

Terms and Conditions

CONTROLLING PROVISIONS

This document, including any provisions on the face hereof (the "**Contract**") constitutes an offer by the Kemper Water Control Systems, Inc. (the "**Company**") to provide the products described herein (the "**Products**") to the buyer to which this offer is addressed (the "**Buyer**"). If this document is deemed an acceptance of a prior offer by Buyer, such acceptance is limited to the express terms contained herein. Buyer's acceptance of this offer is limited to the terms, covenants and conditions contained in this offer. The Company hereby objects to and rejects any additional, different or varying terms proposed by Buyer, unless the Company expressly agrees to such terms in writing. Such proposal of additional, different or varying terms by Buyer shall not operate as a rejection of the Company's offer unless such variances are in the terms of the description, quantity, price or place or date of delivery of the Products, and the Company's offer shall be deemed accepted without such additional, different or varying terms. **THIS CONTRACT CONSTITUTES THE FINAL EXPRESSION OF THE TERMS BETWEEN SELLER AND BUYER REGARDING THE PRODUCTS AND IS A COMPLETE AND EXCLUSIVE STATEMENT OF THOSE TERMS. ANY TERMS, CONDITIONS, NEGOTIATIONS OR UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, WHICH ARE NOT EXPLICITLY INCLUDED IN THIS CONTRACT SHALL HAVE NO FORCE OR EFFECT UNLESS MADE IN WRITING AND SIGNED BY SELLER AND BUYER.** The Company's sales representatives are without authority to change the terms of this Contract. Buyer shall be deemed to have made an unqualified acceptance of this offer and these terms and conditions on the earliest of the following to occur: (1) the Company's receipt of a copy of this Contract signed by Buyer; (2) Buyer's payment of any amounts due under this Contract; (3) Buyer's delivery to the Company of any material to be furnished by Buyer; (4) the Company's delivery of the Products; (5) failure by Buyer to notify the Company to the contrary within one business day of placing the order; or (6) any other event constituting acceptance under applicable law. It is the express wish of the parties that this Contract and any related documents be drafted in English.

PRICES

Buyer shall purchase the Products from the Company at the prices (the "**Prices**") set forth in Company's price list in force as of the date that Buyer accepts Company's offer. If the Prices should be increased by the Company before delivery of the Products to a carrier for shipment to Buyer, then this Contract shall be construed as if the increased prices were originally inserted herein, and Buyer shall be billed by the Company on the basis of such increased prices. All Prices are exclusive of all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any governmental authority on any amounts payable by Buyer. Buyer shall be responsible for all such charges, costs and taxes; provided,

that, Buyer shall not be responsible for any taxes imposed on, or with respect to, Company's income, revenues, gross receipts, personnel or real or personal property or other assets.

TERMS OF PAYMENT

Buyer shall pay all invoiced amounts due to the Company within 30 days from Seller's invoice date. Buyer shall make all payments hereunder by wire transfer and in US dollars. Buyer shall pay interest on all late payments at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse the Company for all costs and fees incurred by the Company in collecting any late payments owed by Buyer to the Company including, without limitation, attorneys' fees and repossession fees. Buyer shall not withhold payment of any amounts due and payable by reason of any set off of any claim or dispute with the Company, whether relating to Company's breach, bankruptcy or otherwise.

ORDERS

Buyer's orders are non-cancellable after acceptance and acknowledgement by the Company thereof. The Company may accept or reject Buyer's orders in its sole and absolute discretion. Any undelivered Products may be cancelled by Buyer, subject to written approval of an authorized representative of the Company, given or withheld in the Company's sole and absolute discretion. In the event of such a cancellation by Buyer, Buyer shall pay to the Company its reasonable costs and expenses, plus the Company's usual rate of profit for similar work. Buyer may not alter or modify its order or any part thereof without the Company's prior written consent, given or withheld in the Company's sole and absolute discretion. The Company reserves the right to change the price, terms of payment and delivery dates for any Products affected by any such alterations or modification to which it consents.

SHIPPING AND HANDLING

Except as otherwise provided in this paragraph, all sales are (i) DAP the Company's facility (the "**Facility**") for Buyer delivery addresses within the United States, or (ii) EXW the Facility for sales to Buyer delivery addresses outside the continental United States, each according to INCOTERMS 2010 of the International Chamber of Commerce, as amended. Notwithstanding the foregoing, the Company will allow full freight at the prevailing CWT rate for shipments of the Company's products if (x) Buyer's order has a net invoice value of

- \$1,500 or more for delivery addresses within the continental United States, provided that for delivery addresses in Alaska full freight allowed shall be calculated FAS Seattle, WA (Incoterms 2010);
- or
\$2,500.00 or more for delivery addresses within Canada,

(y) such shipments are to Buyer's principal business address or designated job location, and (z) Buyer's original order meets the foregoing full freight allowed terms. Changes to Buyer's original order shall not



be counted towards the full freight allowance. If Buyer requests that the Company make partial shipment of an accepted order, such freight allowance shall apply only to such partial shipments which individually satisfy the foregoing full freight terms. Under no circumstances will a direct C.O.D. shipment be made to -Buyer's end customer. Routing of Product shipments shall be determined at the sole discretion of the Company.

