

Standard Terms & Conditions of Sale

1. APPLICABILITY / SCOPE: All goods and services provided shall be governed by the terms and conditions set forth herein. Any modifications to these terms or to the scope of any order or project hereunder, shall be mutually agreed upon and set forth in an appropriate writing executed by both parties. Such writing shall clearly set forth the nature and extent of the change, and, if applicable, any adjustment in price associated with such change.

2. PRICING / PAYMENT: The price to be paid by Buyer shall be mutually agreed upon by the parties and set forth in an appropriate writing. Unless otherwise agreed to, prices quoted do not include any state or local sales or use tax, special fees, duties or custom fees, freight and handling charges, or export crating costs that may be added to the price at invoicing. Seller reserves the right to change prices without notice. Buyer shall reimburse all costs incurred in collection of past due amounts including but not limited to attorney's fees, court costs and collection fees incurred by Seller.

3. DELIVERY: Once Seller has confirmed acceptance of order from Buyer, unless otherwise mutually agreed upon: (a) all goods to be supplied hereunder and delivered within the United States shall be shipped FOB, factory; (b) all goods to be supplied hereunder and delivered outside the United States shall be shipped EXW in accordance with the applicable provisions of the Incoterms 2010; (c) title and risk of loss shall pass to Buyer upon Seller's delivery of the goods to the carrier unless otherwise specified; and (d) in the event Buyer defers shipment for more than fifteen (15) days from the scheduled ship date, Buyer shall pay all open invoices and Seller's reasonable and customary storage charges and title and risk of loss shall transfer to Buyer while being stored at Seller's site. Seller may make delivery installments and all such installments shall be separately invoiced and paid. Claims for shortages or other errors must be made in writing to Seller within ten (10) days of shipment and failure to give such notice shall constitute unqualified acceptance and waiver of all such claims by Buyer. Seller shall not be bound by any delivery requirements unless and until mutually agreed upon by the parties in writing.

4. ACCEPTANCE: (a) Buyer shall inspect all shipments of equipment or other goods within three (3) days of receipt, and shall promptly notify Seller of any defects or non-conforming goods. The parties acknowledge that acceptance of any goods supplied hereunder shall be deemed to have occurred if Buyer fails to notify Seller of any such defects or non-conforming goods within ten (10) days of the date of receipt. The parties acknowledge that acceptance of any services provided hereunder shall be deemed to have occurred if Buyer fails to notify Seller of any defects or non-conformance in such services within ten (10) days of the date the services were completed; (b) For any order hereunder which requires Seller's involvement in the installation, start-up, check-out and/or commissioning of any Seller equipment or system, the parties acknowledge that system acceptance shall be deemed to have occurred upon completion of the startup and checkout of the system, or upon operational use of the system by Buyer, whichever occurs first.

5. WARRANTY: (a) Seller warrants that all Goods to be furnished under this agreement shall be free from defects due to faulty workmanship or material for the period of 12 months from the date of delivery to Buyer, (b) Seller neither expressly nor impliedly warrants, nor makes any representation whatsoever, as to service life of such Goods since conditions of usage and experienced service life are neither within the control of nor knowledge of Seller, (c) Except as expressly set forth in this agreement, this warranty shall apply only on the condition that: (1) Buyer delivers written notice of a warranty claim occurring during such warranty period, not later than a reasonable time after the end of such warranty period and in any case not later than ten (10) days after discovery of the defect which is the basis for its claim; (2) Buyer delivers such Goods, at Buyer's sole risk and expense, to Seller at its plant for warranty evaluation, within fifteen (15) days after such written notice; and (3) Seller determines in its sole discretion that such Goods are defective in workmanship or material, have not been subject to accident, abuse or misuse, and have been installed, operated and maintained in accordance with the manufacturer's recommendation and specifications. (d) THE WARRANTIES PROVIDED IN THIS ARTICLE ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND SELLER HEREBY DISCLAIMS, AND BUYER HEREBY WAIVES, ALL OTHER WARRANTIES AND LIABILITIES OF SELLER AND ALL CLAIMS AND REMEDIES OF BUYER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY DEFECT IN ANY GOODS, INCLUDING, WITHOUT LIMITATION, ANY (1) IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE, (2) ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING OR PERFORMANCE OR USAGE OF TRADE, AND (3) RECOVERY BASED UPON TORT, WHETHER OR NOT ARISING FROM SELLER'S NEGLIGENCE AND (4) ANY RECOVERY BASED UPON DAMAGED PROPERTY, OR OTHERWISE BASED UPON LOSS OF USE OR PROFIT OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES. THIS WARRANTY SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY SELLER AND BUYER. IN THE EVENT THAT ANY PROVISION HEREOF SHOULD FOR ANY REASON BE HELD INEFFECTIVE, THE REMAINDER OF THIS ARTICLE SHALL REMAIN IN FULL FORCE AND EFFECT.

