

In Line Valve Co. Ltd.

TERMS AND CONDITIONS

January 1,2009

1. Terms. The terms and conditions of sale ("Terms of Sale") from In Line Valve Co. Ltd. ("Seller") as set forth below apply to all sales by Seller to any buyer ("Buyer") except that the Terms of Sale have been expressly altered or modified in writing and signed by Seller. Any terms or conditions contained in any acceptance or confirmation of Seller's quotation or contained in any purchase order which are different from or in addition to the Terms of Sale set forth below shall be deemed material alterations, and notice of object to differing terms is hereby made. Such additional or differing terms are excluded from the terms except as otherwise may be agreed to in writing and signed by Seller. The Buyer's assent to the Terms of Sale herein shall be conclusively evidenced by (1) any written or oral assent by the Buyer of the Terms of Sale or (2) the Buyer's receipt of the goods covered by the Terms of Sale and the Buyer's failure to object to any term or condition of the Terms of Sale within ten (10) days after receiving such goods.
2. Prices and Terms of Payment. Unless otherwise agreed to in writing and signed by Seller, the goods sold hereunder are invoiced at the price in effect at the time the quotation was accepted or assented to by Buyer. Except as otherwise specifically provided, prices are F.O.B. Seller's plant or warehouse. All prices are subject to change without notice. Payment shall be, unless otherwise agreed in writing and signed by Seller, due from the buyer on tender of delivery by Seller at Seller's plant or warehouse. If the parties agree in writing signed by the Seller that payment will be due on some other date, the parties agree that all payments still owing after such date will bear interest at the rate of 1.5% per month. The Buyer shall pay for the goods by certified check or thorough a confirmed irrevocable letter of credit under the terms and conditions agreed to in writing by Seller. Any tax or duty assessed or imposed upon Seller by reason of the manufacture, sale or delivery of any goods ordered by Buyer shall be added to the price for such goods and shall be added to the price for such goods and shall be paid by the Buyer.
3. Delivery. The place for delivery of goods sold hereunder is Seller's place of business at Newbury UK. Unless otherwise agreed to in a writing signed by Seller, title to any goods sold hereunder shall pass to the Buyer on delivery of the goods at Seller's place of business in Newbury, UK, to the carrier or to the Buyer. Any Common Carrier to which Seller shall deliver the goods so shipped and all risk of loss with respect to the goods shall pass to the buyer when such goods are delivered to the carrier at Seller's place of business in Newbury, UK.
Title will only pass to buyer after seller has received 100% payment for the goods, before full payment is received buyer will return or make goods available to seller on demand.
4. Force Majeure and Contingencies. Seller shall not be liable for any delay or failure to manufacture or deliver any or all of the goods ordered by the Buyer or for the failure to perform any obligation required to be performed hereunder is such delay or failure is caused by, or if such performance is made impractical or commercially unreasonable by, fire, hurricane, flood, or other act of God, labor dispute or strike, war or civil commotion, governmental action, equipment breakdown, inability to obtain the necessary labor, materials or equipment required to manufacture the goods, or any other cause beyond the reasonable control of Seller. In the event of the occurrence of any contingency described in this paragraph, the proposed delivery shall be extended for a period equal to the time lost by reason of such contingency.
5. Warranty. The goods sold hereunder are warranted free from defects in workmanship and materials for twelve (12) months from the date of installation or eighteen (18) months after shipment ex-works, whichever comes first; provided that such goods are used on the manner recommended by Seller. If the Buyer believes that the goods do not conform to the above warranty, the Buyer shall notify the Seller, and the Seller shall conclusively determine whether or not the goods are free from defects and

workmanship or material under normal and appropriate usage. If Seller concludes that the goods covered by this warranty do not conform to the warranty, Seller shall correct such defects, at Seller's option, by (i) repairing such defective goods or by making available at Seller's plant or warehouse repaired or replacement goods, or (ii) refunding to the Buyer the purchase price of the goods. If the inspection by Seller does not reveal any defects in material or workmanship, all cost of shipping and inspection shall be paid by the Buyer. THE PARTIES EXPRESSLY AGREE THAT REPAIR OR REPLACEMENT OF DEFECTIVE GOODS, OR REPAYMENT OF THE PURCHASE PRICE, AT SELLER'S OPTION, SHALL CONSTITUTE THE EXCLUSIVE REMEDY OF THE BUYER AND THE EXCLUSIVE LIABILITY OF SELLER EXCEED THE PURCHASE PRICE OF THE GOODS WHICH ARE DEFECTIVE, AND IN NO EVENT SHALL THE BUYER OR ANY OF BUYER'S VENDEES OR ANY END USER BE ENTITLED TO RECOVER ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES WHETHER OR NOT SUCH DAMAGES ARE CAUSED, IN WHOLE OR IN PART, BY ANY OF THE TERMS OF SALE OR ANY OTHER AGREEMENT BETWEEN SELLER AND BUYER.

