

STANDARD TERMS AND CONDITIONS OF SALE (Orders)

The following Terms and Conditions (the "Terms") are applicable to the sale and/or provision of all goods supplied and/or services rendered ("Goods") by Patterson Pump Company ("Patterson") to any purchaser thereof ("Buyer").

GENERAL: These Terms, together with any quotation, proposal, acknowledgment or invoice from Patterson, constitute the complete and exclusive statement of the terms of the agreement governing the sale of Goods by Patterson to Buyer, unless otherwise agreed by Patterson in writing. These Terms supersede all other communications, negotiations, and all prior oral or written statements, regarding the subject matter hereof.

ACCEPTANCE: Except as otherwise agreed to in writing by Patterson, acceptance of this order is predicated upon the following terms and conditions and any additional and/or different terms of Buyer's purchase order documents referenced therein are rejected and shall not become a part of this order. Order fulfillment or actions toward fulfillment does not constitute acceptance of Buyer's terms and conditions. Patterson reserves the right in its sole discretion to refuse orders.

ASSIGNMENT: The rights of Buyer hereunder shall neither be assignable nor transferable without the prior written consent of Patterson.

PRICE: Prices are subject to escalation in accordance with the applicable Bureau of Labor Statistics (BLS) indexes based on the period from date of order to date of shipment. This shall apply unless otherwise agreed to in writing by Patterson.

Price adjustments may be made by Patterson to reflect any substantial increases in material and supplied components costs directly attributable to new or increased tariffs imposed by government authorities.

TERMS OF PAYMENT: Unless otherwise agreed by Patterson in writing, the terms of payment shall be net thirty (30) days from date of invoice. Buyer shall make all payments in US dollars.

If Buyer delays shipment, payments based on date of shipment shall become due as of the date when ready for shipment. If Buyer delays completion of manufacture, Patterson may elect to require payment according to percentage of completion. Equipment held for Buyer shall be at Buyer's risk and storage charges may be applied at the discretion of Patterson.

Accounts past due shall bear interest at the highest rate lawful to contract for but if no limit is set by law, such PAST DUE INTEREST SHALL BE 1.5% PER MONTH. Patterson reserves the right to withhold shipment or to require other adequate assurances of performance of Buyer's payment obligations as Patterson in its discretion may require, notwithstanding any order confirmation issued by Patterson. Buyer shall be liable for all expenses, including attorneys' fees, relating to the collection of past due amounts.

Buyer waives its right to set-off against claims it may have against Patterson and shall not withhold payment for any reason without the prior written consent of Patterson.

Backcharges shall not be unilaterally assessed by Buyer. Backcharges, if any, must be mutually accepted by both parties in writing.

INSOLVENCY OF BUYER: If any proceeding is initiated by or against Buyer under any bankruptcy or insolvency law, or in the judgment of Patterson the financial condition of Buyer, at the time the equipment is ready for shipment, does not justify the terms of payment specified, Patterson reserves the right to require full payment in cash prior to making shipment. If such payment is not received within fifteen (15) days after notification of readiness for shipment, Patterson may cancel the order of any unshipped item and require payment of reasonable cancellation charges.

TAXES: Unless otherwise agreed by Patterson in writing, prices quoted do not include freight, insurance, installation costs, special packaging or any sales, use, excise, VAT or similar taxes. Taxes imposed by any federal, state, county, city or municipal law on the Goods in locations where Patterson collects and remits such taxes will be added to the invoice unless a fully completed and executed tax exemption certificate is received by Patterson with the order.

CHANGES, CANCELLATION: This order scope, price or schedule cannot be changed or cancelled except with the prior written consent of Patterson and upon terms which will indemnify Patterson against all loss occasioned thereby.

Buyer shall compensate Patterson for all additional costs incurred due to changes in design, specifications, modification, or revision of any order or product. Patterson reserves the right to substitute materials and/or modify specifications of an order to the extent required to comply with any governmental law or regulation.

Orders subject to approval prior to manufacture may be cancelled without cancellation fee providing cancellation is received by Patterson in writing prior to receipt of approval to manufacture. Orders not subject to such approval may not be cancelled except upon written notice and upon payment to Patterson of Patterson's cancellation fee, which shall include all costs and expenses incurred by Patterson prior to the receipt of the cancellation notice including, but not limited to, all received or in-process materials which cannot be restocked, all supplier and subcontractor restocking fees, all commitments to Patterson's suppliers and subcontractors, all fully burdened labor and overhead expended by Patterson, storage charges and a

reasonable profit charge. Such cancellation fee could equal the total price of the order. Patterson's determination of such cancellation fee shall be conclusive.

RETURNS: Goods may be returned only after specifically authorized in writing by Patterson. Buyer will be charged for placing returned goods in a saleable condition, plus any sales expenses then incurred. In addition, Buyer will pay a restocking charge determined appropriate by Patterson as well as all outgoing and incoming transportation costs.

