

ADVANCED WATER TREATMENT TECHNOLOGIES INC. SECURITY AGREEMENT

Advanced Water Treatment Technologies and affiliated dealers ("Seller") and the purchaser identified on the invoice ("Buyer") agree: Buyer has purchased certain property ("goods") and/or services from Seller, described on the invoice. Unless Buyer has paid for such goods and services in full, as indicated by Seller on the invoice, the following applies:

1. Buyer agrees to pay Seller for everything Buyer purchases from Seller. Unless Buyer has a separate, written Retail Credit Plan and Security Agreement ("Retail Agreement") or a separate Commercial Credit Plan and Security Agreement ("Commercial Agreement") approved by Seller, Buyer will pay immediately in cash for the goods or services purchased. If Buyer has entered into a Retail Agreement or a Commercial Agreement with Seller, Buyer agrees that all goods purchased are for the uses specified on the Retail Agreement and/or Commercial Agreement between Seller and Buyer. If Buyer fails to pay timely in cash, they will be billed after the 25th of the month and payment in full will be due on or before the 15th day (20 days of the statement closing date in California) of the following month. Buyer hereby authorizes Seller to conduct an investigation of the Buyer's credit history or standing with other creditors. The terms of the Retail Agreement or Commercial Agreement are incorporated by this reference. If more than one person has signed, and/or otherwise entered into a Retail Agreement or a Commercial Agreement with Seller on behalf of Buyer, or has signed the reverse side hereof, all obligations will be joint and several. If any payment tendered by Buyer is returned to seller unpaid, Buyer agrees that his or her bank account may be debited electronically for both the face amount of the tendered payment and for a returned check fee in an amount as allowed by state law.
2. If the invoice hereof indicates that the purchase terms are "cash", "cash on delivery" or "COD", "in full on delivery", Buyers agrees to pay the full amount of the purchase price and any delivery charges in cash or certified funds upon delivery by Seller to the location specified by the Buyer. Seller shall have no obligation to release the goods to Buyer unless the purchase price is paid in full. Seller may release the goods to any agent of the Buyer at the delivery location.
3. If Buyer has an open account with Seller or Signed a Retail Agreement or Commercial Agreement, the following shall apply (in the event of any inconsistency between the following and the terms of the Retail Agreement or Commercial Agreement, the terms of the respective Retail Agreement or Commercial Agreement shall control and shall supersede the provisions hereof):
 - a. When Buyer has a balance due Seller, Seller will bill Buyer monthly, after the 25th day of each month for all previous unpaid purchases. The monthly statement will set forth Buyer's total unpaid new balance and minimum monthly payment, if applicable. All payments hereunder will be due on or before the 15th day (20 days of the statement closing date in California) of each month.
 - b. If Buyer pays the total new balance on Seller's monthly statement before Seller's next statement closing date, no **FINANCE CHARGE** will be added to the new balance. If Buyers does not pay the total unpaid balance before the closing date on Seller's next monthly statement, Seller will add a **FINANCE CHARGE** as follows: Seller will take the beginning balance of the account each day, including any remaining balance owing from prior invoices, add any new purchases or charges, and subtract any payment(s) or credit(s) (the "Daily Balance"). Seller will multiply the Daily Balance by a Daily periodic rate of 0.04931 percent (the "**DAILY FINANCE CHARGE**") which is an **ANNUAL PERCENTAGE RATE** OF 18 percent. Seller will each day add the **DAILY FINANCE CHARGE** to the account. The **MONTHLY FINANCE CHARGE** will be the sum of the **DAILY FINANCE CHARGES** that accrue during the billing cycle.
 - c. For accounts carried in all 56 states with the exception of California and Montana, and overseas, Buyer agrees to pay a late payment fee of \$15.00 (\$10.00 in California and Montana) for each minimum payment that is not made by Buyer within 10 days (15 days in Idaho) of the date upon which the payment is due.