Title and Risk of Loss

Notwithstanding any other provision of this Contract to the contrary, title and risk of loss passes to Buyer upon delivery of the Products at the Facility or delivery to the initial carrier solely for orders with delivery addresses in Alaska (together, the "**Delivery Point**"). As collateral security for the payment of the purchase price of the Products, Buyer hereby grants to the Company a lien on and security interest in and to all of the right, title and interest of Buyer in, to and under the Products, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the New Jersey Uniform Commercial Code.

DELIVERY; INSPECTION

Buyer shall inspect the Products upon receipt. Buyer will be deemed to have accepted the Products unless it notifies the Company in writing of any Defective Products with 30 days of delivery hereunder and furnishes such written evidence or other documentation as required by the Company. "**Defective Products**" means only the following: (i) product shipped is different than identified in Buyer's purchase order; or (ii) product's label or packaging incorrectly identifies its contents. If Buyer timely notifies the Company of any Defective Products, the Company shall, in its sole discretion, (i) replace such Defective Products with conforming Products, or (ii) credit or refund the Price for such Defective Products, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith. Buyer shall ship, at its expense and risk of loss, the Defective Products to the Facility. If the Company exercises its option to replace Defective Products, the Company shall, after receiving Buyer's shipment of Defective Products, ship to Buyer, at Buyer's expense and risk of loss, the replaced Products pursuant to the "Shipping and Handling" Section hereof.

Buyer acknowledges and agrees that the remedies set forth in this Section titled "Inspection" are Buyer's exclusive remedies for the delivery of Defective Products. Except as provided under this Section, all sales of Products to Buyer are made on a one-way basis and Buyer has no right to return Products purchased under this Agreement to Seller, except as otherwise provide for herein.

The Products will be delivered within a reasonable time after the receipt of Buyer's purchase order, subject to availability of finished Products. The Company shall not be liable for any delays, loss or damage in transit. The Company may, in its sole discretion, without liability or penalty, make partial shipments



of Products to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Buyer's purchase order.

If for any reason Buyer fails to accept delivery of any of the Products on the date fixed pursuant to the Company's notice that the Products have been delivered at the Delivery Point, or if the Company is unable to deliver the Products at the Delivery Point on such date because Buyer has not provided appropriate instructions, documents, licenses or authorizations: (i) risk of loss to the Products shall pass to Buyer; (ii) the Products shall be deemed to have been delivered; and (iii) the Company, at its option, may store the Products until Buyer picks them up, whereupon Buyer shall be liable for all related costs and expenses (including, without limitation, storage and insurance).

FORCE MAJEURE

The Company shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached this Contract, for any failure or delay in fulfilling or performing any term of this Contract when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of the Company including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, lockouts, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage.

RETURNED GOODS

Buyer shall not return any Products to the Company without prior written consent of the Company, given or withheld in the Company's sole discretion. Credit will be issued for all Products returned with such consent, at the prevailing price at time of purchase, minus a handling charge of 25% (35% if repackaging is necessary), provided that no credit whatsoever will be issued on Products not listed in the Company's price list at the time of such return. We will go back one price sheet subject to invalid purchase order, invoice number and/or sales order given. Transportation must be prepaid. Your account will be credited for the shipping charges if return is due to any error on our part or if the materials are found defective.

PRODUCT CHANGES

The Company reserves the right to make changes of any kind in its Products and their packaging without notice.

LIMITED WARRANTY

The Company offers limited warranties regarding certain of its products. Such limited warranties may be found as an appendix to these Terms and Conditions or on the companies website. **EXCEPT FOR SUCH WARRANTIES, THE COMPANY MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE PRODUCTS, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; OR (b) WARRANTY OF FITNESS**



FOR A PARTICULAR PURPOSE; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

LIMITATION OF LIABILITY

IN NO EVENT SHALL THE COMPANY BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR THE GOODS SOLD HEREUNDER.

The limitation of liability set forth in this Section titled "Limitation of Liability" shall not apply to (i) liability resulting from the Company's gross negligence or willful misconduct and (ii) death or bodily injury resulting from the Company's acts or omissions.

