

## **CPS Distributors, Inc.**

### ***Trade policy December 1, 2006***

**Pricing** – All prices shown in published price lists are wholesale list prices unless otherwise indicated. Quoted prices and/or discounts from list price are firm for a maximum of 30 days from the date of quote unless otherwise indicated in writing on the quote form. **All prices and discounts are subject to change without notice.**

**Terms of Payment** – Credit related information is contained within the CPS Account Application form which is required to be completed and signed by the customer (or his authorized representative) prior to establishing an account with CPS. All customers of CPS are subject to the terms and conditions stated within the CPS Account Application form.

**Merchandise Returns** – Materials must be returned to CPS freight prepaid in new, clean and saleable condition. Materials originally purchased in sealed boxes must be returned as purchased. Returns are subject to a 20% restocking charge. At the sole discretion of CPS personnel additional handling charges will be assessed if additional services are required to make the returned merchandise suitable for resale. Returns will be accepted by CPS only on normally stocked items and current models purchased by the customer within 90 days of original date of purchase. Proof of purchase is required. Special order items are not returnable without prior approval of manufacturer and then the manufacturers restocking/handling charges will apply in addition to stated CPS charges.

**Warranties** – Warranty guarantees are made by the manufacturers in writing and are for the benefit of the buyer. It is the buyers responsibility to complete warranty cards (if provided) and send to manufacturer. Warranty claims must be submitted in writing within 30 days of the origin of the claim action unless otherwise stated in writing by the manufacturer. **CPS makes no other warranty either expressly stated or implied as to the materials purchased. The warranties of merchantability and fitness for a particular purpose are expressly disclaimed by CPS and waived by Buyer.**

### **Shipment Title, Handling/Freight Charges, Damages and Discrepancies**

– Title passes from CPS to Buyer when materials leave CPS' shipment point (including manufacturer point of origin for direct shipments) for all will call and common carrier/freight-collect shipments. Buyer will reimburse CPS for all costs of shipment from FOB shipping point. For CPS deliveries with its owned/leased vehicles, title passes upon actual delivery to job site or customer's place of business as directed by Buyer. Buyer must sign the sales order/delivery receipt prior to release of materials for will call and CPS deliveries. Upon receipt of materials, buyer must record any damage or shipment discrepancy on the delivery receipt and have the driver acknowledge by

initialing the change. Buyer must promptly file a freight claim for the damage and/or shipment discrepancy with the common carrier (if applicable). Buyer will not deduct any monies from the payment due CPS as a result of shipment damages and/or discrepancies unless given prior written authorization.

All deliveries by CPS' owned or leased vehicles are subject to a delivery charge.

**Liability and Indemnification** – CPS shall not be liable for any claims by Buyer for costs incurred by Buyer for nonconforming materials, repair work, standby time, work stoppages or delays of any kind including special, incidental or consequential damages. Buyer hereby release CPS and agrees to indemnify and hold CPS harmless from all claims or damages, including without limitation attorney fees and costs arising from the use and/or storage of materials purchased from CPS by Buyer.

**Billing Adjustments** – Billing adjustments of any kind must be approved in writing by CPS authorized personnel.

**Canceled Orders** – Canceled orders may be subject to a charge for expended costs for freight and any restocking or handling charges. Special orders may be subject to restocking charges greater than 20% as required by the specific manufacturer. CPS has no obligation to accept returns on cancelled orders and maintains at CPS' sole discretion to demand that the Buyer accepts delivery of canceled shipments if the act of cancellation is detrimental to CPS.

**Backorders** – CPS will automatically create a backorder for any materials ordered and not readily on hand at its warehouse locations(s) unless specifically directed otherwise by Buyer. CPS will make its best efforts to order the materials and make prompt delivery of such materials when received from CPS' supplier, but does not guaranty the availability or prompt delivery of any backordered materials.

**Minimum Billing/Initial Account Order** – CPS maintains a minimum billing amount for an order (not including a qualified backorder) which is posted at all CPS locations. Posted amount does not include applicable freight, handling, etc. New customers are required to place a minimum order to activate their account with CPS. The amount is determined by CPS solely and is subject to change without notice.