 - d. Buyer's payments will be applied in accordance with the terms of Buyer's Retail Agreement or Commercial Agreement with Seller.
 - e. To secure all amounts now or hereafter owing to Seller, Buyer grants Seller a contractual purchase money security interest in all goods sold by Seller to Buyer, as specified in Buyer's retail Agreement, Commercial Agreement or this Security Agreement as applicable with Seller. This includes all accessories, parts, substitutions, and additions to these goods and all proceeds, including insurance proceeds to the fullest extent allowed by law. This Security interest shall continue in all goods, even if Buyer has previously paid for the goods in full, at any such time as Buyer has a balance owing. Buyer agrees to execute financing statements covering all property sold under this Security Agreement and to do any further acts and execute any other documents necessary or appropriate to establish and maintain a perfected and senior security interest. Seller may file copies of this Security Agreement as a financing statement.
 - f. If Buyer has a commercial Agreement with Seller, Buyer agrees that:
 - i. Until termination of this Agreement, Buyer must keep the goods insured with adequate casualty insurance against all expected risks to which the goods are exposed and those that Seller may reasonably designate;
 - ii. The Insurance policies referred to in (i) above must be acceptable to Seller;
 - iii. Buyer must comply with all laws affecting the goods, to pay all taxes and other assessments that may be levied against the goods, and not permit any other liens or security interests that are either prior or equal to the lien of this Security Agreement to attach to the goods.
 - g. If Buyer fails to perform as agreed, if Seller reasonably deems itself unsecured, or if Buyer is otherwise in default under Buyer's Retail Agreement, Commercial Agreement or this Security Agreement, Seller may take any action allowed under law, including without limitation:
 - i. Seller may declare everything Buyer owes immediately due and payable without further notice.
 - ii. Seller may take back any goods. Seller may enter Buyer's property without further permission from Buyer.
 - iii. Buyer agrees to pay all fees, costs and expenses of collections, and/or all fees, costs and expenses of repossessing the goods, selling them, and all fees, costs and expenses of any other efforts to collect what Buyer owes Seller to the fullest extent allowed under applicable law.
 - iv. Buyer agrees to pay Seller's attorney's fees, costs and expenses, whether or not there is a lawsuit, and Buyer agrees to pay Seller's attorney, court costs and expenses, both at trial and on appeal to the fullest extent allowed under applicable law. All such sums are secured by this Agreement.
 - h. All remedies shall be cumulative. Failure of Seller to exercise a remedy shall not waive that remedy. A waiver of default by Seller must be in writing to be effective.
 - i. Seller may change the terms of this Security Agreement, including but not limited to, the **FINANCE CHARGE** and the applicable **ANNUAL PERCENTAGE RATE OR RATES**, the method of computing the balance on which the **FINANCE CHARGE** is applied, the minimum monthly payment required, the closing date and length of the monthly billing cycle, by mailing a notice of change to Buyer as may then be required by applicable law.
4. Any claims for billing adjustment in connection with any invoices must be presented in accordance with the billing errors statement on the Buyer's Retail Agreement, Commercial Agreement or monthly billing statement as applicable, or if Buyer has not executed a Retail Agreement or Commercial Agreement, within sixty (60) days following the invoice date, in writing to the address of Seller set forth on the invoice hereof.

5. Buyer agrees that any down payment or deposits advanced for the purchase of equipment is not refundable. Seller shall have no obligation to release the goods to Buyer unless the purchase price is paid in full.
6. For CAD transactions, Buyer agrees to pay for any demurrage fees and other incidental costs associate with Buyer's late payment.
