

TERMS AND CONDITIONS OF SALE

ORDER ACCEPTANCE

All orders are subject to acceptance by Seller at its general office in Morton Grove, Illinois. Seller issuing its Sales Acknowledgement Form will evidence acceptance. The Sales Acknowledgement Form, together with any documents incorporated therein, shall constitute the entire agreement and may not be changed except in writing signed by Seller and Buyer. Publication and circulation of current price lists, catalogues and related literature by Seller shall not be deemed an offer to sell, but rather an invitation for offers to buy. Acceptance by Seller of the Buyer's order is expressly limited to the Terms and Conditions stated herein; any additional, inconsistent or different terms and conditions contained in the Buyer's purchase order or other documents supplied by Buyer are expressly rejected.

PAYMENT TERMS-PRICES

Payment terms are 2% tenth (10th), net thirtieth (30th) Prox. unless otherwise specifically agreed to in writing. These terms shall apply to partial, as well as complete shipments of Product. Published prices are subject to change without notice and the right is reserved to invoice at prevailing prices at time of shipment unless otherwise specifically agreed to in writing. All quotations are conditional on 30 days acceptance unless stipulated otherwise in writing and to approved credit rating or reference, otherwise payment terms are cash with order or C.O.D.

DELIVERY-DELAYS

Shipping dates represent estimates only and are based on projected production schedules and commitments by suppliers. Seller shall not be liable for failure or delay in manufacturing or shipping Products, nor shall such failure or delay constitute grounds for cancellation if such failure or delay is directly or indirectly due to shortages of fuel or energy; acts or omissions of the Buyer; acts of God, war, riot, civil disturbances; labor difficulties; accident; inability to reasonably obtain materials, acts of transportation companies; or other causes of any kind whatever beyond the control of Seller. In the event of such delays, Seller reserves the right to make adjustments in price and delivery schedules.

FREIGHT TERMS

Prices are F.O.B. factory unless otherwise stated. Seller's responsibility ceases upon delivery to the Transportation Company at shipping point. It is the Buyers responsibility to examine shipment upon arrival to ascertain if in good order. The Buyer must pursue any shortage or damage claims. All weights, shown on price sheets and literature are approximate. All packaging is standard domestic boxing, slat and wire crating and/or skidding. An additional charge will be made for export boxing (full wooden crating) or special packaging when so specified on the order.

Seller will make every effort to consolidate orders and back orders wherever possible. Seller will not be responsible for excess charges due to their inability to consolidate shipments.

When requested by buyer, shipments may be routed using premium carriers such as express or airfreight or may specify the method or route of shipment. In such cases the shipment will be made on a "collect" basis and where applicable the freight allowance will appear as a separate line item on the product invoice. Seller reserves the right to select the Transportation Company where freight is allowed.

TAXES

In addition to the price stated, the amount of any present or future sales, use, excise or other similar tax applicable to the production, sale, use or transportation of the Products shall be paid by Buyer in lieu of paying such taxes to Seller. Buyer may furnish Seller a Tax Exemption Certificate or Certificates acceptable to appropriate taxing authorities at any time prior to Seller's shipment of the Products.

CANCELLATIONS

Any order placed with Seller may be cancelled by the Buyer only upon payment of reasonable cancellation charges, which shall include but not be limited to expenses already incurred, as well as material and labor commitments made by Seller.

SHIPMENT-TITLE-RISK OF LOSS

All prices quoted are F.O.B. Seller's facility, unless otherwise specifically agreed to in writing. Notwithstanding the granting of any allowances for shipping, title to and risk of loss for Products will pass to the Buyer when delivered to the common carrier at the Seller's facility.

BACK CHARGES

All invoices shall be due and payable when submitted for payment in accordance with the provision entitled "Payment Terms-Prices: No withholding of funds, back charges, or credits against amounts otherwise due Seller will be permitted unless specifically agreed to in writing by Seller. Settlement of any amounts due Buyer will be negotiated as separate items and not as offsets against amounts otherwise due Seller from Buyer for Products sold hereunder.

RETURNED GOODS

Unused material of current manufacture can only be returned for credit with the written consent of Seller, under return goods policies existing at the date of the return. Products that are obsolete or made to special order are not returnable.

PATENT INDEMNITY

a. Patent Indemnity by Seller to Buyer

Seller agrees to indemnify and hold harmless the Buyer from and against all legal expenses which may be incurred, as well as all damages and costs (except all consequential and special damages and costs) which may be finally assessed against Buyer in any action for infringement of any United States Letters Patent by the Products delivered to Buyer hereunder, provided that the Buyer shall give Seller prompt written notice of any action, claim or threat of patent infringement suit, either oral or written, or of the commencement of any patent infringement suit against Buyer relating to Products sold by Seller to Buyer hereunder; and provided Buyer shall give Seller opportunity to elect to take over, settle, or defend any such claim, action or suit through counsel of Seller's own choice and under its sole direction and at its sole expense, and provided that in the event Seller elects to take over, defend or settle same. Buyer will make available to Seller all defenses against any such claim, action, suit or proceeding known to or available to Buyer; and provided further that Seller shall have the right to substitute for any such Product or any part thereof claiming to infringe the patent right of others non-infringing Products which will give equally good service. If the use of any such Product or any part thereof should be enjoined Seller should have the right at its own expense, to take any of the following courses of action