INSPECTIONS AT PATTERSON: Inspection of Goods in Patterson's plant by Buyer or Buyer's representative will be permitted insofar as the inspector complies with all safety and security requirements and that such inspection does not unduly interfere with Patterson's production workflow. Complete details of the inspection Buyer desires must be submitted to Patterson in writing in advance.

SHIPPING, TITLE AND RISK OF LOSS: Unless Buyer and Patterson agree otherwise in writing: (a) Goods will be packaged as Patterson may deem proper for protection against normal handling, and extra charges will be made for preservation, waterproofing, crating, export boxing and similar added protection of goods; (b) routing and manner of shipment will be at Patterson's discretion. Standard freight term shall be FCA Factory. Title and risk of loss passes to Buyer upon shipment readiness in accordance with the freight term. Freight costs shall be as detailed in the quotation. Buyer shall inspect the Goods upon receipt. Claims for shortages will be deemed to have been waived if not made in writing within ten (10) days after the receipt of the Goods in respect of which any such shortage is claimed. A claim for loss or damage in transit must be entered with the carrier and prosecuted by Buyer. Acceptance of Goods from a common carrier constitutes a waiver of any claims against Patterson for delay or damage or loss.

DELIVERY AND DELAYS: Except as otherwise agreed to in writing by Patterson, in the absence of exact shipping instructions, Patterson will use its discretion regarding the best means of shipment and on or near the date defined in Patterson's order acknowledgement. No liability will be accepted by Patterson for so doing. All transportation charges are at Buyer's expense. Offloading and handling is by Buyer at Buyer's expense. Time of delivery is an estimate only and is based upon the receipt of all information and necessary approvals. The shipping schedule shall not be construed to limit Patterson in making commitments for materials or in fabricating articles under this order in accordance with Patterson's normal and reasonable production schedules. Patterson may make partial shipments to Buyer and Buyer shall pay for the shipped portion of the order.

Patterson shall not be liable for damages or delays in delivery or failure to manufacture or deliver due, directly or indirectly, to (a) causes beyond its reasonable control; (b) acts of God, acts of Buyer, acts of any civil or military authority, fires, strikes, labor disputes, earthquakes, floods or other weather conditions, accidents, epidemics, wars, riots or other civil disturbances, or delays in transportation; or (c) delays or defaults by Patterson's suppliers or subcontractors or other inability to obtain necessary labor, fuel, materials, components or manufacturing facilities. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost by reason of the delay.

No provision for liquidated damages for any cause shall apply under this order. Buyer shall accept delivery within fourteen (14) days after receipt of notification of readiness for shipment. In the event Buyer does not accept delivery within that time, Patterson shall have the right to charge Buyer for storage at its standard rate per month or any part thereof.

Delivery dates cannot be altered by Buyer without Patterson's prior written consent. Any extension of the delivery date by Buyer will be subject to storage charges as determined by Patterson, interest charges, and any applicable price increases.

OPERATING CONDITIONS AND ACCEPTANCE: Recommendations are made upon the basis of operating conditions specified by Buyer. If actual conditions are different from those specified and performance of the equipment is adversely affected thereby, Buyer will be responsible for the cost of all changes in the equipment required to accommodate such conditions. In such event, Patterson reserves the right to cancel any order and Buyer shall reimburse Patterson for all costs and expenses incurred in, and reasonable profit for, performance hereunder. Patterson reserves the right to refuse any order based upon a quotation containing an error. The provisions in any specification or chart provided by Patterson are descriptive only and are not warranties or representations; Patterson will certify to a rated capacity in any particular product upon request. Capacity, head and efficiency certifications are based on shop tests and when handling clear, fresh water at a temperature of not over 85°F. Certifications provided by Patterson are at this specified rating only and do not cover sustained performance over any period of time nor under conditions varying from these.

SPECIAL JIGS, FIXTURES AND PATTERNS: Any jigs, fixtures, patterns and like items which may be included in this order will remain Patterson's property without credit to Buyer. Patterson will assume the maintenance and replacement expense of such items, but shall have the right to discard and scrap them without credit to Buyer after they have been inactive for one year.

SECURITY INTEREST: Buyer hereby grants Patterson a security interest in and a lien upon all Goods sold to Buyer by Patterson and the proceeds therefor (including any insurance proceeds), which security interest shall continue until all such Goods are fully paid for in immediately available funds. Buyer, upon Patterson's demand, will execute and deliver to Patterson such instruments as Patterson requests to protect and perfect such security interest. Buyer shall have no right to sell, encumber or dispose of the Goods until Patterson receives full payment for such Goods.

RECORDS, AUDITS AND PROPRIETARY DATA: Unless otherwise specifically agreed in writing by Patterson, neither Buyer nor any representative of Buyer, nor any other person, shall have the right to examine or audit Patterson's cost accounts, books or records of any kind or on any matter, or be entitled to, or have control over, any engineering or production prints, drawings or technical data which Patterson, in its sole discretion, may consider in whole or in part proprietary to Patterson.