7. LIMITED WARRANTY/REMEDY. Please refer to standalone warranty for each product.
8. WARRANTY RESTRICTIONS. THE LIMITED WARRANTIES SET FORTH IN SECTION 7 ABOVE DO NOT COVER NORMAL WEAR AND TEAR AND ARE NON-TRANSFERABLE. IN ADDITION, THE LIMITED WARRANTIES SET FORTH IN SECTION 7 DO NOT APPLY TO ANY WARRANTIED GOOD WHICH HAS BEEN SUBJECTED TO (A) ACCIDENT, ABUSE, MISUSE, MISHANDLING, NEGLIGENCE, MISAPPLICATION OR IMPROPER MAINTENANCE; (B) A FAILURE CAUSED BY ANY ITEM WHICH SELLER DID NOT PROVIDE OR FOR WHICH SELLER IS NOT RESPONSIBLE; (C) IMPROPER INSTALLATION OR USE; (D) ANY UNAUTHORIZED REPAIR, MODIFICATION OR ALTERATION, INCLUDING, WITHOUT LIMITATION, USE OF UNAUTHORIZED PARTS OR ATTACHMENTS, OR (E) MISHANDLING, MISAPPLICATION, NEGLIGENCE AND/OR ACCIDENT.
9. DISCLAIMER OF WARRANTIES. THE LIMITED WARRANTIES SET FORTH IN SECTION 7 ARE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED (THE "WARRANTIED GOODS"). ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, DESCRIPTION OR QUALITY NOT EXPRESSLY SET FORTH HEREIN, ARE HEREBY EXCLUDED TO THE EXTENT PERMITTED BY LAW. TO THE EXTENT AN IMPLIED WARRANTY CANNOT BE EXCLUDED, SUCH WARRANTY IS LIMITED IN DURATION TO THE MINIMUM PERIOD PERMITTED BY APPLICABLE LAW OR, IF NO SUCH PERIOD IS PROVIDED, TO THE EXPRESS LIMITED WARRANTY PERIOD FOR THE GOODS SET FORTH IN SECTION 7, IF APPLICABLE. NO AFFIRMATION OF SELLER, BY WORDS OR ACTION, OTHER THAN AS SET FORTH IN THIS WARRANTY CLAUSE, SHALL CONSTITUTE A WARRANTY. SELLER MAKES NO GUARANTEE OF THE RESULTS TO BE OBTAINED FROM THE USE OF THE GOODS. GOODS WHICH MAY BE SOLD BY SELLER BUT WHICH ARE NOT MANUFACTURED BY SELLER ARE NOT WARRANTED BY SELLER, BUT ARE SOLD ONLY WITH THE WARRANTIES, IF ANY, OF THE MANUFACTURERS THEREOF.
10. FURTHER WARRANTY PROVISIONS AND WARRANTY RETURN PROCEDURES. a) Any warranty claim by Buyer with reference to the Goods shall be deemed waived by Buyer unless submitted in writing to Seller within the applicable warranty period set forth above; b) Buyer agrees to inspect all Goods immediately upon its receipt thereof. All claims against Seller for a breach of the applicable limited warranty must be submitted to Seller prior to any further processing, assembling or any other work is undertaken; c) No alteration or amendment to the above conditions listed herein shall be binding on Seller except if made in writing duly executed by an authorized officer of Seller; d) Seller shall have no liability for any loss arising out of Goods which conform to written specifications provided or accepted by Buyer and which are agreed upon in writing by Seller; and no liability for any loss, whether the Goods conform or not, to specifications not agreed upon in the above manner; e) All warranty claims require a Returned Goods Authorization ("RGA") number with explanation of claim, and, if applicable, a copy of the original purchaser's receipt. RGAs are obtained by contacting the Seller's sales department; f) At Seller's request, Buyer will send, at its sole expense, any allegedly defective Goods to a location specified by Seller for evaluation along with a warranty claim tag detailing the respective contact information and the nature of the defect or complaint; g) If Seller determines that the defective Goods are not covered under any of Seller's warranties, such Goods will be returned to Buyer and no further action will be taken. h) All goods returned be must be shipped back to Seller 30 days following Buyers request to return such Goods. After 30 days, goods will be considered as accepted by Buyer.
