

GENERAL TERMS AND CONDITIONS

(June 10, 2011)

All sales of equipment offered and sold by Sage Metering, Inc. (hereinafter called "SAGE") shall be subject to the following General Terms and Conditions which shall be deemed incorporated into all orders and offers to purchase submitted to SAGE for acceptance and into all of Sage's acceptances and contracts for sale.

1. EXCLUSION ON WARRANTIES: NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, MADE BY ANY DISTRIBUTOR, SALES REPRESENTATIVE, OR FIELD AGENT OF SAGE, SHALL BE BINDING ON SAGE UNLESS SPECIFICALLY SET FORTH HEREIN.

2. WARRANTY: SAGE makes the following limited warranty: SAGE's products are warranted against faulty materials or workmanship for one year from the date of shipment from the factory. SAGE's obligation is limited to repair, or at its sole option, replacement of products and components which, upon verification by SAGE at the SAGE manufacturing headquarters in Monterey, California, 93940, prove to be defective. SAGE shall not be liable for installation charges, for expenses of Buyer for repairs or replacement, for damages from delay or loss of use, or other indirect or consequential damages of any kind. This warranty is extended only to SAGE products properly used and properly installed for the specific application for which intended and quoted; and does not cover corrosion; and does not cover water damage due to improper use of cord grips or removal of protective caps; and does not cover SAGE products which have been altered without SAGE authorization, or which have been subjected to unusual physical or electrical stress. SAGE makes no other warranty, express or implied, and assumes no liability that goods sold to any purchaser are fit for any particular purpose.

3. RMA #: No items will be returned for warranty repair without prior authorization from SAGE, and a Return Material Authorization Number (RMA #) must be obtained prior to returning any equipment to Sage Metering for any reason. RMA #'s may be obtained by calling Sage Metering at 866-677-7243 or 831-242-2030 between 8:00 AM and 5:00 PM PST Monday through Friday. A Sage RMA Form (available within any SAGE Operations and Instruction Manual, or within SAGE website, www.sagemetering.com, under "Contacts" Tab) must be filled out and included with the meter being returned to Sage Metering. NOTE: Exercise caution in returning Sage instrumentation. You must take special care when packaging your meter for return to the factory, especially Insertion Style meters. The sensor in particular may easily be damaged if not prevented from shifting around within the package, and if the sensor itself is not covered (with PVC or other protective method) in order to keep it from contacting other package contents. Any damage resulting from improper packaging is the responsibility of the shipper, and costs will be incurred to repair the damage.

4. TRANSPORTATION: Transportation charges for materials shipped to the factory for warranty repair are to be paid by the shipper. SAGE will return items repaired or replaced under warranty prepaid. Note, in the case of International returns, any special payment arrangements for the shipment must be approved in writing by the Sage International Manager prior to shipping the materials.

In accordance with the "Right to Know Act" and applicable US Department of Transportation (DOT) regulations, SAGE WILL NOT ACCEPT DELIVERY OF EQUIPMENT THAT HAS BEEN CONTAMINATED (see "Warranties & Service Work" in any Sage Instruction Manual for further details on cleaning and decontamination) without written evidence of decontamination, and has instituted the following Return/Repair conditions. Strict adherence to these conditions is required. Returned equipment that does not conform to the requirements listed below will not be processed. If Sage Metering finds evidence of contamination, we may, at our option, have the unit returned at your expense. For your reference, the requirements for packaging and labeling hazardous substances are listed in DOT regulations 49 CFR 172, 178, and 179.

5. LIMITATIONS ON WARRANTY: If after inspection of the returned equipment, SAGE determines that the defect is a result of damage, misuse, mishandling, installation, abnormal conditions of storage or operation, unauthorized repair or modification, or due to the Buyer's failure to install, maintain or operate the equipment in compliance with the written instructions, all expenses incurred by SAGE in connection with the replacement or repair of the equipment shall be for the account of the Buyer. There will be a minimum Service Charge for inspecting the product and determining the defect of \$150. Any additional charges necessary to repair the product will be quoted to Buyer, and must be authorized by Buyer before SAGE will proceed with repair. Once an evaluation is completed and a quote has been issued, Buyer can choose to proceed with the work or have the unit returned with only the evaluation and freight fee billed to the Buyer.

The validity, performance and interpretation of the limited warranty shall be governed by the internal laws (and not the laws of conflicts) of the State of California. All disputes arising in connection with the limited warranty shall be resolved, if not sooner settled, by a court of competent jurisdiction located in Monterey County, California, 93940, USA.

6. ACCEPTANCE STATES THE ENTIRE CONTRACT: The acknowledgment by SAGE of the Buyer's order or offer to purchase is an acceptance of the Buyer's order and intended to embody the complete and exclusive contract of sale in relation to the subject matter hereof, and no understandings or agreements, verbal or otherwise, in relation thereto except as herein expressly set forth or incorporated herein by reference shall be binding on either party.

