

RED VALVE'S CONDITIONS OF SALE

These conditions apply to all quotations, orders and contracts for Red Valve, Tideflex Technologies and RKL Control products.

1. ENTIRE CONTRACT

These Conditions of Sale will constitute the sole and exclusive conditions of sale regarding all equipment, materials, labor and services (hereinafter collectively referred to as "Products") sold to Buyer. Acceptance of Buyer's order by Red Valve is expressly made conditional upon Buyer's acceptance of these Conditions of Sale, whether such acceptance is by written acknowledgment or by conduct of Buyer that recognizes the existence of a contract, including Buyer's receipt of any Product. These Conditions of Sale constitute notification of Red Valve's objection to and rejection of any other terms and conditions, whether contained in Buyer's purchase order, bid documents or in any other writing, that are different from, inconsistent with or additional to the Conditions of Sale set forth herein. Stenographic and clerical errors may be corrected by Red Valve.

2. PRICES; PAYMENT

All orders are subject to Red Valve credit department approval. If in Red Valve's judgment the credit of Buyer becomes impaired, Red Valve at its sole option, may suspend production, shipment or delivery and/or request that Buyer provide it with reasonable guarantees and/or security. The failure or refusal of Buyer to provide such guarantees and/or security within ten (10) days after Red Valve's request therefore will constitute a repudiation of the entire contract and Red Valve, in addition to all other remedies available to it, may revise the credit terms offered to Buyer or terminate this contract. Unless otherwise specified, terms of payment are net thirty (30) days from the date of invoice. Time is of the essence and all delinquent amounts will accrue interest at 1-1/2% per month or the maximum rate permitted by law, whichever is less.

3. TAXES

To the extent legally permissible, unless Buyer provides a valid tax exemption certificate authorized by the appropriate taxing authority, all present and future taxes imposed by any federal, state, foreign or local authority which Red Valve or its contractors or suppliers may be required to pay or collect, upon or with reference to the sale, purchase, transportation, delivery, storage, use or consumption of the Products, except for taxes on Red Valve's income, will be for account of Buyer and if Red Valve or its contractors or suppliers are required to pay any such taxes, such amount will be added to and become part of the price payable by Buyer.

4. SHIPPING; TITLE; RISK OF LOSS

Shipping dates are approximate only and are subject to change. Unless otherwise agreed title to, and risk of loss of, Products priced at Red Valve's shipping point will pass to Buyer upon delivery Ex Works Red Valve Gastonia, NC. If Buyer refuses shipment, or requests Red Valve hold Products pending shipment, Buyer will reimburse Red Valve one and one half percent (1½%) of the purchase price for each week shipment is delayed. Such fees are due upon invoice by Red Valve and Products will not be shipped until such fees are paid in full.

5. CANCELLATIONS AND CHANGES

Orders which have been accepted by Red Valve are not subject to cancellation or changes in specifications except upon Red Valve's express prior written consent and subject to Buyer's agreement to revisions in price or delivery terms, or subject to a cancellation charge, as determined by Red Valve, if any.

6. CHECKING MATERIALS, CLAIMS, CREDITS

Buyer agrees to check Products against shipping papers upon unloading at destination. Claims, including shortage claims, must be made in writing within ten (10) days following delivery of the Products to Buyer. In the event of a claim, Buyer will place any such Products in safe storage for inspection by Red Valve. Any Products not rejected within 10 days of delivery will be deemed accepted. Red Valve issues customer credits only. Authorization, shipping instructions and other conditions related to the return of any of the Products must be obtained by Buyer from Red Valve before returning any of the Products.

7. WARRANTIES - REMEDIES - DISCLAIMERS

THE WARRANTIES SET FORTH IN THIS CONTRACT ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES WHETHER STATUTORY, EXPRESS OR IMPLIED INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OR TRADE.