PATENT INFRINGEMENT: Patterson will hold Buyer harmless against any liability for infringement of any apparatus claim of any United States patent, issued prior to the date of the contract, and arising out of the sale or use in the form supplied by

Patterson of equipment designed and/or manufactured by Patterson.

Patterson will assume no liability with respect to equipment specified by either Patterson or Buyer, but not designed and/or manufactured by Patterson.

Buyer will hold Patterson harmless against any liability for infringement of any apparatus claim of any United States patent, issued prior to the date of the contract, and involving equipment furnished by Patterson in accordance with drawings and/or specifications furnished by Buyer.

The party assuming liability, as stated above, shall be notified immediately of any assertion of infringement, and shall have the absolute control of the defense thereto, including the right to settle, defend against legal action, or make changes in the equipment to avoid infringement.

LIABILITY LIMITATIONS: UNDER NO CIRCUMSTANCES SHALL PATTERSON HAVE ANY LIABILITY (WHETHER BY WAY OF INDEMNITY OR BREACH OF CONTRACT OR STATUTORY DUTY REASON OF TORT) FOR ANY LIQUIDATED, DIRECT, INDIRECT, COLLATERAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES OR FOR LOSS OF PROFITS, OR FOR ACTUAL LOSSES OR FOR LOSS OF PRODUCTION OR PROGRESS OF CONSTRUCTION, WHETHER RESULTING FROM DELAYS IN DELIVERY OR PERFORMANCE, BREACH OF WARRANTY, NEGLIGENT MANUFACTURE OR OTHERWISE AND WHETHER FORESEEABLE OR UNFORESEEABLE OR KNOWN OR UNKNOWN. Except as otherwise provided by law, the aggregate total liability of Patterson in connection with the performance of this order, whether for breach of contract or warranty, negligence, or otherwise, shall in no event exceed the contract price. Buyer agrees to indemnify and hold harmless Patterson from all claims by third parties in excess of these limitations and from all claims resulting from any act or omission of Buyer.

Since the compliance with the various Federal, State and Local laws and regulations concerning occupational health and safety and pollution are affected by the use, installation and operation of the equipment and other matters over which Patterson has no control, Patterson assumes no responsibility for compliance with those laws and regulations, whether by way of indemnity, warranty or otherwise.

The right of subrogation against Patterson Pump Company and all its assigns, affiliates, employees, insurers and underwriters, to the extent permitted by law, is waived.

WARRANTY: Unless otherwise agreed in writing by the parties, Patterson's standard warranty shall apply and take precedence over all other documents. Further, **THE WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE WHETHER OR NOT THE PURPOSE OR USE HAS BEEN DISCLOSED TO PATTERSON IN SPECIFICATIONS, DRAWINGS OR OTHERWISE, AND WHETHER OR NOT PATTERSON'S PRODUCTS ARE SPECIFICALLY DESIGNED AND/OR MANUFACTURED BY PATTERSON FOR BUYER'S PURPOSE OR USE.** Patterson's standard warranty is publicly available on Patterson's website at

www.pattersonpumps.com as it may be amended from time to time

OTHER RIGHTS & REMEDIES: In addition to the rights and remedies conferred upon Patterson herein, Patterson shall have all rights and remedies conferred at law and in equity and shall not be required to proceed with the performance of any order if Buyer is in default in the performance of such order or of any other contract or order with Patterson.

GOVERNING LAW: These Terms and any order hereunder shall be construed in accordance with the laws of the State of Georgia, without regard to conflicts of law principles. Any dispute arising hereunder shall be resolved in the federal or state courts of the State of Georgia, as applicable. The rights and obligations of Patterson and Buyer shall not be governed by the U.N. Convention on Contracts for the International Sale of Goods.

FAIR LABOR STANDARDS: Patterson represents that any Goods to be delivered hereunder will be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended.

EXPORT REGULATIONS: The marketing, sale, use, export and release of the Goods are subject to applicable export laws and regulations of the United States and other countries. Buyer agrees to comply with all such applicable laws and regulations, including without limitation, U.S. Export Administration Regulations, regulations of the U.S. Office of Foreign Asset Control, the U.S. Foreign Corrupt Practices Act and comparable laws and regulations of other countries. Buyer shall be responsible for any breach of this Section.

WAIVER OF JURY TRIAL: EACH OF PATTERSON AND BUYER IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THESE TERMS OR ANY ORDER HEREUNDER.

MISCELLANEOUS: These Terms may be amended only as agreed to by Patterson in writing. The section titles in these Terms are for reference only and shall not limit or restrict the interpretation or construction of the Terms. Patterson's failure to insist, in any one or more instances, upon Buyer's performance of any of the Terms, or to exercise any rights conferred by the Terms, shall not constitute a waiver of any such right to insist upon such performance or exercise such rights in the future. The partial or complete invalidity of any one or more provisions of these Terms shall not affect the validity or continuing force and effect of any other provision.