- (i) To procure for Buyer the right to continue using such Product;
- (ii) To replace said Product with a non-infringing Product.
- (iii) To modify the Product so that it becomes non-infringing.
- (iv) To remove said Product and refund the purchase price transportation costs and installation costs thereof. or
- (v) To remove said Product and refund the purchase price, transportation costs and installation costs thereof.

b. Limitation

The foregoing provisions as to patent protection by Seller to Buyer shall not apply to any of the following

- (i) To any Product manufactured to the design or specification furnished by the Buyer;
- (ii) To orders for special non-commercial Products which Seller has not sold or offered for sale to the public on the open commercial market,
- (iii) To any infringement occasioned by modification by Buyer of any Product without Seller's written consent or any infringement arising from the use of a Product with any adjunct or device added by the Buyer without Seller's written permission.

c. Patent Indemnity by Buyer to Seller

To the extent that Products delivered hereunder are manufactured pursuant to detailed designs furnished by Buyer, Buyer agrees to indemnify Seller and hold Seller harmless from all legal expenses which may be incurred, as well as all damages and costs, which may finally be assessed against Seller in any action for infringement of any United States Letters Patent by such Products delivered hereunder Seller agrees to promptly inform the Buyer of any claim for liability made against Seller with respect to such Products, and Seller agrees to cooperate with the Buyer in every way reasonably available to facilitate the defense against any such claim.

GOVERNING LAW

The validity, interpretation and performance of any order shall be governed by the Uniform Commercial Code ("UCC") as adopted by the state in which the Products are manufactured by Seller.

WARRANTY AND LIMITATION OF LIABILITY

SERIES 100, SERIES LR, NRF/NBF and SERIES PL BOOSTERS
Seller warrants for a period of eighteen (18) months from date of installation or three (3) years from product date code, whichever occurs first, that all Series 100, LR, NRF/NBF and PL Boosters are free from defects in materials and workmanship.

MAINTENANCE FREE SERIES 60 PUMP AND MOTOR

Seller warrants for a period of three years from date of manufacture, that the Series 60 Maintenance Free Pumps are free from defects in materials or workmanship. Seller also warrants for a period of forty-two (42) months from date of manufacture or thirty-six (36) months from date of installation, whichever period shall expire first, that the Series 60 Maintenance Free Motors are free from defects in materials or workmanship.

ALL OTHER PRODUCTS

Seller warrants for a period of eighteen (18) months from date of shipment from its factory or one (1) year from date of installation, whichever occurs first, that all Products furnished by it are free from defects in materials and workmanship. Seller's liability for any breach of this Warranty shall be limited solely to replacement or repair, at the sole option of Seller, of any part or parts found to be defective during the Warranty period providing the Product is properly installed and is being used as originally intended. Buyer must notify Seller of any breach of this Warranty within the aforementioned Warranty period; Buyer must ship defective parts to Seller with transportation charges prepaid.

IT IS EXPRESSLY AGREED THAT THIS SHALL BE THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY COSTS, LOSS EXPENSE, DAMAGES, SPECIAL DAMAGES, INCIDENTAL DAMAGES OR CONSEQUENTIAL DAMAGES ARISING DIRECTLY OR INDIRECTLY FROM THE DESIGN, MANUFACTURE, SALE, USE OR REPAIR OF THE PRODUCT WHETHER BASED UPON WARRANTY, CONTRACT, NEGLIGENCE OR STRICT LIABILITY IN NO EVENT WILL LIABILITY EXCEED THE PURCHASE PRICE OF THE PRODUCT.

THE WARRANTY AND LIMITS OF LIABILITY CONTAINED HEREIN ARE IN LIEU OF ALL OTHER WARRANTIES AND LIABILITIES, EXPRESSED OR IMPLIED. ALL IMPLIED WARRANTIES OR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY DISCLAIMED BY SELLER AND EXCLUDED FROM THIS WARRANTY.

Seller neither assumes nor authorizes any person to assume for it, any other Warranty obligation in connection with the sale of the Product This Warranty shall not apply to any Product or parts of Products which (a) have been repaired or altered outside of Seller's facilities, or (b) have been subject to misuse, negligence or accident; or (c) have been used in a manner contrary to Seller's instructions.

In the case of Products not manufactured by Seller, there is no warranty from Seller, but Seller will extend to the Buyer any Warranty of Seller's supplier of such products.

FORCE MAJEURE

Seller shall have no liability in respect of failure to deliver or perform, or delay in delivering or performing any obligations due to causes such as acts or omissions of buyer, acts of God, fire, flood, war and civil disturbances riot, acts of governments, currency restrictions, labor shortages or disputes, unavailability of materials, fuel, power, energy or transportation facilities, failures of suppliers or subcontractors to deliver on time and every other circumstance outside the reasonable control of Seller.

MODIFICATIONS

Unless otherwise provided, Seller reserves the right to modify the specifications of Products ordered by the Buyer providing that the modification will not materially affect the performance.

STORAGE CHARGE

If Buyer is unable to accept products in accordance with the applicable shipping schedule then Seller may arrange to store ordered Products and the Cost of storage will be charged to Buyer.

ENTIRE CONTRACT

These provisions constitute all the terms and conditions agreed upon by the parties and shall replace and supersede any provisions on the face and reverse side of Purchase Order and any attachment thereto, or any prior general agreement inconsistent with the provisions hereof except that orders by Representatives with whom Seller has an Agreement shall be subject to the provisions of the Agreement. No modification hereof shall be valid unless in writing and duly signed by a person authorized by Seller. The provisions hereof shall not be modified by any usage of trade, or any course of prior dealings or acquiescence in any course of performance.