Red Valve Products are warranted for a period of one year from date of shipment against defective workmanship and material, as determined by Red Valve's manufacturing and production standards, only when properly installed, operated and serviced in accordance with Red Valve's recommendations. Replacement for Products will be made free of charge if proved to be defective within such year, but no claim for transportation or labor will be allowed. Buyer is wholly responsible for determining the suitability of Red Valve Products. The express warranty obligations of Red Valve are conditioned upon the assembly and use of the Products in complete accordance with Red Valve's instructions and requirements, which are hereby incorporated by reference into this contract. Red Valve will not be responsible for any defect, deficiency or failure to perform in or any damage whatsoever caused by Products which have been modified by any person. The foregoing warranty does not cover, and Red Valve makes no warranties with respect to, any Products that have been subject to abuse, misuse, neglect, accident or improper storage or handling; to corrosive matter; to substantial temperature variations; or to abnormal use. Red Valve will not be responsible for the correctness of structural or system designs prepared by others. Red Valve has the option of requiring the return of the defective Products to its factory, with transportation charges prepaid, to establish the claim. Red Valve's liability will be limited to the repair or replacement of the defective product, F.O.B. Gastonia, NC. Red Valve will not assume costs incurred to remove or install defective Products nor will we incur back charges or liquidated damages as a result of warranty work. Red Valve does not guarantee resistance to corrosion, erosion, abrasion or other sources of failure, nor does Red Valve guarantee a minimum length of service. Failure of Buyer to give prompt written notice of any warranty claim under this contract upon its discovery, or use, and possession thereof after an attempt has been made and completed to remedy defects therein, or failure to return product or part for replacement as herein provided, or failure to install and operate said products and parts according to instructions furnished by Red Valve, or failure to pay entire contract price when due, will be a waiver by Buyer of all rights under the foregoing warranty.

8. LIMITATION OF LIABILITY

NOTWITHSTANDING ANY OTHER PROVISION OF THIS CONTRACT TO THE CONTRARY, RED VALVE WILL NOT BE LIABLE IN CONTRACT, IN TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE FOR DAMAGE TO, OR LOSS OF, OTHER PROPERTY OR EQUIPMENT, LOSS OF TIME, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF EQUIPMENT, COST OF CAPITAL, COST OF TEMPORARY EQUIPMENT (INCLUDING ADDITIONAL EXPENSES INCURRED IN USING EXISTING FACILITIES), CLAIMS OF CUSTOMERS OF BUYER, OR

FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR EXPENSES, WHETHER DIRECT OR INDIRECT, WHATSOEVER. RED VALVE'S TOTAL LIABILITY, NO MATTER HOW ARISING, WILL NOT EXCEED THE PURCHASE PRICE OF THE PRODUCT(S) GIVING RISE TO THE CLAIM.

9. DEFAULT AND TERMINATION FOR CAUSE

In the event of a party's: (a) actual or anticipated breach of or default of this contract, which has not been cured within thirty (30) days of written notice of such; (b) any actual or threatened bankruptcy, reorganization, receivership, insolvency, making an assignment for the benefit of creditors, liquidation, dissolution, or other financial or organizational instability; or (c) a party suspending, threatening to suspend, ceasing or threatening to cease to carry on all or a substantial part of its business; the other party has the right, in addition to any rights or remedies at law or in equity, to require appropriate assurances of performance, including a performance bond, letter of credit, or other type of guarantee. Should the defaulting party not do so, the non-defaulting party may immediately terminate this contract for cause by written notice without any costs of cancellation. Without limiting its other rights or remedies, Red Valve may suspend performance of, or terminate, this contract with immediate effect by giving written notice to the Buyer if the Buyer fails to pay any amount due under this contract on the due date for payment and, on termination of this contract for any reason, the Buyer will immediately pay to Red Valve all outstanding unpaid invoices and interest. Termination of this contract will not affect any of the parties' rights and remedies that have accrued as of termination, including the right to claim damages in respect of any breach of this contract that existed at or before the date of termination.