11. NON-WARRANTY RELATED RETURNS. Delivered Goods returned to Seller must be pre-authorized by Seller and require a RGA number. Handling, inspection, restocking (which will be 30% of the invoice price unless otherwise agreed to writing by Seller) and invoicing charges will be assessed, plus any outgoing packing and freight expenditures paid by Seller. All returns allowed must be shipped to Seller prepaid and fully insured and must be in excellent resale condition. Discontinued Goods and Goods processed to Buyer's specifications are not returnable.
12. LIMITATION OF LIABILITY. SELLER'S LIABILITY (WHETHER UNDER THE THEORIES OF BREACH OF CONTRACT OR WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE) FOR THE WARRANTIED GOODS, DURING THE WARRANTY PERIOD, SHALL BE LIMITED TO REPAIRING OR REPLACING SUCH WARRANTIED GOODS FOUND BY SELLER TO BE DEFECTIVE WITH NEW OR RECONDITIONED GOODS AT SELLER'S DISCRETION, OR AT SELLER'S OPTION, TO REFUNDING THE PURCHASE PRICE OF SUCH GOODS OR TO GIVING AN ALLOWANCE THEREFOR, PROVIDED, HOWEVER, THAT THE COST OF SUCH REPAIRED OR REPLACED GOODS SHALL NOT EXCEED THE TOTAL VALUE OF THE GOODS. THE PARTIES HERETO EXPRESSLY AGREE THAT BUYER'S SOLE AND EXCLUSIVE REMEDY AGAINST THE SELLER SHALL BE FOR THE REPAIR OR REPLACEMENT OF THE DEFECTIVE WARRANTIED GOODS OR, WITH SELLER'S CONSENT, THE REFUND OF THE PURCHASE PRICE OR ALLOWANCE THEREFOR. BUYER HEREBY AGREES THAT THIS EXCLUSIVE REMEDY SHALL NOT BE DEEMED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE SO LONG AS THE SELLER IS WILLING AND ABLE TO REPAIR OR REPLACE THE DEFECTIVE WARRANTIED GOODS IN THE PRESCRIBED MANNER OR REFUND THE PURCHASE PRICE OR GIVE BUYER AN ALLOWANCE THEREFOR.
13. ACCEPTANCE OF GOODS, DELIVERY AND TRANSPORTATION. Upon Buyer's receipt of shipment, Buyer shall immediately inspect the Goods. Unless Buyer provides Seller with written notice of any claim or shortages of or defects in the Goods, including without limitation any claim relating to quantity, weight, condition, loss or damage thereto, within **one** day after receipt of shipment, such Goods shall be deemed finally inspected, checked and accepted by Buyer. Unless Seller otherwise expressly agrees in writing: (i) all Goods originating from any of Seller's facilities outside the United States are sold C.I.F. (Incoterms 2010) United States port of entry selected by Seller, duty paid; and (ii) all Goods originating from any of Seller's facilities within the United States are sold Ex-Works (EXW) (Incoterms 2010) Seller's facility in the United States. Delivery of Goods shall be deemed complete upon the placing of the Goods at the disposal of Buyer, United States port of entry or Seller's facility in the United States, as applicable. Seller will determine the point of origin of shipment. In the absence of shipping and packing instructions, Seller shall use its own discretion in choice of carrier and method of packing. Seller shall not be responsible for insuring shipments unless specifically requested by Buyer and any insurance so requested shall be at Buyer's sole expense. Unless otherwise expressly agreed to in writing by Seller, the Goods covered hereby shall be installed and erected by and at the expense of Buyer. In the event that any installation or erection is to be performed by Seller, Buyer shall pay to Seller, in addition to the quoted price for the Goods, any applicable installation or erection fees plus any unforeseeable costs and expenses. Buyer shall be responsible for securing all governmental permits therefore as well as compliance with all local union rules, regulations and building codes. Any delivery date quoted to Buyer is only an estimate based on present scheduling requirements. Seller shall have the right to make partial deliveries and to be paid, pro rata, for the goods so delivered notwithstanding the existence of a specific delivery schedule which is stated to be of the essence, nor of the fact that any partial delivery is made in advance of such schedule. Seller reserves the right, with respect to each delivery, to make deliveries in installments. All such installments may be separately invoiced and paid for when due, without regard to subsequent deliveries.