6. Disclaimer of Warranties. SELLER DISCLAIMS ANY WARRANTY OF MERCHANTABILITY AND ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE WHATSOEVER WITH RESPECT TO THE GOODS SOLD HEREUNDER. SELLER DISCLAIMS ANY WARRANTY AGAINST EROSION OR CORROSION OF THE SYSTEM IN WHICH THE VALVES SOLD HEREUNDER ARE INSTALLED, AND THE PARTIES ACKNOWLEDGE THAT ANY EROSIVENESS OR CORROSIVENESS OF THE SYSTEM IN WHICH THE GOODS SOLD HEREUNDER ARE INSTALLED, AND ANY RESULTING EROSION OR CORROSION, SHALL NOT CONSTITUTE A WARRANTY DEFECT.
7. Indemnification. In the event Buyer has furnished specifications or drawing to Seller and Seller manufactures or modifies goods in accordance with such drawings or specifications, Buyer agrees to hold Seller harmless against any and all claims asserted against Seller, its employees and agents, by any person or other legal entity, due to injury or death of any person, damage or destruction to personal or real property, or because of infringement or alleged infringement of any patent, design, trade name, or trademark, which claims arise out of or in connection with the sale, use, or inability to use any of the goods sold hereunder which are produced out of Seller's compliance with the drawings or specifications furnished to Seller by Buyer.
8. Buyer's Acceptance. Buyer shall conduct a reasonable and complete inspection of the goods delivered hereunder after Buyer's receipt of the goods. All claims for damage to goods, errors, defects (other than warranty defects), shortages or any other nonconformity and any shipment of goods delivered to Buyer shall be made in writing to Seller's office in Newbury, UK, within ten (10) days after Buyer's receipt of the goods. Buyer's failure to make any such claim within such ten (10) day period shall constitute an irrevocable acceptance of the goods and shall be conclusive evidence that such a shipment of goods fully complies with all terms, conditions, and specification relating to such goods. Each shipment of goods shall be accepted or rejected in its entirety, and the Buyer's acceptance of part of the goods, such acceptance shall be final and irrevocable. If Buyer rejects any shipment, Buyer must notify Seller of such rejection by written notice delivered to Seller's office in Newbury, UK, within ten (10) days after Buyer's receipt of the goods, and such notice shall specify all the claimed defects, errors, or nonconformities giving rise to the rejection, and any failure to specify any error, defect, shortage or nonconformity shall constitute a waiver of such error, defect, shortage or nonconformity. If Buyer rejects any shipment and delivers the written notice as required above to the Seller's offices in a timely manner, Seller shall have the right to cure any error, defect, shortage, or nonconformity within a reasonable manner.
9. Cancellation or Modification. Unless otherwise agreed to in writing by Seller, a quotation, which has been accepted by Buyer, or an order, which has been received by Seller, cannot be cancelled or modified.
10. Return of Goods. No goods will be accepted for return, repair or replacement, without prior written consent of Seller.

11. **Governing Law.** The parties acknowledge that the transaction that is the subject matter herein bears a reasonable relation to the laws of the UK and agree that the laws of the UK will govern their rights and duties. The parties specifically intend that the provisions of the laws of UK sale of goods and services will control all aspects of this offer and its interpretation, and that all definitions contained in the UK Business and Commerce Code will be applicable except in any instance where the parties have expressly agreed otherwise or an otherwise contained herein. Buyer agrees to jurisdiction and venue in the courts of UK, and that those courts shall have sole and exclusive jurisdiction of any dispute arising hereunder. Buyer and Seller specifically exclude any application of the 1980 United Nations Convention on Contracts for the International Sale for Goods if otherwise applicable.
12. **No Waiver.** The failure of Seller at any time to require performance by the Buyer of any provision herein shall in no way affect the full right to require such performance at any time thereafter. Any waiver made by Seller must be in writing signed by the Seller.
13. **Clerical Errors.** Seller shall have the right to correct clerical errors or omissions in quotations, invoices, or other documents.
14. **Change of Design.** Seller may change or modify the design or construction of any goods without notice. If such a change is made, Seller will have no obligation to make a similar change on any goods previously shipped or any other obligation in connection with such a change in design.
15. **Seller's Remedy.** Seller shall have all rights and remedies to enforce this agreement as set forth in the UK sale of goods and services act as well as all rights and remedies set forth herein. All such rights and remedies are cumulative. No delay or failure by Seller to exercise any right or remedy shall impair in any manner whatsoever any of such rights or remedies. If Seller should incur any attorney's fees or other costs and expenses in enforcing its rights hereunder, Buyer shall pay all such attorney's fees, costs, and expenses. Buyer grants Seller a security interest in the goods sold hereunder, and will execute a financing statement at Seller's request. In the alternative, Seller may file a copy of these terms and conditions and as a financing statement.
16. **Taxes.** All sales, excise, duties, customs, tariffs, and similar taxes or charges which the Seller may be required to pay or collect with respect to the goods purchased herein shall be charged to and paid by Buyer shall indemnify Seller for the same unless Buyer provides Seller with a proper tax exemption certificate.
17. **Foreign National / State Requirements.** Buyer is solely responsible for providing Seller details of any legal regulations or requirements of the country for which the goods are destined and which may affect or alter the specification of the products being offered and/or intended to be supplied. If at time of or prior to placing Order, Buyer fails to advise and/or notify Seller of such requirements, Buyer agrees to indemnify Seller and to reimburse any penalties or costs applied to and/or incurred by Seller as a result.