



W A S T E C H
CONTROLS & ENGINEERING, INC.
21201 Itasca St., Chatsworth, CA 91311
Tel: (818) 998-3500 - Fax: (818) 998-4939

MANUFACTURING TERMS AND CONDITIONS

05/07

1. CONTROLLING PROVISIONS: Sales and rights of parties shall be exclusively governed by the terms and conditions hereof. All contracts and agreements must be signed by an officer of Wastech Controls & Engineering, Inc. to be valid.

2. TERMS AND PRICES

a. This contract is a cost type contract. Buyer agrees to pay seller's work invoices as invoiced and within the payment terms indicated. Progress payments or major equipment bills will be billed as invoiced. Buyer will expedite payment of down-payments, progress payments or invoices of major equipment suppliers. Work may be interrupted or delayed if payments are not received within the payment terms indicated.

b. Buyer shall pay Seller the amount of any excise, sales, privilege, use, or any other taxes Local, State or Federal which arise from the sale or delivery of products covered by this order. Buyer if a reseller shall provide Seller with a tax exemption certificate acceptable to the taxing authorities.

c. Prices and deliveries are FOB Chatsworth, California unless otherwise stated, and risk of loss shall pass to buyer upon delivery to carrier.

d. In return for extended credit buyer agrees to pay all invoices according to terms (normally Net 30 days). Unpaid invoices shall accumulate interest at 1 % per month and all collection costs shall be paid by buyer.

e. Delivery schedules are approximate. Seller will attempt to meet delivery schedule, but under no circumstances will Seller be responsible for or Buyer entitled to consequential damages arising out of or the result of any delays in delivery whatever.

4. CANCELLATIONS, CHANGES OR ALTERATIONS

Seller will attempt to work with Buyer to incorporate changes requested after the purchase order is issued. Costs or savings resulting from changes shall be the Buyer's responsibility. Substantive changes and/or cancellation shall be in writing and must be acknowledged by the Seller in writing. Seller will be indemnified against any resulting loss. Cancellation will result in charges to the buyer for time expended, material purchased, and restocking or freight charges from vendors.

5. WARRANTY

a. Seller warrants the products sold, so far as the same are of Seller's own manufacture, against defects of material and workmanship under normal use and service for a period of 12 months from the date of the startup or 14 months from the shipping date whichever occurs first. This warranty does not cover ordinary wear and tear, normal component replacement, corrosion, abuse, misuse, overloading, altered products or materials not of Seller's manufacture. Component manufacturers' individual warranties will apply but will always cover Seller's warranty period.

b. Software products will be licensed to the customer and are supplied with a limited 60 day warranty from the date of the on-site performance test conducted during startup. Seller warrants the software to substantially perform in accordance with the specification if properly installed and operated on the hardware provided. During the warranty period, Seller agrees to repair or replace at its sole option and in no event shall Seller be liable for consequential damages of any kind. Continuing support beyond the warranty period will be billed on a labor and material basis

c. Excluded from this warranty are pH electrodes. Electrodes are warranted for 30 days from the startup date or 3 months from the shipping date whichever occurs first. All other consumables are also excluded.

d. Seller warrants that the system supplied will meet the wastewater requirements specified in the proposal. This warranty applies only if the influent to the system does not differ from the original specification and the operator follows the Seller provided system instructions. Seller shall have complied with this performance warranty following the satisfactory completion of either (depending upon the language of the proposal or contract) the FAT (Factory Acceptance Test) or on-site performance test conducted during startup.

e. The obligation of Seller under this warranty shall be limited to repairing or replacing, FOB Seller's facility, or allowing credit at Seller's option, any part or parts which may prove to be thus defective, provided that Buyer provides Seller prompt notice of the defect and, if required by Seller, confirms the defect(s) with documentation. It is expressly agreed that this remedy of repair, replacement or credit, at Seller's option, is the exclusive remedy under this contract. If an engineer is needed at the installation and the installation is located further than 400 miles from the Seller's place of business, the Buyer will pay travel expenses to the site. In no event shall Seller be liable for consequential damages resulting from the alleged defect. **(continued on page two)**



WASTECH

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f. Seller will comply with all laws applicable to Seller. Buyer will inspect the product at delivery and determine appropriateness for his application. Compliance with basic safety issues, OSHA or similar federal, state and local laws during startup, operation or use of the product(s) is the sole responsibility of the Buyer. This warranty applies only if the influent to the system does not differ from the original specification and the operator follows the Seller provided system instructions. Seller shall have complied with any performance warranty following satisfactory completion of the on-site performance test conducted during startup.

g. Under no circumstances should the equipment be used by untrained or unqualified individuals. Nor should the equipment be used until product instructions and industry standards for safety including warning and cautions provided or generally accepted have been thoroughly reviewed, read and understood. Although uses and performance capabilities are described in Seller's literature, the installer and operator are the ultimate responsible parties for the safe operation of the equipment and chemical compatibility between piping, tank, valve and other component materials of construction and the process liquids. Recommendations found in Seller's literature should be physically checked in the field and equipment should be carefully monitored during startup by factory personnel.

h. This sale is made on the express understanding that there are no express warranties other than those contained in this agreement, and that there are no implied warranties as to fitness (process wise, mechanically or otherwise) or merchant-ability nor are there any warranties which extend beyond this description.

6. PATENTS

Seller furnishes product(s) and designs for specific use in this contract application; Seller reserves all patent and proprietary rights to information, software code and designs disclosed except as noted. Seller shall pay costs and damages finally awarded in any suit against Buyer to the extent based upon a finding that the design or construction of the product(s) as furnished infringes a United States patent (except infringement occurring as a result of incorporating a design or modification at Buyer's request) provided that Buyer promptly notifies Seller of any charge of such infringement, and Seller is given the right at its expense to settle such charge and to defend or control the defense of any suit based upon such charge. This paragraph sets forth Seller's exclusive liability with respect to patents.

7. INSTALLATION AND MAINTENANCE

a. Seller is not a contractor. Should the Buyer request an engineer on-site during installation, the Seller will furnish an employee for consultation and advice only. Buyer assumes responsibility for the installation itself, placement of the goods, and safety issues.

8. LIABILITY

a. Buyer shall indemnify and hold harmless Seller from any and all liability, including all costs and attorney fees, for injury or damage to persons or property caused in any manner by said product(s) while in possession of Buyer or Buyer's successor in interest.

b. Neither Seller nor Seller's suppliers shall be liable, whether in contract or in tort or under any other legal theory, for loss of use, revenue or profit, or for cost of capital or of substitute use of performance or for incidental, indirect, special or consequential damages or for any other loss or cost of similar type, or for claims by Buyer for damages of Buyer's customers. Likewise Seller shall not under any circumstances, be liable for the fault, negligence or wrongful acts of Buyer or Buyer's employees or Buyer's other contractors or suppliers.

9. GOVERNING LAW: The laws of the State of California shall govern the validity, interpretation and enforcement of any contract of which these provisions are a part.