

**HYDRA-STOP LLC  
STANDARD SALE AGREEMENT**

Orders placed by (“Buyer”) for HYDRA-STOP LLC (“Seller”) products or services shall be subject to these terms and conditions of sale, whether or not specifically referred to. No other terms or conditions or any modifications, changes, or amendments shall be recognized unless specifically agreed to in writing by an authorized official designee of Seller. The lack of objection by Seller to any modifying provisions communicated by Buyer shall not be construed as an acceptance by Seller. The lack of enforcement, the invalidity, or the unenforceability of any provision shall not affect the remaining provisions of these terms.

In the event of an inconsistency between the terms, conditions, and provisions of this agreement and those of the Buyer's purchase order, then in accordance with the usage of trade, Buyer's assent to the terms and conditions of sale set forth below shall be conclusively presumed from Buyer's failure to reasonably object in writing and from Buyer's acceptance of all or any part of the material ordered.

All proposals, negotiations, and representations, if any, regarding this transaction and made prior to the date of this acknowledgement are merged herein.

1. **ORDER:** All orders, placed with Seller must be in writing, signed, contain definitive prices, delivery dates, quantities and complete descriptions of products being purchased. Orders from Buyers with a signed terms and conditions agreement sheet shall be able to transmit orders via phone call, email or text message for standard items. These orders shall be confirmed by Seller with a written sales order acknowledgement (“SOA”).
2. **SPECIFICATIONS:** Specifications applicable to items sold hereunder shall be those furnished by Seller, or those furnished by Buyer and agreed to in writing by Seller.
3. **PRICES:** Seller prices are those specified in the SOA or in Attachment A. Price quotations, unless otherwise stated, shall automatically expire thirty (30) calendar days from the date issued and may be cancelled or amended within said period upon written notice to Buyer.

Unless expressly indicated otherwise, prices are Ex Works, and are exclusive of all transportation charges, insurance costs, export duties, license or fees, or any tax or duty of any nature whatsoever and Buyer shall either pay any items directly or reimburse Seller for any payments made by Seller. Any claim for exemption by Buyer shall, if applicable, be effective only after receipt of proper exemption forms by Seller, but in no event after delivery has been made.

4. **PAYMENT:** All products shall be invoiced upon delivery to carrier at point of shipment, and the amount thereon shall be due and payable per the terms stated on the SOA. Unpaid balances more than thirty (30) days from date of invoice may be subject to an interest charge of one and one-half percent (1.5%) per month computed from the due date of each invoice previously issued, or the maximum rate legally permitted, whichever is greater. Seller reserves the right to establish and/or change the credit and payment terms extended to Buyer when in Seller's sole opinion Buyer's financial condition or previous payment record warrants such action. Furthermore, on delinquent accounts, Seller may divert shipments or reschedule deliveries of products on unfilled orders. Credit Card Orders will be charged a 4% convenience fee.
5. **REMEDIES:** In the event (a) Buyer defaults in the payment of any monies due to Seller hereunder beyond the tenth (10<sup>th</sup>) day after the same is due or (b) Buyer defaults in the performance of any other of its obligations under these terms for a period of ten (10) days after receipt by Buyer of notice thereof from Seller or (c) Buyer files a petition of bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee or makes an assignment for the benefit of creditors or enters into an arrangement with creditors or (d) Buyer suffers a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee against it and Buyer fails to secure a discharge thereof within thirty (30) days, then in any such event Seller may at its option do any or all of the following: (i) collect from Buyer a service charge on all monies due; (ii) terminate the sale; (iii) whether or not this sale is terminated, take immediate possession of any or all of the equipment wherever situated and for such purpose enter upon any premises without liability for so doing; and (iv) sell, dispose of, hold, use or lease all or any of the equipment as Seller in its sole discretion may decide without any duty or account to Buyer. Buyer shall in any event remain fully liable for damages as provided by law and for all costs and expenses incurred by Seller on account of such default including all court costs and reasonable attorney's fees. The rights afforded Seller under this paragraph shall not be deemed to be exclusive but shall be in addition to the rights or remedies provided by law.

