

**WATERLINE RENEWAL TECHNOLOGIES, INC. AND ITS SUBSIDIARIES**  
**General Terms and Conditions of Purchase**

1. **Applicability.** These general terms and conditions of purchase are the only terms that govern the purchase of the goods (“**Goods**”) and services (“**Services**”) by Waterline Renewal Technologies, Inc., a Delaware corporation or its direct or indirect subsidiary (such applicable entity, “**Buyer**”), from the seller (“**Seller**”) in each case with Buyer and Seller identified in the accompanying order (the “**Order**”, together with these general terms and conditions, the “**Agreement**”). These general terms and conditions prevail over any of Seller’s general terms and conditions regardless of whether or when Seller has submitted its sales confirmation or such terms. This Agreement expressly limits Seller’s acceptance to the terms of this Agreement. Fulfillment of or other performance under the Order constitutes acceptance of the terms of this Agreement.

2. **Goods.**

(a) Seller shall deliver the Goods in the quantities and on the dates specified in the Order or as otherwise agreed in writing by the parties (the “**Delivery Date**”). If no delivery date is specified, Seller shall deliver the Goods within a reasonable time (but in any event, no later than 15 days after Seller’s receipt of the Order). If Seller fails to deliver the Goods in full on the Delivery Date, Buyer may terminate this Agreement immediately by providing written notice to Seller and Seller shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Seller’s failure to deliver the Goods on the Delivery Date.

(b) Seller shall deliver all Goods to the address specified in the Order (the “**Delivery Point**”) during Buyer’s normal business hours or as otherwise instructed by Buyer. Seller shall pack all goods for shipment according to Buyer’s instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Seller must provide Buyer prior written notice if it requires Buyer to return any packaging material. Any return of such packaging material shall be made at Seller’s sole risk of loss and expense.

3. **Services.** Seller shall provide the Services to Buyer as described in the Order.

4. **Time of the Essence.** Seller acknowledges that time is of the essence with respect to Seller’s obligations under this Agreement, including the timely delivery of the Goods and Services.

5. **Quantity.** If Seller delivers more than the quantity of Goods ordered, Buyer may reject all or any excess Goods. Any such rejected Goods will be returned to Seller at Seller’s sole risk and expense. If Buyer does not reject the Goods and instead accepts the delivery of Goods at the increased or reduced quantity, the Price for the Goods will be adjusted on a pro-rata basis.

6. **Shipping Terms.** Unless otherwise specified in the Order, delivery shall be made FOB Delivery Point. The Order number must appear on all shipping documents, shipping labels, invoices, correspondence, and any other documents pertaining to the Order.

7. **Title and Risk of Loss.** Title and risk of loss passes to Buyer upon delivery of the Goods at the Delivery Point.

8. **Inspection and Rejection of Nonconforming Goods.** Buyer has the right to inspect the Goods on or after the Delivery Date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to (a) rescind this Agreement in its entirety, (b) accept the Goods at a reasonably reduced price, or (c) reject the Goods and require replacement of the rejected Goods. If Buyer requires replacement of the Goods, Seller shall, at its expense, promptly replace the nonconforming or defective Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective goods and the delivery of replacement Goods. If Seller fails to timely deliver replacement Goods, Buyer may replace them with goods from a third party and charge Seller the cost of such goods and terminate this Agreement pursuant to Section 19. Any inspection or other action by Buyer under this Section will not reduce or otherwise affect Seller’s obligations under the Agreement, and Buyer will have the right to conduct further inspections after Seller has carried out its remedial actions.

9. **Price.** The price of the Goods and Services is stated in the Order (the “**Price**”). If no price is included in the Order, the Price shall be the price set out in Seller’s published price list in force as of the date of the Order. Unless otherwise specified in the Order, the Price includes all packaging, transportation costs to the Delivery Point, insurance, customs duties, and fees and applicable taxes, including, but not limited to, all sales, use or excise taxes.

10. **Payment Terms.** Seller shall issue an invoice to Buyer on or any time after the completion of delivery and

only in accordance with this Agreement. Unless otherwise specified in the Order, Buyer shall pay all properly invoiced amounts due to Seller within 45 days after Buyer's receipt of such invoice, except for any amounts disputed by Buyer in good faith.

11. **Service Obligations.** Seller shall (a) perform the Services in a professional manner, in accordance with professional standards used in well-managed operations performing similar services, (b) comply with all rules, regulations and policies of Buyer, and (c) ensure that all of its equipment used in the provision of the Services is in good working order and suitable for the purposes for which it is used, and conforms to all relevant legal standards and standards specified by the Buyer.