6. LIMITATIONS AND EXCLUSIONS: Components, consumables and materials of the type that require periodic replacement due to normal wear and tear including, but not limited to, membranes, gauges, seals, valve seats, filters, gaskets, o-rings and instruments, are warranted against defects only as of the date of shipment FOB Factory. Seller's warranty on any goods which are not of its manufacture is limited to the warranty furnished with respect to such goods by Seller's supplier and is subject to compliance by Buyer with all terms of the supplier's warranty. Seller shall assign to Buyer manufacturer's warranties of equipment or material purchased from others to the extent they are assignable, and Buyer's sole recourse shall be against the manufacturer. Warranty claims will be credited to Buyer's account only upon receipt of a corresponding credit from the supplier. Linings for Hot and Cold Water Tanks are furnished with no warranty. Supplier manufactured shell and tube heat exchangers carry a twenty-year warranty provided Buyer documents and maintains weekly shell-side water quality in accordance with World Health Organization drinking water standards and total hardness below. The provisions in any specifications or drawings are descriptive, unless expressly stated as warranties. This warranty is extended only to the original purchaser and is not transferable.

7. OPERATIONAL AND MAINTENANCE PROCEDURES: Buyer acknowledges that any improper use, maintenance, or modification of the equipment provided hereunder, or use of unqualified maintenance or service technicians will severely impair the operational effectiveness of the entire system. Buyer hereby agrees to indemnify, defend and hold harmless Seller from and against any and all third-party claims arising, in any manner, out of: (a) Buyer's neglect of the equipment; (b) Buyer's use of technicians not authorized by Seller to service the equipment; or (c) Buyer's improper use or modification of the equipment or failure to follow the operational and maintenance procedures provided with the equipment.

8. LIMITATION OF LIABILITY / DAMAGES: In no event (even should circumstances cause the exclusive warranties and remedies set forth in the Warranty section to fail their essential purpose) shall either party be liable for any indirect, incidental, liquidated, exemplary, special or consequential damages (including, but not limited to, loss of use, loss of anticipated profits, or damages arising from delay) whether such claims are alleged to have arisen out of breach of warranty, breach of contract, strict or absolute liability in tort, or other act, error or omission, or from any other cause whatsoever, or any combination of the foregoing.

9. BREACH: In addition to any failure to comply with any other terms as set forth herein, the occurrence of any of the following events shall constitute a breach on the part of Buyer: (a) If Buyer shall become insolvent or make a general assignment for the benefit of creditors; (b) If a petition under the Bankruptcy Act is filed by or against Buyer; (c) If, at any time Buyer fails to fulfill its obligations under the terms and conditions hereof, or acts in such a manner as to endanger performance of such obligations; (d) If Seller shall reasonably believe that Buyer will not timely fulfill its obligations or otherwise perform hereunder, and Buyer is unable to provide reasonable assurances that such timely performance will occur. Upon breach by Buyer, Seller may terminate the contract or agreement by giving notice to the Buyer. Such termination shall be effective immediately. In the event of a breach and contract termination, Buyer is responsible for costs incurred by Seller.

10. INDEMNIFICATION: Except as provided by law, neither party shall not be liable for special damages, punitive, indirect or consequential damages, or losses such as, but not limited to, loss of profits, loss of revenues, income, use, production, cost of capital, or business interruption costs. In any event, the Seller's maximum liability to the Buyer shall not exceed the Order Price. Except as required by law, the Seller shall not be liable to third parties. The Buyer shall hold the Seller harmless and indemnify Seller for any loss caused by the actions or omissions of the Buyer or its subcontractors. The Seller reserves the right to participate in or assume the defense of its interests in any suit or action. If the Buyer is comprised of two or more persons or an association thereof, each and every one of them is jointly and severally liable for the obligations established therein.

11. CONFIDENTIAL & PROPRIETARY INFORMATION: Buyer acknowledges that the information and processes utilized by Seller in the manufacture and supply of its products and systems are confidential and proprietary to Seller. Buyer agrees to treat as confidential and proprietary any such information or processes, including, but not limited to, design information or data, proposals, software, schematics, drawings, operational and maintenance manuals, testing procedures or other similar technical information ("Confidential Information") provided by Seller in connection with the supply or installation of products or systems hereunder, and will, at a minimum, protect any such confidential information in a manner commensurate with the measures taken to protect Buyer's own confidential or proprietary information. Delivery of the Product and its design shall not be considered work

made for hire. Seller retains all rights, titles and interests in all such Confidential Information and Buyer shall not use or otherwise disclose to any third party any such Confidential Information except to the extent authorized by Seller in writing.

12. INTELLECTUAL PROPERTY RIGHTS: Seller retains any and all intellectual property rights in and to the equipment, services, and/or information supplied hereunder (including, but not limited to, patents, copyrights, trademarks and trade secrets) ("Intellectual Property"). Buyer is not granted any interest, right, or license with respect to any such Intellectual Property, except to use the equipment, services and/or information for the purposes for which it is specifically provided to Buyer in accordance with the terms and conditions hereof. Provided, however, that Seller's indemnity obligation hereunder shall not apply to, and Seller shall not be responsible for, any claims to the extent arising out of Buyer's modification of Seller's equipment, services or information, or use of such equipment, services or information: (a) in combination with equipment, services or information not supplied by Seller, or (b) in the operation of any process or in any other manner inconsistent with the purpose for which Seller's equipment, services or information were intended.

