

SHELL TERMS OF SALE
OF
RESOLUTE RACING SHELLS LTD. ("SELLER")

1. Purchase Price. Unless otherwise agreed to by the parties, the purchase price for the Shell is payable in United States Dollars. THE PURCHASE PRICE DOES NOT INCLUDE SALES OR USE TAX OWED TO ANY STATE, COUNTY OR MUNICIPALITY (EACH A "TAXING AUTHORITY"). BUYER MUST PAY APPLICABLE SALES TAX DIRECTLY TO THE TAXING AUTHORITY AND AGREES TO HOLD SELLER HARMLESS FROM ANY LIABILITY WITH RESPECT THERETO.
2. Availability. Unless otherwise agreed, Buyer must take delivery at Seller's place of business. If Buyer is unable to take delivery on the delivery date designated by Seller ("Delivery Date"), Seller may store the Shell without responsibility for its care or maintenance at Seller's own facility or in a warehouse selected by Seller, and Buyer shall pay for all handling and storage charges. If Buyer fails to take delivery within thirty (30) days of the Delivery Date, Seller shall have the right (but not the obligation) to resell the Shell and apply the sale proceeds first to the return of the Buyer's down payment, with Seller retaining any excess.
3. Default. Buyer shall pay the purchase price, all costs of collection, including, without limitation, court costs and attorneys' fees and interest at the highest legal rate on any portion of the purchase price not paid as and when due.
4. Warranties. Seller warrants that the Shell shall be delivered to Buyer free from all liens, encumbrances and other title defects. Seller warrants, to Buyer only, that the hull will be free from defects in material and workmanship during the seven (7) year period immediately following the Delivery Date and that the parts of the Shell other than the hull will be free from defects in material and workmanship during the one (1) year period immediately following the Delivery Date ("Warranty Period"). All warranty work will be done by Seller at such locations it designates and all related packing, shipping and transit charges are the responsibility of Buyer. This Warranty shall not apply to defects caused by disasters such as fire, flood, wind and lightening, or by the actions or inactions of any party other than Seller resulting in: (i) improper storage, installation, use or maintenance of the Shell (ii) unauthorized modifications of the Shell, (iii) any other abuse or misuse of the Shell. ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW, COURSE OF DEALING, USAGE OF TRADE, OR OTHERWISE, ARE EXCLUDED. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.
5. Limitation of Remedies. If during the Warranty Period Buyer discovers a defect in the material or workmanship of the Shell, notifies Seller in writing within five (5) days of such discovery, and substantiates that the Shell has been maintained and operated in accordance with Seller's recommendations and standard industry practice, then Seller shall correct such defect at Seller's expense by repair or replacement. Repair or replacement of the Shell shall not extend the Warranty Period in any manner. In no case shall Seller be liable for any special, incidental or consequential damages due to delays in the production, shipment or delivery of the Shell whether or not due to causes within Seller's control or based upon breach of any warranty, breach of contract, negligence, strict tort, or any other legal theory including, without limitation, loss of profits, loss of savings or revenue, loss of use of the Shell, cost of capital, cost of any substitute Shell, facilities or services, downtime, the claims of third parties including customers, and injury to property. Any legal action for breach of warranty must be commenced within one (1) month following expiration of the applicable Warranty Period. THESE REMEDIES CONSTITUTE BUYER'S EXCLUSIVE REMEDIES AGAINST SELLER FOR BREACH OF WARRANTY WITH RESPECT TO THE SHELL.
6. Indemnification. If the Shell has been modified or altered without Seller's consent; or if the Shell has been misused, misapplied, damaged or used negligently, Buyer agrees to hold Seller harmless and indemnify it against any loss, cost, damage or expense, including, without limitation, costs of defense, attorneys' fees, inspectors' fees and/or testing, resulting from (a) third party claims for personal injuries or property damage, whether direct or indirect, actual or alleged, consequential or otherwise, notwithstanding any actual or alleged defects or hazard inherent in the Shell or negligence of Seller, its agents, employees or subcontractors, or (b) any recall, inspection, testing, replacement or correction of the Shell, whether required by governmental authority or otherwise, or (c) the violation of any law, regulation, rule, order or restriction of any governmental authority resulting from or incident to the sale, delivery, installation and/or assembly of the Shell, or (d) any actual or alleged infringement of any United States or foreign patent, copyright or similar common or civil law right or (c) Buyer's failure to pay an applicable sales tax.
7. Force Majeure. Seller shall attempt to meet any delivery dates specified, but shall not be responsible for any delay or failure to perform its obligations hereunder if due to causes beyond its reasonable control.
8. Applicable Law. This contract shall be deemed a contract made in the State of Rhode Island and shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the laws of that state without reference to its conflict of law provisions. Any action with respect to this contract may be brought only in the State of Rhode Island. Buyer hereby consents to the jurisdiction of the courts of the State of Rhode Island and the United States District Court for the District of Rhode Island, and all courts to which an appeal may be taken therefrom, for the purpose of any litigation, claim or controversy relating to this contract.
9. Entire Agreement. Oral statements made by Seller's employees do not constitute warranties, and are not a part of this contract. Any additional or different terms previously or subsequently submitted by Buyer are rejected; and if Buyer fails to reject these Terms of Sale immediately upon receipt or takes any action indicating intent to purchase the Shell or takes possession of the Shell, then Buyer is deemed to agree to these Terms of Sale. These Terms of Sale and the Order Form constitute a contract between Buyer and Seller which can be canceled, suspended or modified only with Seller's written consent, and upon terms that will indemnify Seller against any resulting loss. The allocation of rights and obligations between Seller and Buyer in this Contract is recognized by both parties and is reflected in the Purchase Price.