14. TITLE AND RISK OF LOSS. Title to any Goods sold and risk of loss of such Goods passes to Buyer upon placing of the Goods at the disposal of Buyer, United States port of entry or Seller's facility in the United States, as provided in Section 10, and thereafter any claims for losses or damage shall be made by Buyer directly to any carrier.
15. CREDIT TERMS. All orders and shipments shall at all times be subject to the approval of Seller's credit department. If, subsequent to the confirmation of order, circumstances arise with respect to the financial condition of Buyer which in the opinion of Seller threaten Buyer's ability to make payments when due hereunder, or should Buyer fail to make payments when due or otherwise fail to perform its outstanding obligations, then Seller may refuse to perform further hereunder unless

Buyer makes payment in full or provides sufficient security in a form acceptable to Seller within a period of ten (10) business days from receipt of notice therefor by Seller. Should Buyer fail to comply with Seller's request contained in such notice within the aforementioned period, then Seller may terminate the contract, defer or cancel the order and/or recover damages based on Buyer's breach and, in such event, Seller shall not be liable for breach or nonperformance of this contract in whole or in part. Seller's failure to exercise any right accruing from any default of Buyer shall not constitute a waiver of Seller's rights and shall not impair Seller's rights with respect to a particular default or in case of any subsequent default of Buyer.

16. SECURITY INTEREST. To secure prompt payment of the purchase price for the Goods, Buyer hereby grants to Seller and its affiliates, successors and assigns a purchase money security interest and/or general security interest in the Goods and all proceeds thereof (together, the "Collateral"). Upon any default by Buyer, Seller and its affiliates, successors and assigns shall have all rights, remedies and privileges in and to the Collateral as provided by the applicable sections of the Uniform Commercial Code as presently in effect in any applicable jurisdiction and as amended from time to time. Seller and its affiliates, successors and assigns are hereby given a power of attorney to sign and file all necessary financing statements on behalf of Buyer with respect to the Collateral. Seller and its affiliates, successors and assigns may authorize any third party to do such acts on their behalf as they are authorized to do under this Section.
17. COSTS OF COLLECTION. If, at any time, Seller or its affiliates, successors or assigns incur any legal expenses or other costs or expenses in connection with (i) any litigation, contest, suit, dispute, proceeding or action in any way relating to the Collateral, (ii) any attempt to enforce any of their rights against Buyer or any other person which may be obligated to them hereunder, or (iii) any attempt to inspect, verify, protect, preserve, restore, collect, sell, liquidate or dispose of the Collateral, then, in any such event, the expenses and costs (including attorney's fees) relating to any of the foregoing events or actions shall be payable by Buyer on demand and shall be considered additional obligations hereunder secured by the Collateral. Seller reserves the right to revoke any credit extended to Buyer at any time because of Buyer's failure to pay for any goods when due or for any reason deemed good and sufficient by Seller.
18. NO INSURANCE. Unless otherwise expressly set forth in the Instrument of Sale, Seller is neither providing, nor offering to provide, directly or indirectly, any first or third party insurance coverage in connection with the sale of the Goods to Buyer.
19. TAXES. Any sales, use or similar taxes, export or custom charges, tariffs, fees or other levies, taxes, duties, governmental charges or surcharges now or hereafter imposed under any present or future law in connection with the production, sale, delivery, use or proceeds of the Goods, including without limitation any equipment, accessories, and attachments (including replacements thereof or spare or replacement parts thereof), any installation, repair, maintenance and instructional services, and any processes or know-how (whether patentable or otherwise) and software, shall be payable by Buyer, and if such taxes or fees are paid or are required to be paid by Seller, the amount thereof shall be added to and become part of the price payable by Buyer hereunder, unless Buyer provides Seller with a valid tax exemption certificate.