12. **Subcontractors.** Seller may use subcontractors to perform the Services under this Agreement only if approved by Buyer (pre-approvals may be granted in the Order). Seller will be responsible for the acts and omissions of its personnel and subcontractors, including their compliance with this Agreement.

13. **Books and Records; Audit.** Seller shall maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent and materials used by Seller in providing the Services in such form as Buyer shall approve. During the term of this Agreement and for a period of two years thereafter, upon Buyer's written request, Seller shall allow Buyer to inspect and make copies of such records and interview Seller personnel in connection with the provision of the Services.

#### 14. **Goods Warranties.**

(a) Seller warrants to Buyer and its customers for the CIPP Warranty Period that all cured-in-place pipe Goods which are consumable materials (the "**CIPP Goods**") will (i) be free from any defects in workmanship, material, and design, (ii) conform to Seller's applicable specifications, drawings, designs, samples, and documentation that describes the functional, operational, or performance capabilities of the CIPP Goods as of the date of the Order, (iii) be fit for their intended purpose and operate as intended, (iv) be free and clear of all liens, security interests or other encumbrances, (v) be manufactured to the requirements of ASTM F1216 (*Standard Practice for Rehabilitation of Existing Pipelines and Conduits by the Inversion and Curing of a Resin-Impregnated Tube*) in effect as of the date of the Order, and (vi) not infringe or misappropriate any third party's patent or other intellectual property rights. "**CIPP Warranty Period**" means a period commencing on the date of the Order and continuing thereafter until ten years following the date the Buyer delivers the applicable CIPP Goods to its customer.

(b) Seller warrants to Buyer and its customers for the Non-CIPP Warranty Period that all Goods, other than the CIPP Goods, will (i) be free from any defects in

workmanship, material and design, (ii) conform to Seller's applicable specifications, drawings, designs, samples, and documentation that describes the functional, operational, or performance capabilities of such Goods as of the date of the Order, (iii) be fit for their intended purpose and operate as intended, (iv) be free and clear of all liens, security interests or other encumbrances, and (v) not infringe or misappropriate any third party's patent or other intellectual property rights. "**Non-CIPP Warranty Period**" means a period commencing on the date of the Order and continuing thereafter until one year following the date the Buyer delivers the applicable Goods to its customer.

(c) If Buyer gives Seller notice of noncompliance pursuant to this Section 14, Seller shall, at its sole expense, promptly (i), at Buyer's option, replace, repair, or refund the applicable Price for the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Seller and the delivery of the replacement Goods to Buyer, or (ii) reimburse Buyer, on a time and materials basis, for any services Buyer or its affiliates perform for their respective customers (or the applicable end user) relating to the de-installation, removal, or repair of the defective or nonconforming Goods or other provision of conforming Goods and installation of the replacement Goods (based on Buyer's and its affiliates' then-current hourly rates for such services), and pay all of Buyer's and its affiliates' expenses in connection therewith. Buyer may invoice Seller at any time for such accumulated fees and expenses incurred for such services. Seller shall pay all invoiced amounts within 30 days after Seller's receipt of such invoice. If payment is not made in a timely manner, Buyer may charge interest at the rate of 1.5% per month, or the highest rate allowed by applicable law, whichever is lower, calculated from the date payment was due. Seller shall pay any costs of collection (including reasonable attorney's fees and court costs) incurred by Buyer in collecting any amounts due under this Agreement. The warranties set forth in this Section 14 are cumulative and in addition to any other warranty provided by law or equity.

15. **Indemnification.** Seller shall indemnify and defend Buyer and its affiliates and their respective shareholders, members, equityholders, directors, managers, officers, employees, and agents from and against all third-party claims and all related losses, liabilities, damages, actions, and expenses (including reasonable attorneys' fees) to the extent arising out of (a) the Goods and Services purchased from Seller, (b) any negligence, willful misconduct, misrepresentation, or breach of this Agreement by Sellers or its employees, agents, or subcontractors, or (c) any allegations that the Buyer's or any indemnified party's use of the Goods or Services infringe or misappropriate any intellectual property rights or other rights of a third party or violates applicable law or regulation. Any settlement requiring Buyer to admit liability, pay money, or take (or

refrain from taking) any action, will require Buyer's prior written consent.