The acknowledgment by SAGE of the Buyer's order(s) is accepted on the condition that the terms and conditions set forth herein shall apply and shall constitute complete agreement between the parties. Any provisions or conditions of the Buyer's order forms or any verbal or other understandings or agreements which are in any way in conflict with or in addition to these terms and conditions shall not be binding on SAGE and shall not be applicable, unless expressly agreed to in writing by SAGE herewith or hereafter. Buyer shall be deemed to have consented to the exclusive terms and conditions hereof unless objection by the Buyer hereto in writing has been

received by SAGE at its headquarters in Monterey, California, 93940 within three (3) working days after receipt of the acknowledgment by the Buyer, and in the event of such objection and at SAGE's option, the acknowledgment shall thereupon be revoked and the sale contract terminated.

7. DELIVERY: Delivery of equipment not agreed on the face hereof to be installed by or under supervision of SAGE shall be F.O.B. at SAGE's headquarters in Monterey, California, 93940. Shipping dates are approximate and are based upon current and anticipated manufacturing capabilities and upon receipt of all necessary information from the Buyer. SAGE reserves the right to make delivery in installments and the contract shall be severable as to each such installment. Delay in delivery or other default in any installment shall not relieve the Buyer of its obligation to accept and pay for remaining deliveries. If delivery of goods is delayed due to default in payment of the purchase price or to delay in receipt of shipping instructions, documents for payment, required inspection, export license or authorization or other cause for which SAGE is not responsible, charges for demurrage and storage shall be paid by the Buyer. All claims for a delay in delivery shall be deemed waived unless presented to SAGE in writing thirty (30) days after the delivery of each shipment.

Unless otherwise indicated on the front side of the invoice, all shipping and insurance charges, any duty and all taxes related to the Buyer's order shall be paid by the Buyer. Claims for damages in transit must be asserted against the Carrier. Within (7) days after receipt of shipment, the Buyer must report to SAGE any shortage or damage not due to the carrier, otherwise claims for such shortage or damage will be deemed waived.

8. CANCELLATIONS/ RETURN POLICY: Orders accepted by SAGE cannot be cancelled or countermanded, or shipments deferred or equipment returned except with the prior written consent from SAGE's headquarters in Monterey, California, 93940, and upon terms that will indemnify SAGE against any losses that may result, including the profit on any part of the order that is cancelled. When SAGE authorizes the return of equipment, the Buyer shall prepay the shipping charges on such returned equipment unless otherwise expressly stated by SAGE in its written return authorization. Note: In-Line or Insertion Flow Meters that have Flanges are not cancellable, if the Flange fabrication has begun, or is already completed.

After issuance of a purchase order (by phone, mail, e-mail or fax) or a credit card order (by phone, mail, e-mail or fax), there will be a cancellation fee for any cancelled order. Cancellations must be in writing (by mail, e-mail or fax): a) If credit card order or non-credit card order is cancelled within seven (7) days of issuance of purchase order or date order was placed (which ever is earlier), there will be a 10% cancellation fee (in addition to any "Expedite " fee; b) If credit card order or non-credit card order is cancelled after seven (7) days, but prior to shipment, there will be a 20% cancellation fee (in addition to any "Expedite " fee). (If order is cancelled due to late delivery, the cancellation fee will be waived. Late delivery is defined as shipping a meter seven [7] days or later than the delivery date acknowledged by Sage Metering at time of placing order); c) "Expedite" fees are defined as pre-negotiated fees agreed to by customer in order to guarantee delivery at or before a specific date that is sooner than normal delivery time. These arrangements are part of the Purchase Order, and are shown as a line item "EXPED" described as Expedite Service Fee; d) If a credit card customer (Buyer) decides to return the equipment after shipment for credit, credit will not be issued if equipment is damaged or if equipment is returned after four (4) months of shipment. If equipment is not damaged, then equipment can be returned after issuance of a Return Material Authorization (RMA) by Sage. Returned package must be insured by Buyer and must reference proper RMA# on outside of package, or package may be rejected (i.e., package will be returned unopened). Credit Card customers (Buyer) will be charged a 30% re-stocking fee (70% balance will be credited back). Buyer is responsible for return shipping charges and any damage if improperly packaged; e) If a non-credit card customer (Buyer) decides to return the equipment after shipment for credit, credit will not be issued if equipment is damaged, or if equipment is returned after one (1) month of shipment, unless authorized by a representative at Sage Metering, Inc. in writing. The Sage representative will issue a Return Material Authorization (RMA #) at that time and will advise of the restocking fee, and confirm in writing. Minimum restocking fee is 30%. Returned package must be insured by Buyer and must reference proper RMA # on outside of package, or package may be rejected (i.e., package will be returned unopened). Buyer is responsible for return shipping charges and any damage if improperly packaged.

