with the date thereof as well as a description of the alleged defect in reasonable detail is presented to the satisfaction of JM Eagle, (2) written permission and/or a Return Goods Authorization (RGA) is obtained from JM Eagle, (3) JM Eagle is given an opportunity to inspect the allegedly defective Product and (4) at JM Eagle's request, representative samples of the allegedly defective Product are returned to JM Eagle in accordance with JM Eagle's instructions.

4. GENERAL:

This limited warranty may only be modified or altered in a writing signed by the President of JM Eagle.

In the event that any provision of this limited warranty is held to be illegal or unenforceable by any court of competent jurisdiction, the remaining provisions of this limited warranty shall remain in full force and effect.

This limited warranty shall be governed by the laws of the state in which JM Eagle's headquarters are located at the time of the delivery of the applicable Product, without regard to such state's conflicts of law principles that would require the application of the law of any other jurisdiction. Any and all disputes arising out of or relating to this limited warranty shall be subject to the exclusive jurisdiction of the state or federal courts located in the state and county in which JM Eagle's headquarters are located at the time the proceeding is initiated or, at JM Eagle's sole election, to binding arbitration before a single arbitrator pursuant to the American Arbitration Association's Commercial Dispute Resolution Procedures, with such arbitration to take place in the state and county in which JM Eagle's headquarters are located at the time the proceeding is initiated.

JM Eagle reserves the right to revise this Limited Warranty and Limitation of Liability without notice at any time.