16. **Insurance.** During the term of this Agreement and for a period of three years thereafter, Seller shall, at its own expense, maintain and carry commercial general liability with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, including bodily injury and property damage, which policy will include contractual liability coverage insuring the activities of Seller under this Agreement. The insurance coverage shall be issued by a financially sound and reputable insurance company. Upon Buyer's request, Seller shall provide Buyer with a certificate of insurance from Seller's insurer evidencing the insurance coverage specified in this Agreement. The certificate of insurance shall name Buyer as an additional insured. Seller shall provide Buyer with 30 days' advance written notice in the event of a cancellation or material change in the Seller's insurance policy. All insurance specified in this Section will be primary insurance and any similar insurance for the benefit of Buyer will be excess and non-contributory.

17. **Compliance with Law.** Seller shall comply with all applicable laws and regulations. Seller shall maintain in effect all the licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under this Agreement.

18. **Confidentiality.** All information disclosed by Buyer that is identified as confidential or that a reasonable person would understand to be confidential, based on the nature of the information or circumstances surrounding disclosure ("**Confidential Information**"), shall not be disclosed by Seller except to Seller's employees and agents who need to know the Confidential Information and who are bound to confidentiality obligations no less restrictive than the terms contained under this Section and/or except as required by law (so long as Seller provides reasonable prior notice of such disclosure to Buyer and reasonably cooperates with any effort by Buyer to limit such disclosure). Seller shall only use Buyer's Confidential Information to exercise its rights or perform its obligations under this Agreement. Seller shall use a reasonable degree of care in protecting the confidentiality of Buyer's Confidential Information. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Seller is liable for the acts or omissions of its employees and agents that constitute a breach of this Section as if such acts or omissions were the acts or omissions of Seller. Buyer shall be entitled to injunctive relief for any violation of this Section.

19. **Termination.** Buyer may terminate this Agreement if Seller (a) breaches this Agreement, or (b) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors. If Buyer terminates the

Agreement for any reason, Seller's sole and exclusive remedy is payment for the Goods received and accepted and Services accepted by Buyer prior to the termination.

## 20. **Miscellaneous.**

(a) **Independent Contractors.** The parties intend to be independent contractors. Neither party has authority to contract for or bind the other party.

(b) **Survival.** Sections 7, 13-18, and 20, and any other Section necessary to give effect to their intent, will survive the expiration or termination of this Agreement.

(c) **Force Majeure.** A party will not be deemed to have breached this Agreement for any failure or delay in performing any term of this Agreement to the extent such failure or delay is caused by acts beyond such party's reasonable control, so long as (i) such party uses diligent efforts to end the failure or delay and ensures the effects of such force majeure event are minimized, and (ii) such party resumes the performance of its obligations as soon as reasonably practicable after the removal of the cause.

(d) **No Publicity.** Seller shall not (i) use Buyer's trademarks, logo, or name in connection with any advertising materials, or (ii) issue a press release announcing the parties' business relationship, without the prior written consent of Buyer. Buyer may terminate its consent at any time and for any reason by providing written notice to Seller.

(e) **Governing Law; Venue; Waiver of Jury Trial.** Illinois law governs this Agreement, including all adversarial proceedings brought by one party against the other party arising out of this Agreement. As the exclusive means of bringing adversarial proceedings to resolve any dispute arising out of this Agreement or the subject matter of this Agreement, a party may only bring such a proceeding in the federal or state courts sitting in Cook County, Illinois. *Each party hereby waives any right it may have to a jury trial in any proceeding relating to this Agreement.*

(f) **Notices.** All notices under this Agreement must be in writing and delivered by personal delivery, nationally recognized overnight courier, or certified or registered mail (in each case, return receipt requested, postage prepaid). All notices to Seller will be sent to Seller's address set forth in the Order. All notices to Buyer will be sent to the following address: Waterline Renewal Technologies, Inc., Attn: Chief Financial Officer, 25 NW Point Blvd, Suite #510, Elk Grove Village, IL 60007. Any such notice will be deemed to have been duly given upon actual delivery. Each party may change its address for notices by giving notice to the other party as provided under this Section.

(g) **Entire Agreement.** This Agreement, including the Order, constitutes the entire understanding between

the parties with respect to the subject matter of this Agreement and supersedes all other agreements, whether written or oral, between the parties with respect to such subject matter.

(h) **Severability.** If any part of the Agreement is invalid, illegal, or unenforceable, the rest of the Agreement will remain in effect.

(i) **Assignment.** Seller shall not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Buyer. Any purported assignment or transfer in violation of this Section is void.

(j) **Modification; Waiver.** No amendment of this Agreement will be effective unless it is in writing and signed by the parties. No waiver under this Agreement will be effective unless it is in writing and signed by the party granting the waiver. A waiver granted on one occasion will not operate as a waiver on other occasions.