6. **DELIVERY:** Delivery is Ex Works and, therefore, title and risk of loss of products shall pass to Buyer upon delivery of the products by Seller to a common carrier at Seller's plant. Unless otherwise instructed in writing, shipment method will be selected by Seller and shipment shall be prepaid by Seller and added as a separate line item on the invoice. In no event shall Seller be liable for any delay in delivery or assume any liability in connection with shipment, nor shall the carrier be deemed an agent of Seller. Insurance associated with goods during transit shall be Buyer's responsibility.
7. **FORCE MAJEURE:** Neither Buyer nor Seller shall hold the other responsible for delays in production or delivery caused by Force Majeure or other events beyond the control of the other party which could not reasonably have been anticipated or prevented. Force Majeure shall include, but not be limited to, unusually severe weather, floods, power outages, epidemics, war, acts of terrorism, riots, strikes, lockouts, exercise of police power, condemnation or eminent domain. The foregoing shall not give rise to any claims or damages or be considered a waiver by either party of the obligations of this Agreement.
8. **ENGINEERING CHANGES:** Seller reserves the right to make progress and design changes in standard product items ordered without prior approval or notification to Buyer.
9. **WARRANTY:** All new products manufactured by Seller will be free from defects in material and workmanship for up to one (1) year following the date of shipment from Seller. THE FOREGOING CONSTITUTES THE SOLE AND EXCLUSIVE WARRANTY BY SELLER IN LIEU OF ALL OTHER WARRANTIES, AND SELLER MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, AND SPECIFICALLY DISCLAIMS AND EXCLUDES ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES AGAINST HIDDEN OR LATENT DEFECTS, AND ANY OTHER WARRANTIES ARISING BY USAGE OF TRADE, COURSE OF PERFORMANCE OR COURSE OF DEALING. During the warranty period, upon satisfactory (determined in Seller's sole discretion) proof of a defect, the product may be returned for repair or replacement, at Seller's sole option. Any such repair or replacement shall constitute Buyer's sole and exclusive remedy for breaches of warranty hereunder. Warranty repairs and replacements will be performed only by Seller or its authorized representative. Any unauthorized repair, alteration or replacement will void this product warranty. Any repair or replacement will be covered by this new product warranty for ninety (90) days from the date that such repaired or replaced product is shipped from Seller. This warranty is available to the Buyer as the original purchaser of the product and only if it has been installed, operated, and maintained in accordance with Seller's standards. This warranty does not apply to:
  - a. Normal wear and tear;
  - b. Damage caused by impact, fire, theft, attempted theft, accidental or malicious damage, vandalism, acts of war or terrorism, corrosion, water contamination or ingress, frost, flooding or other adverse weather conditions;
  - c. Improper usage, storage or handling of the product(s);
  - d. Failure to follow Seller's written instructions for the product(s), including, without limitation, Seller's installation instructions available on Seller's website at <http://www.hydra-stop.com> or those of the manufacturer;
  - e. Damage or defect due to willful neglect or negligence by anyone other than Seller;
  - f. Loss of quality, degradation of performance or actual damage that results from the use of spare parts or other replaceable items (such as consumables) that are neither made nor recommended by the manufacturer;
  - g. Modification to the product(s), by someone other than Seller's representatives; and any such authorization shall void this warranty.
  - h. Connection of other fittings, accessories, equipment to the product(s) which were not approved in writing by Seller;
  - i. Faults caused by shock, fall, over pressurization, or lack of pressure equalization;
  - j. Any malfunctions or specific requirements of any other item of hardware or software added to the product(s) that was not included in the Order.

The cost of shipping the equipment from Buyer's facility back to Seller shall be paid by the Buyer. The cost of return shipping of the equipment shall be paid by Seller. Seller shall utilize surface shipping carriers. Seller shall utilize other means of express shipment at the request of the Buyer. In this case, the cost of shipping shall be paid by the Buyer.

