



SALES TERMS AND CONDITIONS

1. Offer and Acceptance.

(a) These sales terms and conditions (these "**Terms**") are the only terms that govern the sale of the products, materials, parts, components, systems or services described in the Customer Order (each, and collectively, "**Product**") by C-B TOOL CO., D/B/A LANCASTER WATER GROUP ("**LWG**"), to the Customer ("**Customer**") named on the purchase order or other form of offer provided by Customer to LWG ("**Customer Order**" or "**Order**"). The accompanying or subsequently issued invoice or similar confirmation provided by LWG to Customer (the "**Sales Confirmation**") and these Terms (collectively, the "**Agreement**") comprise the entire agreement between LWG and Customer, and supersede all prior or contemporaneous, agreements, negotiations, representations and warranties, and communications, both written and oral. Except for Section 1(b), these Terms may only be amended or modified in a writing signed by an authorized representative of LWG. The agreement by LWG to sell Products to Customer is expressly conditioned upon Customer's agreement to all of the terms and conditions contained herein. Customer and LWG are referred to as the "**Parties**" and individually as "**Party**."

(b) An Order is not binding on LWG until LWG issues a Sales Confirmation or starts to perform in accordance with the Customer Order. Placement of an Order, and LWG's acceptance of, and performance pursuant to an Order is expressly conditioned on, and constitutes, Customer's assent to all these Terms. Orders not accepted by LWG shall be ineffective, null and void. The terms and conditions of sale set forth in these Terms apply to all Product sold or provided to Customer by LWG. Notwithstanding anything contained herein, specially made items will be charged according to additional costs and are not subject to cancellation or return after acceptance by LWG.

(c) Customer shall be deemed to have accepted all of these Terms. Any terms in a Customer Order which purport to reject, amend or alter some or all of these Terms, by virtue of standard language or otherwise, shall not be sufficient objection to these Terms. LWG's failure to object to provisions in a Customer Order or other communication from Customer (including, without limitation, penalty clauses or warranties of any kind), shall not constitute a waiver by LWG of these Terms, nor an acceptance by LWG of any such provisions. Any terms in an Order or any other documents which are different from or in addition to these Terms are rejected unless specifically accepted by LWG in a separate document signed by LWG. No course of dealing, custom or usage, which is contrary to Terms shall be relevant to, supplement, explain or apply to these Terms.

(d) Each Customer Order shall specify (i) the amount of the purchased Products, and (ii) the location to which the Products are to be shipped. LWG reserves the right to correct any typographical or clerical errors in prices, specifications, quotations, or acknowledgments.

2. Delivery. Any delivery dates given by LWG are estimates only and are subject to shipping variations and requirements. LWG shall not be liable for any delays, loss, or damage in transit. Unless otherwise agreed in writing by the parties, LWG shall deliver the Products to the location designated



in the Customer Order (the "**Delivery Point**") using LWG's standard methods for packaging and shipping such Products. Customer shall be responsible for all loading costs and provide equipment and labor reasonably suited for receipt of the Products at the Delivery Point. Customer is responsible for fees associated with not taking timely delivery of the Products. Additional delivery charges incurred to comply with Customer's special instructions for delivery will be Customer's responsibility. Where LWG Sales Confirmation specifies a drop-shipment location other than Customer's primary office or warehouse, which must be specifically approved by LWG and comply with any distribution policies, all freight charges and risk of loss will be Customer's responsibility.

3. Non-Delivery. The quantity of any installment of Products as recorded by LWG on dispatch from LWG's place of business is conclusive evidence of the quantity received by Customer on delivery unless Customer can provide conclusive evidence proving the contrary. LWG shall not be liable for any non-delivery of Products (even if caused by LWG's negligence) unless Customer gives written notice to LWG of the non-delivery within three (3) days of the date when the Products would in the ordinary course of events have been received. Any liability of LWG for non-delivery of the Products shall be limited to replacing the Products within a reasonable time or adjusting the invoice respecting such Products to reflect the actual quantity delivered.

4. Shipping. All sales are F.O.B. (Free On Board) from Lancaster, PA, and Customer shall bear all risk of loss or damage in transit. LWG shall not be liable for any damage resulting from any cause beyond LWG's control. Where LWG has agreed in writing to be responsible for any loss or damage in transit, claims for damage must be made in writing to LWG prior to the conclusion of the Inspection Period (as defined below). Failure to give such notice shall constitute Customer's unqualified acceptance of delivery and waiver of any such claims. LWG may, in its sole discretion, without liability or penalty, make partial shipments of Products to Customer. Each shipment will constitute a separate sale, and Customer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Customer's Order.

5. Inspection.

(a) Customer shall inspect the Products within three (3) days receipt ("**Inspection Period**"). Customer shall note any damage to the packaging or Products on the freight bill and give immediate notice of such damage to LWG. Customer will be deemed to have accepted the Products unless it notifies LWG in writing of any damaged or Nonconforming Products (as defined below) during the Inspection Period and furnishes such written evidence or other documentation as required by LWG. "**Nonconforming Products**" means only the following: (i) Product shipped is different than identified in the Customer Order; or (ii) Product's label or packaging incorrectly identifies its contents.

