

1. PURCHASE AND SALE. These Standard Terms and Conditions of Sale (the "STCS") supplement any Order Confirmation (the "Confirmation") issued by R.W. Lyall & Company, Inc. ("Seller") that makes reference hereto. "Buyer" means the person or entity listed as the buyer of the materials or products referred to in the Confirmation (the "Goods"). The terms of the "Contract" between Buyer and Seller shall consist exclusively of (i) the Confirmation, (ii) the STCS, and (iii) any other documents or agreements relating to the purchase and sale of the Goods that are signed by both Seller and Buyer after the issuance of the Confirmation ("Supplemental Agreements"). In the event of any conflict between the terms of the Confirmation, the STCS, and/or any Supplemental Agreements, the Supplemental Agreements shall control over the Confirmation and the STCS, and the Confirmation shall control over the STCS. The Contract shall supersede any quotation, purchase order, or other document previously issued by Buyer or Seller in relation to the Goods. Seller hereby agrees to sell the Goods to Buyer, and Buyer hereby agrees to buy the Goods from Seller, all in accordance with the terms of the Contract.

2. ACCEPTANCE OF BUYER'S OFFER. The Confirmation and the STCS constitute an acceptance of Buyer's purchase order or other offer to purchase the Goods from Seller. However, any terms or conditions of Buyer's offer that are different from or in addition to the terms and conditions of the Contract are rejected, and Seller's acceptance is expressly made conditional on Buyer's (i) assent to all of the terms and conditions contained in the Confirmation and the STCS, and (ii) agreement that the Contract shall consist solely of the terms and conditions set forth in the Confirmation and the STCS plus any other terms and conditions that may be set forth in any Supplemental Agreements signed by both Buyer and Seller.

3. PRICES; TAXES. The prices payable for any Goods covered by the Contract shall be the prices shown for such Goods on the Confirmation. In addition, Buyer shall be responsible for paying any sales, use, excise, or other taxes that may be incurred in connection with the sale or transportation of the Goods to Buyer (collectively, "Taxes"). If and to the extent that any Taxes are listed in the Confirmation, Buyer shall pay such Taxes to Seller concurrently with Buyer's payment of the purchase price of the Goods, and Seller shall pay such Taxes over to the applicable taxing authorities. If and to the extent that such Taxes are not listed in the Confirmation, Buyer shall pay such Taxes to the applicable taxing authorities, and shall defend, indemnify, and hold Seller harmless from and against any and all claims, demands, losses, liabilities, and expenses (including, without limitation, court costs and reasonable attorneys' fees) that Seller may incur or suffer by virtue of Buyer's failure (or alleged failure) to do so.

4. SHIPMENT AND DELIVERY. Shipment and delivery terms shall be FOB Seller's factory or other point of shipment (the "Point of Shipment"), with title and risk of loss passing to Buyer at such point, except that freight shall be payable as specified in the Confirmation. Concurrently with its payment of the prices for the Goods and any Taxes listed in the Confirmation, Buyer shall also pay any freight charges that Seller shall invoice to Buyer. Seller will make reasonable efforts to ship the Goods at the times specified in the Confirmation.

5. PAYMENT TERMS. The payment terms for the Goods (including any amounts that are payable by Buyer for freight or Taxes) shall be as specified in the Confirmation. If no payment terms are specified in the Confirmation, the payment terms shall be "pay in advance" or "collect on delivery." Seller may charge interest on past due accounts at the lesser of 10% per annum or the maximum rate allowed by law. In no event shall Buyer make any setoff or reduction under the Contract, or any other contract between Buyer and Seller, against amounts owed by Buyer to Seller by reason of any Buyer claim or demand against Seller, whether alleged by Buyer to arise under the Contract or any other contract or transaction, in tort, or otherwise. Any such setoff or deduction by Buyer shall constitute a material breach of the Contract.

6. ACCEPTANCE OF THE GOODS. Buyer shall be responsible to inspect all Goods promptly after receipt thereof. Buyer shall report any damage or shortage within 10 days after receipt. Buyer shall be deemed to have accepted any Goods, and to have acknowledged receipt of the entire quantities of Goods purportedly shipped, unless written notice of rejection and/or shortage is received by Seller within 10 days after receipt of the Goods. Buyer waives any right to revoke acceptance thereafter. In the event of Buyer's rightful rejection of the Goods or rightful shortage claim, Seller's liability shall be limited to replacing or repairing the rejected or short Goods within a reasonable time, or to allowing credit to the extent of the invoice value of such defective or short Goods, all at Seller's option.