GOVERNING LAW

This Contract shall be governed by and construed according to the internal laws of the State of New Jersey, without giving effect to any choice or conflict of law provision or rule (whether of the State of New Jersey or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of New Jersey. Neither this Contract nor any sales hereunder shall be governed by the provisions of the United Nations Convention on Contracts for the International Sale of Goods.

Submission to Jurisdiction

Any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the State of New Jersey in each case located in the City of Newark and County of Essex, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

SEVERABILITY; WAIVER

The invalidity of any provision or clause of this Contract shall not affect the validity of any other provision or clause hereof. The Company reserves the right to correct clerical or similar errors relating to price or any other term shown in this Contract. The failure of either party to insist, in any one or more instances, upon performance of any term, covenant or condition of this Contract shall not be construed as a waiver



or relinquishment or any right granted hereunder or the future performance of such term, covenant or condition.

COMPLIANCE WITH LAWS

Buyer shall comply, and shall cause its employees and agents to comply, with all applicable laws, regulations, and ordinances. Buyer shall comply with all export and import laws of all countries involved in the sale of the Products under this Contract or any resale of the Products by Buyer. Buyer assumes all responsibility for shipments of Products requiring any government import clearance. The Company may terminate this Contract if any governmental authority imposes antidumping or countervailing duties or any other penalties on Products. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Contract. Without limiting the foregoing or the applicability of any other legislation now or hereafter in effect in any state or municipality, Buyer specifically acknowledges and shall comply with, and cause its employees and agents to comply with, the 2006 California Assembly Bill 1953, the 2008 California Senate Bill 1334 ch. 580, and section 116875 of the California Health and Safety Code, and Act of June 7, 2008, No. 193, 2008 Vt. Acts and Resolves, which, among other requirements, strictly limit the amount of lead in solder or flux, and in pipes, pipe or plumbing fittings and fixtures (including replacement parts) intended or used to convey or dispense water for human consumption, and generally prohibit the sale, use, offer or introduction into commerce in California or Vermont, as applicable, at any level, of any such items not meeting the lead content requirements.

Confidential Information

All non-public, confidential or proprietary information of the Company, including but not limited to specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by the Company to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with this Contract is confidential, solely for the use of performing this Contract and may not be disclosed or copied unless authorized in advance by the Company in writing. Upon the Company's request, Buyer shall promptly return all documents and other materials received from the Company. The Company shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

ASSIGNMENT

Neither party may assign this Contract without the prior written consent of the other party provided, however, that the Company may assign this Contract in whole or in part to any of its affiliates and perform through subcontractors. Subject to the foregoing, this Contract shall inure to the benefit of, and be binding upon, the parties' successors and assigns. The Company's warranty limitations and exclusions and damage limitations and exclusions, and any other provision the performance or



effectiveness of which naturally survives, shall survive expiration or termination of this Contract for any reason. All of the Company's remedies herein are cumulative and not exclusive of any other remedies available to Company at law, by contract or in equity.

INDEPENDENT CONTRACTOR

The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

TRADEMARKS

The Company does not grant, and Buyer does not acquire, any license, rights, title or interest to or in any of the trademarks or trade names of the Company by virtue of this Contract, and Buyer shall not use or in any way refer to the Company's trademarks or trade names without the Company's prior written permission.

BUYER'S INDEMNIFICATION OF THE COMPANY

Buyer hereby releases and agrees to promptly defend, indemnify and hold the Company and its affiliates and their shareholders, directors, officers, employees, successors and assigns (collectively, "**Company Parties**") harmless from and against all liabilities, losses, claims, judgments, actions, fines, penalties, costs, damages, attorneys' fees and expenses (collectively, "**Damages**") relating to (a) the alleged violation of any law by Buyer or any of its employees, agents, successors or assigns ("**Buyer Parties**"), (b) bodily injuries, deaths or property damage caused by the negligent or wrongful act or omission of Buyer or any of the Buyer Parties, (c) any breach of this Contract by Buyer or any of the Buyer Parties, (d) any failure to install or maintain Products in accordance with the Company's written instructions, and (e) Buyer's products. The provisions of this section shall be effective whether or not such loss, damage or injury was proximately caused by the sole or partial negligent acts or omissions of the Company or any Company Parties.

Termination

In addition to any remedies that may be provided under this Contract, the Company may terminate this Contract with immediate effect upon written notice to Buyer, if Buyer: (i) fails to pay any amount when due under this Agreement; (ii) has not otherwise performed or complied with any provision of this Contract, in whole or in part; or (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors.

Notices

All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "**Notice**") shall be in writing and addressed to the parties at the addresses set forth on the face of the



Contract or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Contract, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

Survival

Provisions of this Contract which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Contract including, but not limited to, the following provisions: Compliance with Law, Confidential Information, Governing Law, Submission to Jurisdiction, and Survival.