9. FORCE MAJEURE: Fulfillment of this order is contingent upon the availability of materials. SAGE shall not be liable for any delays in delivery, or for non-delivery or nonperformance, in whole or in part, caused by the occurrence of any contingency beyond the control of either SAGE or suppliers of SAGE, including but not limited to one or more of the following causes: fires, destruction of plant; strike; lockout; dispute with workmen; epidemic; flood; accident; delay in transportation; war (whether declared or undeclared); insurrection; riot; blockage; embargo; acts, demands or requirements of the United States, or the country in which or through which delivery is to be made or any state or territory thereof, or of any governmental subdivision of any thereof; restraining orders for decrees of any court or judge; or any other cause whatsoever, whether similar or dissimilar to those herein before enumerated. The existence of any such cause or causes of delay shall extend the time of performance by the time or times measured by any such cause or

causes of delay. If delivery is not completed within sixty (60) days after the date stipulated in the acceptance of the order due to any said causes, either SAGE or the Buyer may cancel this contract on ten (10) working days notice to the other. If any contingency occurs, SAGE reserves the right to allocate production and deliveries among its customers.

10. ACCEPTANCE OF ORDERS: Orders and offers to purchase received by or on behalf of SAGE are subject to acceptance only at its headquarters in Monterey, California, 93940. No SAGE distributor, sales representative, or field agent has authority to accept orders or make contracts of sale on behalf of SAGE.

11. PRICES, TAXES AND TRANSPORTATION CHARGES: The sales price stipulated in this contract is exclusive of all customs duties, charges or surcharges, consular fees, sale, use, excise, turnover, occupational or transportation taxes, or any other taxes imposed by any country or political subdivision thereof. If any such tax or charge is imposed by law on the Buyer on account of this sale and SAGE is obligated to pay such tax or charge, the amount of such disbursement shall be reimbursed to SAGE by the Buyer forthwith in addition to the purchase price. Freight and insurance quotations are merely estimates based upon currently prevailing rates and, because SAGE has no control over such quotations, any variations in the actual rates at the time of shipment shall be for the Buyer's account. SAGE may add a charge for export packing to the price, and SAGE reserves the right to impose an additional reasonable charge for packing and/or packaging to comply with Buyer's specifications or instructions.

12. TERMS AND PAYMENT; INSTALLATION CHARGES, FINANCE CHARGES: Absent contrary provision on the face hereof and subject to approval and continuance of approval of credit by SAGE, terms of payment are thirty days net from the date of invoice. In the case of equipment for destination outside the United States, terms of payment are by Wire Transfer or Credit Card prior to shipment, unless otherwise noted, or other arrangements are approved in writing by SAGE's International Manager. All payments shall be in legal currency of the United States. Acceptance and endorsement by SAGE of an instrument for less than the full amount which claims to be due shall not be deemed to be an admission of payment in full and any conditions to the contrary which are noted on such an instrument shall not be binding on SAGE. SAGE's prices prevailing at time of each shipment shall apply. Prices are subject to correction for error.

All costs of installation shall be borne by Buyer. It is contemplated that any installation or supervision labor and services agreed on the face hereof to be performed by SAGE or SAGE agents, are to be performed during regular working hours on regular working days. If for any reason the Buyer requests SAGE to furnish any such labor or services outside of such regular working hours, any overtime or other additional expense occasioned thereby shall be billed to and paid by the Buyer.

A finance charge will be assessed on past due amounts at one and one half percent (1-1/2%) per month or the highest rate permitted by law whichever is lower.

13. TITLE AND RISK OF LOSS: Title and Risk of Loss shall pass to the Buyer upon delivery to the carrier, Buyer or Buyer's agent, unless specified otherwise. If, however, payment of the purchase price is not contemporaneous with, or does not precede delivery of the merchandise to the carrier or the Buyer, the Buyer agrees at SAGE's request to execute, acknowledge and record appropriate financing statements so as to perfect a security interest in the products in favor of SAGE, including, but not limited to, a UCC Form 1204 - Retail Installment Contract or the execution of a contract of conditional sale containing the provisions as SAGE shall deem proper.

Loss or damage that occurs during shipping is the Buyer's responsibility, unless an Incoterm was agreed to prior to the Sale that has contrary provisions.

14. PATENTS: Buyer shall indemnify and hold SAGE harmless from any claim of patent infringement if such patent infringement or claim involves product produced by SAGE at Buyer's direction or is based upon the use of the product in combination with other items where such infringement or claim thereof would not have occurred from the normal use for which the product was designed.