13. INSTALLATION: Seller will provide Buyer installation and inspection instructions. Buyer is responsible for all other installation costs. In the event Buyer has contracted with Seller to provide installation services, Buyer shall be responsible to obtain, for benefit of Seller, any and all permits or licenses required in order to legally authorize Seller to perform the work required under this purchase order within the jurisdiction of the work. Installation conformance to the requirements of federal, state and local governing bodies or other organizations shall be the responsibility of the Buyer.

14. ASSIGNMENT: The rights and responsibilities of Buyer as set forth herein, are personal to Buyer and may not be assigned or delegated without the prior written consent of Seller.

15. NON-WAIVER: The parties' failure to demand strict performance or to otherwise enforce any rights hereunder shall not constitute a waiver of any rights hereunder. No claim arising out of a breach hereof may be discharged in whole or in part by a waiver of the claim unless supported by consideration and set forth in a writing signed by the waiving party. Any such waiver shall apply to the specifically identified claim only, and shall in no way constitute a waiver or discharge of any other prior or subsequent claim.

16. SUSPENSION: If any project or order, for which Seller is to supply goods and/or services hereunder, is suspended by either Seller or the Buyer, for any reason, both parties shall take all reasonable measures to cooperate in rescheduling any planned or ongoing work, and in otherwise complying with the suspension instructions.

17. CANCELLATION/TERMINATION: If the Buyer cancels the Order for a reason other than Force Majeure, it shall be by mutual consent and on terms that will indemnify Seller against loss. If any order, for which Seller is to supply goods and/or services hereunder, is terminated in accordance with the provisions of these terms and conditions, Seller shall be entitled to charge 25% of selling price to the Buyer if terminated prior to incurring related engineering, drafting, and production time. If engineering, drafting, and production time has been incurred, 100% of the selling price plus additional costs incurred will be charged to the Buyer. Additional costs incurred as a direct result of termination may include, but are not limited to, freight and storage charges, costs of labor, transportation, travel and living expenses for support. Seller may unilaterally terminate the Order by written notice to the Buyer if the Buyer is responsible for any of the following circumstances and fails to remedy that circumstance within ten (10) days of the notice: (a) Suspension of the Services without justification for a period of more than three (3) months. (b) Delay of more than six (6) weeks in making payments owed to Seller, starting from receipt of a certified notice in writing from Seller requesting such payment. If Seller cancels the Order for one of the preceding reasons, other than for reasons of Force Majeure, the Buyer shall be required to pay Seller the amounts owed under the Order, including the duly verified portion of the Order Price relating to provision of the Services then in progress, except for amounts that may be withheld for penalties due in accordance with the provisions of the Order.

18. APPLICABLE LAW / DISPUTES: It is the expectation of the parties that any disputes arising hereunder will be amicably resolved by mutual agreement of the parties. Any dispute, involving the supply of goods or services within the United States, which cannot be amicably resolved by the parties, shall be submitted to binding arbitration in accordance with the applicable rules and regulations of the American Arbitration Association. The substantive law of Florida shall apply to any such arbitration, which shall be conducted in Tampa, Florida. Each party shall bear its own fees and expenses with respect to the arbitration and any proceeding related thereto and the parties shall share equally the fees and expenses of the American Arbitration Association and the arbitrator.

19. FORCE MAJEURE: Neither party shall be liable for any failure or delay in its performance resulting from any cause beyond its reasonable control including, but not limited to, acts of God; acts or omissions of civil or military authority; fires; floods; unusually severe weather; strikes or other labor disputes; embargoes; wars; political strife; riots; delays in transportation; sabotage; or fuel, power, material or labor shortages.

20. INTEGRATION / MODIFICATION: Except as otherwise specifically set forth herein, these terms and conditions are intended by both Buyer and Seller as the final integrated expression of their agreement with respect to any projects or orders subject hereto. No additions to or modifications of any of the terms or conditions herein shall be effective unless set forth in a writing duly executed by both parties.

21. CONSTRUCTION: If these terms and conditions have been provided in response to an invitation to bid or other solicitation from Buyer, and the provisions set forth herein differ in any way from the provisions (if any) of Buyer's invitation or solicitation, these terms and conditions shall constitute Seller's counteroffer and shall be effective as an acceptance unless Buyer expressly rejects the provisions herein. If these terms and conditions constitute a counteroffer, acceptance hereof must be on the exact terms contained herein. Any additional, conflicting or different terms proposed by Buyer shall constitute a counteroffer by Buyer, and shall not be effective unless set forth in a mutually agreed upon writing executed by both parties.