(b) If Customer timely notifies LWG of any Nonconforming Products in accordance with Section 5(a), LWG shall, in its sole discretion, (i) replace such Nonconforming Products with conforming Products, or (ii) credit or refund the price for such Nonconforming Products, together with any reasonable third-party shipping expenses actually incurred and paid by Customer.



Customer shall ship, at its expense and risk of loss, the Nonconforming Products to LWG's facility located at 1340 Manheim Pike, Lancaster, PA 17601 (the "**Facility**"). If LWG exercises its option to replace Nonconforming Products, LWG shall, after receiving Customer's shipment of Nonconforming Products, ship to Customer, at Customer's expense and risk of loss, the replaced Products to the Delivery Point. The remedies set forth in Section 5(b) are Customer's exclusive remedies for Nonconforming Products.

6. Price. Customer shall purchase the Products at the prices (the "**Prices**") set forth in LWG's price list in force as of the date of the Order. Prices, discounts, specifications, or quotations are subject to change without prior notice. The Prices exclude transportation and insurance costs which are the responsibility of the Customer. All Prices are exclusive of all sales, use, excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any governmental authority on any amounts payable by Customer. Customer shall be responsible for all such charges, costs, and taxes. We require a minimum billing charge of \$20.00. Orders below this amount will incur a minimum charge of \$20.00 to cover shipping, processing, billing, and other handling costs.

7. Payment Terms.

(a) Customer shall pay LWG all invoiced amounts within 30 days (Net 30) after the date of LWG's invoice (the "**Payment Date**"), *provided*. All payments hereunder shall be in US dollars and made by wire transfer or check. LWG reserves the right to require pre-payment in its sole discretion.

(b) Amounts due and not paid prior to the Payment Date are subject to interest charges at the rate of 3.5% per month. Customer agrees to pay all of LWG's reasonable attorney fees, collection fees and costs, including any late fee, arising out of any breach by Customer of this or any subsequent agreement between Customer and LWG. Customer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with LWG for any reason. In addition to all other remedies available under these Terms or at law (which LWG does not waive by the exercise of any rights hereunder), LWG shall be entitled to suspend the delivery of any Products if Customer fails to pay any amounts due hereunder and such failure continues for thirty (30) days following written notice thereof.

8. Cancellations and Returns.

(a) Cancellations. Any order of a LWG standard branded product (Products listed in any of LWG's the current brand catalogs) may be canceled at any time prior to shipping. In the event of cancellation, Customer shall pay a cancellation charge equal to (i) the labor and materials consumed or non-returnable materials ordered as of the date of acceptance by LWG of Customer's cancellation notice, plus (ii) the greater of a handling and restocking charge of 20% of the cost of the Products which LWG can return or similar cost paid to materials vendors.



(b) Returns. No Product may be returned unless accompanied by a RETURN MATERIAL AUTHORIZATION (“**RMA**”) obtained from LWG prior to shipment. A RMA may be requested by e-mailing LWG at Info@LancasterWaterGroup.com. Returns are subject to a 20% handling and restocking charge. Products returned without a RMA and proper paperwork will not be processed. Customers are responsible for all transportation charges. Items valued less than \$10.00 shall not be authorized for return, and all returnable Products must have been invoiced within the last 365 days.

9. Additional Policies. LWG maintains (i) a Minimum Advertised Price (“**MAP**”) Policy (“**MAP Policy**”) and Mass Retailer and Internet Reseller Policy (“**IRP**”) for certain Products. All purchasers of Products from LWG are subject to the MAP Policy and IRP. Customer may obtain the then current MAP Policy, MAP for each Product, as applicable, IRP Policy and list of Products governed by the IRP Policy, as applicable, by emailing LWG at Info@LancasterWaterGroup.com. LWG will only do business with third-parties who adhere to the MAP Policy and IRP Policy, as applicable.

10. Limited Warranty. Unless explicitly stated on the Product’s warranty card enclosed with a Product or otherwise agreed to in writing by LWG, LWG warrants that for a period of twelve (12) months from the date of installation of such Product (the “**Warranty Period**”), such Product manufactured by LWG shall (i) be free of defects in workmanship or materials, and (ii) materially conform to LWG's published specifications in effect as of the date of manufacture. The warranties under this section do not apply where the Product(s) have been: (i) subjected to abuse, misuse, neglect, negligence, accident, abnormal physical stress or environmental conditions, use contrary to any instructions issued by LWG, or improper testing, installation, storage, handling, repair, or maintenance; (ii) reconstructed, repaired, or altered by anyone other than LWG or its authorized representative; or (iii) used with any third-party product, hardware, or product that has not been previously approved in writing by LWG. LWG provides no warranty that the Products will meet any performance specifications, levels of performance or performance requirements and LWG hereby disclaims all such warranties. LWG makes no claim or warranty, to Customer or others, that the Products (or the use thereof) will result in any particular health benefits.