15. GENERAL PROVISIONS: SAGE reserves the right to correct any stenographical or clerical errors in any of the writings issued by it. Except as otherwise set forth herein, the terms and conditions of sale and any description on the face of this acknowledgement constitute a complete and exclusive statement of the terms and conditions of the sale of the products by SAGE to the Buyer. There are no other promises, conditions, understandings, representations or warranties. This Agreement may be modified only in a writing signed by SAGE. No waiver of any right will be effective against SAGE unless supported by consideration and expressly stated in the writing signed by SAGE, and the failure of SAGE to enforce any right will not be construed as a waiver of SAGE's right to performance in the future. The Buyer may not assign any rights to, or delegate any performance owed under this Agreement without the written consent of SAGE. SAGE shall have the right to credit toward the payment of any monies that may become due SAGE hereunder and any sums which may now or hereafter be owed to the Buyer by SAGE. The validity and performance in all matters relating to the interpretation and effect of this Agreement and any amendment hereto shall be governed by and construed in accordance with the internal laws (and not the laws of conflicts) of the State of California. The Buyer shall pay SAGE all fees, costs and expenses of SAGE reasonably incurred in the enforcement of SAGE's rights under or with respect to this Agreement, including, without limitation, reasonable attorneys' fees.

16. LICENSES AND PERMITS: Where Buyer is located in the United States, or has provided a duly executed power of attorney to its agent, Buyer shall be solely responsible for obtaining all export licenses or governmental permits necessary to export the products from the United States. At Buyer's request, SAGE will endeavor to assist Buyer in obtaining such licenses and permits. Buyer shall be solely responsible for obtaining all import permits or other documents necessary for the importation of the products into another country or political subdivision thereof.

17. ULTIMATE DESTINATION: United States Law prohibits disposition of the equipment to certain countries. It is the responsibility of Buyer to inform SAGE of the ultimate destination.

18. NON-DISCLOSURE OF CONFIDENTIAL AND/OR PROPRIETARY TECHNICAL INFORMATION: The Buyer shall not disclose any technical/proprietary information furnished by SAGE or acquired by Buyer or by virtue of or as a result of the implementation of this order to any person, firm or body or corporate authority and shall make all endeavors to ensure such technical/proprietary information is kept CONFIDENTIAL. Title to such technical/proprietary information imparted/supplied by SAGE to Buyer shall at all times remain the absolute property of SAGE.

19. SOFTWARE LICENSE: All software programs which are embodied in a human readable media or machine readable media and which include, but are not limited to, programs having a series of instructions, statements and data, and are related materials furnished by SAGE, are trade secrets and proprietary to SAGE. SAGE provides such programs under a non-transferable and non-exclusive license to use them on the system for which SAGE provided it; the Buyer may not assign, sublicense or otherwise transfer said license and programs or materials without the prior written consent of SAGE. In the event information/data is exchanged between SAGE and the Buyer, both parties mutually agree not to expose said programs to any claim, lien, conversion or any other encumbrance. SAGE and the Buyer further agree to exercise due care and employ reasonable efforts to prevent disclosure of said technical information/data/program(s) unless it was or is:

- a) Known to the receiving party without restriction when received or thereafter developed independently by the receiving party, or
- b) Obtained from a source other than the originating party, or
- c) In the public domain when received or thereafter enters the public domain through no fault of the receiving party, or
- d) Disclosed by the originating party to a third (3rd) party without restriction.

20. CHANGES: The Buyer may make changes, additions or deletions to specifications, drawings and other descriptions and conditions recited in the related document(s) upon written notice to SAGE. If any such change(s), addition(s) or deletion(s) initiated by the Buyer affects the cost of manufacture or time of delivery, SAGE shall give the Buyer written notice thereof within two (2) weeks from the date of Buyer's notice, and the Buyer shall give the instruction within a period of two (2) weeks from the date of Buyer's receipt of whether to accept SAGE's proposed cost or delivery changes or to withdraw such change(s). In case of withdrawal of change(s), addition(s), deletion(s) during the above period(s), the original contract price and/or delivery shall remain unchanged.

21. EQUAL EMPLOYMENT OPPORTUNITY: SAGE is committed to the maximum use of its employees' abilities and to complying with all applicable federal, state, and local laws and the principles of the Equal Employment Opportunity Act. The opportunities afforded throughout SAGE are available equally to all. Applicants and employees are evaluated based on job qualifications without regard to race, color, religion, sex, sexual orientation, national origin, age, disability that does not prevent one from performing the essential functions of the job, veteran status, marital status, citizenship, or any other characteristic covered by federal, state, or local law.

Equal employment opportunity applies to all terms, conditions, and privileges of employment, including hiring, promotion, demotion, transfer, recruitment, termination, rates of pay, other forms of compensation, and selection for training. Every employee has access to Company-sponsored educational, training, and recreational activities.