10. APPLICABLE LAW

This contract, and the parties' performance thereof, will be governed by the laws and exclusive jurisdiction of the Commonwealth of Pennsylvania without regard to the conflict of laws principles thereof. Each party irrevocably waives any objection that it may now or hereafter have to the laying of venue of any such proceeding in such court, including any claim that such proceeding has been brought in an inappropriate or inconvenient forum. The United Nations Convention on Contracts for the International Sale of Goods or any subsequently enacted treaty or convention will not apply to or govern this contract or the performance under this contract or any aspect of any dispute arising from this contract.

11. COMPLIANCE WITH LAW

The parties agree to perform their obligations under these terms and conditions in full compliance with all relevant laws, rules and regulations applicable in connection with the sale, shipment or use of the Products, including, but not limited to, the U.S. Foreign Corrupt Practices Act, U.S. export control regulations, all other applicable export regulations, embargo regulations, data privacy, export control or anti-bribery laws and any other applicable anti-corruption or anti-bribery act.

12. PROPRIETARY INFORMATION

All specifications, drawings, data, manuals, designs, information, ideas, methods, patterns and inventions made, conceived, developed or generated by Red Valve incident to the procurement or performance of this contract ("Work Product") will vest in, inure to and be the sole property of Red Valve. Buyer will not copy, publish or otherwise disclose, in whole or in part, to others such Work Product without the express prior written permission of Red Valve. Buyer will not use information furnished hereunder for any purpose other than for operation and maintenance of the Products or for any purpose other than as explicitly intended by Red Valve. The rights and obligations in this Section 12 will survive termination or expiration of this contract.

13. FORCE MAJEURE

Neither party will be liable for any delay in performance or delay or failure to deliver, in whole or in part, caused by but not limited to, fires, storms, floods, earthquakes, governmental regulation or direction, acts of the public enemy, war, rebellion, insurrection, riot, invasion, strikes, work stoppages or slowdowns, disaster, failure of supplies, labor shortage, delays in transportation however caused, or an act of God or causes, whether foreseen or unforeseen, beyond such party's reasonable control. If any such events occur, the affected party will have additional time within which to perform this contract and in the case of Red Valve, it will have the right to apportion its production. The impacted party will advise the other party of the occurrence of a force majeure event within fourteen days of its occurrence. If such event lasts for more than sixty (60) days, the unaffected party may, with written notice, terminate this contract without penalty.

14. MODIFICATION

No terms or conditions, other than those stated herein, and no agreement or understanding, oral or written, in any way purporting to modify these conditions will be binding on Red Valve unless hereafter made in writing and signed by its authorized representative. Any clause required to be included in a contract of this type by any applicable law or administrative regulation having the effect of law will be deemed to be incorporated herein unless otherwise specifically excluded.

15. WAIVER; SEVERABILITY; SURVIVAL

Any waiver by Red Valve of any breach or default by Buyer of any of Buyer's obligations under these Conditions of Sale, and any failure by Red Valve to enforce any rights arising under these Conditions of Sale, will not be construed as a waiver of any other breach or default by Buyer or of Red Valve's right to enforce its rights in any other circumstances. If any portion of this contract is declared to be unenforceable by a court of competent jurisdiction, all other portions are considered to be valid and enforceable to the extent they are reasonably severable. Neither termination nor expiration of this contract for any reason will release either party from liabilities or obligations set forth herein which either: (a) the parties have expressly agreed will survive such termination or expiration; (b) remain to be performed; or (c) by their nature would be intended to survive, including, but not limited to, confidentiality.

16. RELATIONSHIP OF THE PARTIES

Neither party undertakes, by this contract or otherwise, to perform or discharge any liability or obligation of the other party, whether regulatory or contractual, or to assume any responsibility whatsoever for the conduct of the business or operations of the other party. Nothing contained in the contract is intended to give rise to a partnership or joint venture between the parties or to impose upon the parties any of the duties or responsibilities of partners or joint ventures.

17. COMPLETE AGREEMENT

These Conditions of Sale, along with the attached acknowledgement, proposal or business terms, will constitute the entire and complete agreement of the parties with respect to the subject matter hereof, and there are no other promises, conditions, understandings, representations or warranties, oral or written, relating thereto except as expressly set forth herein.