11. Customer's Exclusive Remedy for Breach of Warranty. During the Warranty Period:

(a) Customer shall notify LWG in writing of any alleged warranty claim within ten (10) days from the date Customer discovers, or upon reasonable inspection should have discovered, such alleged claim (but in any event before the expiration of the applicable Warranty Period). Customer shall ship the subject Products within ten (10) days of the date of its notice to LWG’s Facility, at Customer’s expense and risk of loss, for inspection and testing by LWG.

(b) If LWG's inspection and testing reveals, to LWG's reasonable judgment, that such Product does not conform with the limited warranty set forth herein, LWG shall in its sole discretion, and at its expense (subject to Customer's compliance with this Section 11), either (i) repair or replace



such Products, or (ii) credit or refund the Price of such Products less any applicable discounts, rebates, or credits.

(c) If LWG exercises its option to repair or replace such products in accordance with Section 11b), LWG shall ship to Customer, at LWG's expense and risk of loss, the repaired or replacement Products to Customer. LWG reserves the right to substitute new or improved equipment or parts for such Products that do not conform with the limited warranty herein.

(d) **CUSTOMER HAS NO RIGHT TO RETURN FOR REPAIR, REPLACEMENT, CREDIT, OR REFUND ANY PRODUCTS EXCEPT AS SET FORTH IN THIS Section 11. THIS Section 11 SETS FORTH THE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AND LWG'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY SET FORTH IN Section 11.**

(e) **WARRANTIES DISCLAIMER. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN Section 11, LWG MAKES NO EXPRESS OR IMPLIED WARRANTY WHATSOEVER WITH RESPECT TO THE PRODUCTS, INCLUDING ANY (A) WARRANTY OF MERCHANTABILITY OR (B) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.**

12. LIMITATION OF LIABILITY. IN NO EVENT SHALL LWG OR ANY OF ITS REPRESENTATIVES BE LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO THE PRODUCTS OR THESE TERMS. LWG'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, SHALL NOT EXCEED THE TOTAL OF THE AMOUNTS PAID TO LWG PURSUANT TO THE APPLICABLE CUSTOMER ORDER OR \$10,000, WHICHEVER IS LESS.

13. Waiver. No waiver (whether single or partial), or failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from these Terms by LWG operates or may be construed, as a waiver thereof.

14. Force Majeure. Neither Party shall be liable or responsible to the other Party, nor be deemed to have defaulted under or breached these Terms, for any failure in fulfilling or performing hereunder (except for any obligations to make payments hereunder), to the extent such failure or delay is caused by or results from acts beyond the impacted Party's ("**Impacted Party**") reasonable control, including, the following ("**Force Majeure Events**"): (a) acts of God; (b) flood, fire, earthquake, or explosion; (c) war, invasion, hostilities (whether declared or not), terrorist threats or acts, riot or other civil unrest; (d) order or action by any governmental authority or requirements of law; (e) embargoes or blockades in effect; (f) national or regional emergency; (g) strikes, labor stoppages or other industrial disturbances; and (h) telecommunication breakdowns, power outages or shortages, inadequate transportation services, or inability or delay in obtaining supplies of adequate or suitable materials.



15. Assignment. Customer's rights, interests, or obligations hereunder may not be assigned, transferred, or delegated by Customer. No assignment or delegation relieves Customer of any of its obligations under this Agreement.

16. No Third-Party Beneficiaries. These Terms solely benefit the Parties. Nothing in these Terms, express or implied, confers on any other person any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of these Terms.

17. Governing Law; Jurisdiction. These Terms are governed by, and construed in accordance with the laws of the Commonwealth of Pennsylvania without giving effect to any conflict of laws provisions. All legal proceedings shall be instituted in the state or federal courts of the Commonwealth of Pennsylvania. Each Party irrevocably and unconditionally submits to the exclusive jurisdiction of such courts.

18. Indemnification. LWG and Customer (the “**Indemnitor**”) each agree to indemnify, defend, and hold the other, including their respective officers, directors, employees, agents, affiliates, and successor , as applicably (the “**Indemnitee**”) harmless against any and all losses, damages, and expenses (including attorney fees, and other costs of litigation) that the Indemnitee may incur as a result of any claim made against the Indemnitee by any person to the extent that such losses, damages or expenses arise out of the negligence or other wrongful conduct of the Indemnitor under these Terms. This obligation of indemnity shall include, without limitation, indemnity by Customer as to any claim which in whole or in part actually or allegedly arises out of danger or defect in any product manufactured by LWG to specifications or requirements of Customer.

19. Notices. All notices shall be in writing and addressed to such Party’s address set forth on the Customer Order or to such other address as such Party may designate in writing.