10. **OUT-OF-WARRANTY:** The cost of out-of-warranty repairs including return shipment, are subject to a charge as quoted by Seller. The cost of the repair will be invoiced and the return of the item will be made using the most economical shipment means available at Buyer's expense. Seller will utilize other means of express shipment at the

request of the Buyer. Authorized returns which are not physically sent back to Seller from Buyer after a period of twelve (12) months will not be credited.

**11. RETURNS:** Authorization must be obtained from Seller in writing prior to return of any items, including those for repair. Buyer's right to repair or replacement are governed by the items in Paragraph 9 (Warranty). Issuance of credit for returned items shall be made at Seller's discretion upon Buyer's request.

**12. PATENT AND COPYRIGHT INDEMNITY:**

A. Seller warrants that the Standard Products (defined as products sold by Seller to Buyer based entirely on Seller's specifications) furnished under this Agreement shall be free and clear of infringement in the U.S. of any patent or copyright covering the structure or composition of such articles. In the event of a claim, determined by a court of competent jurisdiction, for such infringement, provided that Buyer gives Seller notice promptly of such claim, suit or action, and shall have given Seller full and exclusive control of the defense thereof, and that Seller shall have sole right to settle or compromise such claim, suit or action. Should Buyer be enjoined from any Seller Standard Product, the sole liability of Seller with respect to prohibited use shall be to accept the return of such Standard Products and give Buyer a credit prorated on the reasonable commercial life of same.

B. In the event of a claim, suit or action against Seller alleging infringement by the use of any such equipment or documentation, furnished under this Agreement, in combination with other articles or in carrying out any process covered by a patent owned or controlled by any other person, in which independent use of the equipment under this Agreement would not be an infringement, Buyer shall save Seller harmless from liability, as finally determined by a court of competent jurisdiction, for such infringement, provided that Seller shall have given Buyer full and exclusive control of the defense thereof, and that Buyer shall have the sole right to settle claim, suit or action; provided, however, that Buyer shall obtain the prior written consent of Seller (such consent not to be unreasonably withheld, conditioned or delayed) before entering into any settlement of, consenting to the entry of any judgment with respect to or ceasing to defend such claim if (i) pursuant to or as a result of such settlement, consent or cessation, injunctive or other equitable relief would be imposed against the Seller, a finding or admission of any violation of law would be made by Seller, or such settlement, consent or cessation could otherwise reasonably be expected to interfere with or adversely affect the business, operations or assets of the Seller; (ii) such settlement or judgment does not expressly and unconditionally release Seller from all liabilities and obligations with respect to such claim or (iii) Seller is required to pay any amount in connection with such settlement or judgment.

C. Except as herein provided in this indemnity paragraph, neither Buyer nor Seller makes any warranty to the other with respect to any claim, suit, or action of any third party by way of infringement and neither party shall be responsible to the other for any loss, cost or damages consequential or otherwise, that may be suffered by the other as a result of any such claim, suit, or action.

**13. CANCELLATION:** Seller may at its option, cancel an order if:

- A. Buyer's payments are in default or Buyer breaches any material provision hereto;
- B. Substantial changes in raw materials occur;
- C. Causes beyond Seller's reasonable control as specified in Paragraph 7 (Force Majeure); delivery makes it impossible to assure shipment;
- D. Buyer becomes insolvent or a petition of bankruptcy is filed; or
- E. Seller provides Buyer with not less than thirty (30) days' written notice of cancellation for Seller's convenience.

**14. TAXES:** Buyer shall be responsible for payment of all applicable sales, use or other taxes whether local, state, or federal, which are chargeable in connection with the sale of the items hereunder unless specifically provided for otherwise in writing.

**15. LAW:** The validity, construction, and performance of these Terms and Conditions of Sale shall be governed by the laws

of the State of Delaware without regard to conflicts of laws, rules or principles. Any litigation arising from or relating to the Purchase Order shall be filed only in the state or federal courts in the State of Illinois, and the parties hereby consent and submit to the jurisdiction and venue of those courts, waive any objection based on the convenience of these venues, and agree not to seek a change of venue.