20. PACKAGING. Prices stated are based on Seller's standard packaging. Seller reserves the right of packaging the Goods in pallets, bulk or individual cartons. Packaging will be standard commercial package and acceptable to commercial carriers. Special Buyer packaging will be furnished only when specified, and the cost thereof shall be borne by Buyer.
21. DELAYS. Unless expressly specified to the contrary, Goods in stock will be shipped immediately, and Goods not in stock will be shipped as soon as possible. However, all shipping dates are approximate, and are based upon current availability of materials, present production schedules, and prompt receipt of all necessary information. Such times of delivery, moreover, will be calculated from the later of: (i) the date of Seller's Order Confirmation; and (ii) the date of receipt by Seller from Buyer of any required down payment or deposit and all necessary information and instructions, including any required approval of drawings and technical or commercial clarification of any kind. Seller shall be permitted to deliver the Goods to Buyer prior to any delivery date and in partial shipments without penalty to Seller. Buyer is required to furnish promptly to Seller all information required for the manufacture or acquisition of the Goods without delay or interruption. When an order exceeds quantity of Goods in stock, backorders are created automatically. All backorders are left open until fulfillment is possible, unless expressly cancelled by Buyer in writing prior to shipping. Buyers who in general do not accept backorders must inform Seller in writing so that Buyer accounts can be set up properly. Seller will not be liable for any damage, loss, fault, or expenses arising out of delays in shipment or other nonperformance of these Terms and Conditions caused by or imposed by (a) strikes, fires, disasters, riots, terrorist act or acts of God, (b) acts of Buyer, (c) shortages of labor, fuel, power, materials, supplies, transportation or manufacturing facilities, (d) governmental action, (e) subcontractor or supplier delay including, but not limited to, failure by subcontractor or supplier to make timely delivery, or (f) any other cause or condition beyond Seller's reasonable control. In the event of any such delay or nonperformance, Seller may, at its option and without liability, cancel all or any portion of the contract and/or extend any date upon which any performance hereunder is due.
22. TERMINATION, CANCELLATION AND CHANGES. Except as otherwise provided herein or in the Instrument of Sale, orders cannot be terminated, cancelled or modified, or shipment deferred after acceptance of Buyer's order by Seller, except with Seller's written consent and subject to reasonable charges for expenses incurred and work executed by Seller or its suppliers. Buyer shall be obligated to accept any portion of the Goods shipped or delivered by Seller pending Seller's written approval of cancellation. Orders for custom made material may not be canceled after Seller has commenced production, unless Seller agrees in writing. Unless Seller otherwise expressly agrees in writing, all descriptions, specifications (when subject to Buyer influence), drawings, samples, data and information provided by Seller are only approximate. Seller reserves the right to modify the design and construction of the Goods without notice to Buyer in order to incorporate improvements or to substitute material equal or superior to that originally specified, and in such instance to modify drawings and technical data.
23. CONFIDENTIALITY. All files records, documents, drawings, specifications, data, equipment, intellectual property, and other similar items relating to the business of Seller, including, but not limited to employee training information, customer lists and contacts, marketing methods, identity of vendors and suppliers, cost of materials, manufacturing processes and techniques, computer data, scientific studies, analysis, and conclusions, performance and other technical data, and sales and pricing information, (collectively "Confidential Information"), is, and shall remain, the sole and exclusive property of Seller. Buyer shall not misappropriate, disclose, divulge, communicate, or otherwise misuse, directly or indirectly, any Confidential Information in any fashion, form or manner to any person, firm, partnership, corporation, or other entity, unless expressly authorized by Seller in writing.