7. CANCELLATION OF ORDERS; RETURNS; CUSTOM GOODS. No order for Goods may be cancelled after Seller's issuance of the Confirmation accepting same absent Seller's prior written consent, which may be withheld for any reason. Similarly, no conforming Goods may be returned absent Seller's prior written consent, which consent may be withheld for any reason, and, if given, may be conditioned upon Buyer's payment of all applicable transportation costs plus payment of such restocking fee as Seller may impose, in Seller's sole discretion. If an order covers Goods that must be specially manufactured for Buyer, and Buyer requests that the order be suspended or terminated for any reason and Seller agrees to such suspension or termination, Buyer will take delivery of and pay for all completed and partially-completed Goods and Seller's inventory of raw materials purchased specifically for such Goods. If Buyer cannot accept delivery of such items, Buyer shall pay for the items, and Seller shall store such items for Buyer's account and at Buyer's expense.

8. INVOICE DISPUTES. Should Buyer wish to dispute any Seller invoice for any reason (such as incorrect pricing), Buyer must notify Seller of the dispute in writing within 60 days of the invoice date. Buyer's failure to notify Seller of the dispute in writing before the expiration of the 60 day period shall be deemed an acknowledgment by Buyer that (i) the invoice is correct, (ii) Buyer has received delivery of all Goods that are listed on the invoice, and (iii) Buyer is obligated to Seller in the amount reflected on the invoice (except to the extent the invoice has previously been paid).

9. NO WARRANTY FOR DISTRIBUTED GOODS. The parties acknowledge that the Goods consist of Goods that Seller manufactures or assembles (collectively, "Manufactured Goods") and/or Goods that are manufactured by third-party manufacturers and distributed by Seller (collectively, "Distributed Goods"). For purposes of the Contract, if a particular Good consists of a large fabrication that includes one or more major components (such as polyethylene ball valves, steel valves, socket fusion couplings, polyethylene pipe, etc.) that are manufactured by one or more third-party manufacturers and incorporated without material modification into the Good, the components in question shall be deemed a "Distributed Good," while the rest of the fabrication shall be deemed a "Manufactured Good." Except to the extent otherwise provided in Section 10 below, **DISTRIBUTED GOODS ARE SOLD "AS IS," WITH ALL FAULTS, AND SELLER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT ANY DISTRIBUTED GOODS, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** However, Seller shall, at Buyer's request, assign to Buyer any warranty or other claims that Seller may have against the manufacturers of any Distributed Goods that are sold to Buyer hereunder, and cooperate with Buyer (at no cost to Seller) in its assertion of any such claims.

10. LIMITED WARRANTIES. Seller warrants that (i) both Manufactured and Distributed Goods will be delivered to Buyer under the Contract free of any shortages, shipping damages, or casualty losses; (ii) Manufactured Goods delivered under the Contract for which Buyer has supplied Buyer's own specifications (such as risers or meter sets manufactured specifically for Buyer) will, at the time of delivery, conform with such specifications; and (iii) Manufactured Goods delivered under the Contract for which Buyer has not

supplied Buyer's own specifications will, at the time of delivery, be free of defects of materials and workmanship and conform with Seller's standard specifications for such Goods, or any other specifications that form a part of the Contract. **SUBJECT TO THE TERMS OF SECTION 14 BELOW, THE FOREGOING WARRANTIES ARE THE SOLE WARRANTIES COVERING THE GOODS, AND SELLER MAKES NO OTHER WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED, OR STATUTORY. ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED BY SELLER.** For purposes of the STCS, Goods shall be deemed "delivered" at the point where title and risk of loss pass to Buyer.

11. EXCLUSIVE REMEDY. Seller's sole obligation, and Buyer's exclusive remedy, for violation of the above warranties, or for any other claims (whether by contract or in tort) for defects in the Goods, shall be limited, at Seller's option, to repair or replacement of the defective Goods or to allowing credit to Buyer for the invoice value of such Goods. Any claim by Buyer arising from any alleged breach of the above warranties or alleged defect in any Goods must be delivered to Seller in writing no later than 90 days from the date of delivery, and any lawsuit relating to any such alleged breach of warranty or defect must be commenced within one year of such date of delivery. Any failure by Buyer to notify Seller of any such alleged breach of warranty or defect or to bring suit with respect to same within the applicable time period specified above shall bar Buyer from any remedy under Seller's warranties or other recovery of damages or losses due to defects in the Goods.