**16. GOVERNMENT INDEMNITY:** Orders placed hereunder containing a notation that the material is intended for use under a government contract may be subject to the then current government provisions referenced thereon in attachments thereto. However, prior to Buyer responding to a bid, said proposal to RFP will be submitted to Seller and all clauses and regulatory requirements required to "flow-down" to subcontractors from any such government prime contract shall be reviewed, noted as to acceptance or rejection of clauses and mutually agreed to in writing by Buyer and Seller on an individual basis.

**17. INDEMNIFICATION:** Buyer agrees to defend, indemnify and hold harmless Seller, its officers, directors, employees, agents and affiliates (collectively, the "Seller Indemnified Parties") from and against any and all third party claims for personal injury, death or loss of or damage to property relating to, resulting from, arising out of or otherwise by virtue of (a) the negligence, gross negligence or willful misconduct of Buyer, its affiliates, or any of their respective directors, officers, employees, subcontractors or agents (each, a "Buyer Party" and collectively, the "Buyer Parties"); (b) any negligent or otherwise improper installation, use, storage or handling of Seller's products by a Buyer Party or any customer thereof; (c) any repair, alteration, modification or replacement of Seller's products by a Buyer Party or any customer thereof. The Seller Indemnified Parties may elect to participate in the defense of any such third party claim, and may, at its sole expense, retain counsel in connection therewith. Subject to the foregoing no Buyer Party shall compromise or settle any such third party claim without the prior written consent of the Seller Indemnified Parties.

**18. LIMITATION OF LIABILITY**

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO ANY PERSON, FIRM OR ENTITY, INCLUDING, BUT NOT LIMITED TO, THE OTHER PARTY, FOR INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, BUSINESS OPPORTUNITY, GOODWILL OR REVENUE), ARISING UNDER THIS AGREEMENT, ARISING FROM THE POSSESSION OR USE OF ANY EQUIPMENT OR PROGRAM, ARISING FROM THE LOSS OF DATA OR USE, ARISING FROM ANY INFRINGEMENT OR ALLEGED INFRINGEMENT OF PATENTS OR COPYRIGHTS, OR ARISING OTHERWISE, EVEN THOUGH SUCH PARTY WAS NOTIFIED OF THE POSSIBILITY, LIKELIHOOD, OR CERTAINTY THAT SUCH DAMAGES WOULD OR COULD BE INCURRED, THE OTHER PARTY HEREBY WAIVING SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO ANY PERSON, FIRM OR ENTITY, INCLUDING BUT NOT LIMITED TO THE OTHER PARTY, FOR ANY LOSS, COST, DAMAGE OR EXPENSE ARISING FROM THE LOSS OF DATA, INTEGRITY OF DATA OR USE, THE OTHER PARTY HEREBY WAIVING SUCH LOSSES, COSTS, DAMAGES AND EXPENSES. UNDER NO CIRCUMSTANCE WILL SELLER'S CUMULATIVE LIABILITY EXCEED THE PURCHASE PRICE FOR THE PRODUCTS OR SERVICES UPON WHICH LIABILITY IS CLAIMED, REGARDLESS OF WHETHER THE CLAIM IS BASED ON CONTRACT, TORT, WARRANTY, INFRINGEMENT OR ANY OTHER THEORY OF LIABILITY. THE LIMITATION OF LIABILITY SET FORTH IN THIS PARAGRAPH SHALL ALSO APPLY TO ALL ONSITE INSTALLATION AND TECHNICAL SUPPORT SERVICES PROVIDED, IF ANY, AND SUCH LIMITATION SHALL NOT BE AFFECTED IN ANY WAY BY THE PROVISION OF SUCH ONSITE INSTALLATION OR TECHNICAL SUPPORT SERVICES. ANY ACTION FOR BREACH OF CONTRACT MUST BE COMMENCED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.