

EQUIPMENT PURCHASE AGREEMENT

PURCHASE EQUIPMENT SUBJECT TO THIS CONTRACT. All purchases of equipment from DAE Pumps (Company) require the Customer to thoroughly read and agree to the following terms. Agreement to the terms is deemed provided once Company submits a Purchase Order. The Order Acknowledgment provided constitutes part of this agreement.

PAYMENT RATE. Payments shall be due whether or not the Customer has received notice of a payment. Customer may pay via check or wire.

SERVICE CHARGE. If any installment is not paid within two (2) days after the due date, the Customer shall pay to the Company a surcharge charge of 1% of monies overdue per day. **NON-SUFFICIENT FUNDS.** The Customer shall be charged \$250.00 for each check that is returned to the Company for lack of sufficient funds.

RISK OF LOSS OR DAMAGE. From the point the equipment leaves Company's office the Customer assumes all risks of loss or damage to the equipment from any cause.

DELIVERY TERMS. All products sold to Customer shall be sold EX Works (EXW) Company's facility or any other original point of shipment, and in domestic packing. Customer will bear and pay for all taxes of any nature imposed prior to, at the time of, or after delivery to, the carrier at the EXW point. Customer shall also bear and pay for all charges for freight, shipping, consular fees, customs duties, and all costs and charges.

ACCEPTANCE OF EQUIPMENT. The Customer shall inspect each item of equipment delivered pursuant to this purchase. The Customer shall immediately notify the Company of any discrepancies between such item of equipment and the description of the equipment. If the Customer fails to provide such notice in writing within 2 day(s) after the delivery of the equipment, the Customer will be conclusively presumed to have accepted the equipment as specified. Any subsequent claim that the equipment was not provided in fully functional order will not be considered.

FAILURE TO PERFORM AND IDLE EQUIPMENT. The Company will not be held responsible for any failure of equipment for any reason. The Company will not be held liable for any costs associated with equipment downtime for any reason. The Company will not be held responsible for any errors or omissions due to the Customer's lack of operational or technical capability.

WARRANTY. The Company makes no warranties; express or implied, as to the equipment. The Customer assumes the responsibility for the condition of the equipment after acceptance.

INDEMNITY OF COMPANY FOR LOSS OR DAMAGES. If the equipment is damaged the Customer has the option to return equipment to Company and pay for Company to repair the equipment to a state of good working order or pay for Company employees to repair equipment on Customers job site.

LIABILITY AND INDEMNITY. Liability for injury, disability, and death of workers and other persons caused by operating, handling, or transporting the equipment is the obligation of the Customer, and the Customer shall indemnify and hold the Company harmless from and against all such liability.

REVERSE ENGINEERING. Company agrees not to disassemble, decompile or otherwise reverse engineer any equipment or materials provided.

TAXES AND FEES. Rates do not include any sales, use or property taxes. Customer shall pay all taxes, assessments, and license and registration fees on the equipment.

NOTICE. All notices required or permitted shall be deemed delivered when delivered in person or by mail, addressed to the appropriate party at the address shown for that party at the beginning of this agreement.

ENTIRE AGREEMENT AND MODIFICATION. This contract constitutes the entire agreement between the parties. No modification or amendment of this contract shall be effective unless in writing and signed by both parties. This contract replaces any and all prior agreements between the parties.

GOVERNING LAW. This contract shall be construed in accordance with the laws of the State of California.

SEVERABILITY. If any portion of this contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this contract is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER. The failure of either party to enforce any provision of this contract shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this contract.

CERTIFICATION. Customer certifies that the application, statements, references, and reports submitted to Company are true and correct and any material misrepresentation will constitute default under this contract.