12. LIMITATION OF SELLER'S AGGREGATE LIABILITY. Seller's aggregate liability on all claims of any kind, including claims based upon Seller's negligence, breach of contract, strict liability in tort, or patent infringement, for any loss or damage arising out of, connected with, or resulting from the sale, delivery, short delivery or failure of delivery, quality, conformance, or use of the Goods furnished under the Contract or Seller's performance (or non-performance) of the Contract, shall in no case exceed the aggregate purchase price of the Goods which gave rise to the claim. In no event shall Seller be liable for special, incidental, liquidated, or consequential damages howsoever arising out of Seller's performance (or non-performance) of the Contract and notwithstanding whether Buyer may have been advised or is advised of the possibility of such damages.

13. AUTHORITY OF AGENTS. Regardless of the other provisions herein, no employee or representative of Seller, other than its officers, is authorized to change or modify in any manner the warranties, limitations of remedies, or limitations of liability contained in the STCS or to grant any other warranties or other remedies.

14. PATENT INFRINGEMENT. Seller warrants that the use or sale of the Manufactured Goods delivered under the Contract (other than Manufactured Goods for which Buyer has supplied Buyer's own specifications) will not infringe the claims of any valid United States patent covering such Goods, but does not warrant against infringement by reason of the use or sale thereof in combination with other goods, or if the Goods are modified. This warranty shall apply only in favor of Buyer, and shall not cover any Distributed Goods. Except to the extent otherwise provided in this Section 14, Buyer assumes all risk and liability resulting from use of the Goods delivered under the Contract, whether used alone or in combination with other goods.

15. FORCE MAJEURE. Seller shall not be liable for non-performance or delay in performance resulting from any governmental law or regulation now or hereafter in effect, or for delays caused by Seller's suppliers, or caused by Acts of God, fire, flood, wind, sabotage, strikes or other labor troubles, accidents, necessary repairs to machinery, adverse weather conditions, acts or omissions of Buyer, or any other causes beyond Seller's reasonable control. In the event of any of the foregoing, Seller shall have the right to allocate its available supply of Goods among any or all purchasers, and/or reschedule production and delivery of Goods to Buyer, in each case on such basis as Seller, in its sole discretion, shall deem fair and practical, without liability to Buyer for any failure or delay of performance under the Contract that may result therefrom.

16. ASSISTANCE BY SELLER: At Buyer's request, Seller may at its sole election furnish such technical assistance and information as it has available with respect to the use of the Goods covered by the Contract. Unless otherwise agreed in writing, all such technical assistance and information will be provided gratis, Seller makes no representations or warranties regarding same, and Buyer assumes sole responsibility for all results obtained in reliance thereon.

17. TECHNICAL INFORMATION. Buyer acknowledges that it has received and is familiar with Seller's labeling and literature concerning the Goods sold under the Contract. Buyer shall provide such information to its employees and subcontractors who handle, process, or sell such Goods, and also to any customers who purchase such Goods from Buyer.

18. BUYER'S DEFAULT. If Buyer should fail to make any payments owing to Seller on a timely basis, or if Seller should have any doubt at any time as to Buyer's financial responsibility, Seller at its sole discretion may terminate the Contract or decline to make further deliveries except upon receipt of cash or satisfactory security, in which event Buyer shall be liable to Seller for any losses or damages that Seller may suffer that arise from Buyer's defaults or failures or the termination of the Contract, and such action by Seller shall not give rise to any claim for breach of contract or other liability on the part of Seller. Seller may from time to time apply all or part of any outstanding credits to Buyer against any indebtedness owed by Buyer to Seller.

19. ATTORNEYS' FEES AND EXPENSES. If either party should file suit or take other legal action to enforce any of its rights under the Contract, including, without limitation, proceedings to collect any monies owing to such party under the Contract, the prevailing party shall be entitled to recover its court costs and reasonable attorneys' fees from the non-prevailing party.

20. MISCELLANEOUS: There are no understandings or agreements of Buyer and Seller, or representations of either, relating to the Contract, that are not fully expressed in the Contract; and no change shall be made to the Contract unless it is made in writing and signed by duly authorized representatives of Seller and Buyer. The laws of the State of the Point of Shipment shall govern the interpretation and enforcement of the Contract, excluding only the law of conflicts. Seller may subcontract all or part of its obligations under the Contract, but shall remain primarily liable to perform all of its obligations thereunder. Subject to the foregoing, neither party may assign or otherwise delegate its obligations under the Contract without the other party's express written consent. If any part of the Contract is deemed unenforceable for any reason, the remainder of the Contract shall remain in full force and effect. No failure of either party in any one or more instances to enforce one or more of the terms or conditions of the Contract or to exercise any rights or privileges thereunder shall preclude such party from thereafter enforcing any such terms or conditions or exercising any such rights or privileges. No waiver by either party of the default or breach of any term or condition of the Contract by the other party shall be deemed a waiver of any other term or condition thereof, or any subsequent default or breach by the other party of the same or of any other term or condition.