24. INDEMNIFICATION. Buyer shall hold harmless, defend, save and indemnify Seller, its parent, subsidiary, and affiliated companies, and its and their respective agents, partners, employees, members, managers, representatives, officers, directors, and its and their respective heirs, assigns, successors and executors from and against any and all liability, claims, demands, whether groundless, false or fraudulent, costs (including expert and attorney's fees), damages, losses, judgments and awards, arising out of or in any way connected with any act or omission of Buyer. The duty to defend as provided herein is separate and distinct from the duty to indemnify, and shall arise immediately upon the tender of any third party claim or demand, and shall continue until it is conclusively proven that there is no possibility for indemnity.
25. EXPORT COMPLIANCE. Buyer agrees and covenants to comply with all export control laws of the United States of America. If, at any time, Buyer knows or has reason to believe that the covenant set forth in the preceding sentence has not been, may not have been, or may not be, complied with by any party (a "Non Compliance Event"), Buyer shall have an affirmative obligation to give actual notice thereof to Seller immediately and without delay. Buyer agrees and covenants further that Seller may, in its sole discretion, terminate any and all of its obligations under the contract or hereunder because of any Non-Compliance Event (regardless of whether Buyer has given notice as required by this Section), and that Seller shall not be subject to any liability as a result of, or in connection with, any such termination.

26. COMPLIANCE WITH THE FOREIGN CORRUPT PRACTICES ACT. Buyer agrees to comply in all respects with the U.S. Foreign Corrupt Practices Act of 1977 ("FCPA"), as amended, which makes it unlawful for any U.S. company or any officer, director, employee, agent or stockholder thereof acting on behalf of such U.S. company to directly or indirectly offer to pay any bribe, gift or thing of value to any foreign official, candidate for foreign office, foreign political party or party official to influence any act or decision of such persons or entities in their official capacity. Additional information concerning the FCPA can be found at the following web address: <http://www.justice.gov/criminal/fraud/fcpa/>. Seller's "good faith" belief that Buyer has failed to comply in all respects with the requirements of this Section and the provisions of the FCPA shall constitute a material breach of the Instrument of Sale and these Terms and Conditions entitling Seller to immediately suspend or terminate same.
27. INTELLECTUAL PROPERTY. Any Intellectual Property (defined below) rights of Seller embodied in, displayed on, or otherwise used or provided at any time in connection with, the Goods or the Instrument of Sale, or any patent or patent application claiming such Intellectual Property or any other proprietary right covering such Intellectual Property (collectively, "Patent Rights"), shall be owned exclusively by Seller. Without Seller's express prior written permission, no reproduction, use or communication to third parties of any such intellectual property are permitted. "Intellectual Property" shall mean all patentable and unpatentable inventions, discoveries, improvements, enhancements, modifications, data, trademarks, patents, copyrights, trade secrets, know-how and any equivalents thereof that either Buyer or Seller generates at any time for the Goods, and that also are not in the public domain. Upon written request, Buyer shall execute and deliver to Seller all descriptions, applications, assignments and other documents and instruments necessary or proper to carry out the provisions of any agreement or assert Seller's ownership of its Intellectual Property and Patent Rights in the Goods, without further compensation. In addition, Buyer shall reasonably cooperate with and assist Seller or its nominees in all reasonable ways and at all reasonable times, including, but not limited to, testifying in all legal proceedings, signing all lawful papers and in general performing all lawful acts reasonable, necessary or proper, to aid Seller in maintaining, defending and enforcing all Intellectual Property and Patent Rights, and the like, in the United States and elsewhere. If Buyer is required to approve general arrangement or assembly drawings, such approval shall constitute a warranty by Buyer that the Goods can be properly arranged and installed in existing or planned facilities of Buyer and are suitable for use with existing equipment or equipment furnished by Buyer or third parties.
28. NO WAIVER. Forbearance or failure of Seller to enforce any of the terms and conditions stated herein, or to exercise any right accruing from default by Buyer, shall not affect or impair Seller's rights arising from such defaults; nor shall forbearance or failure be deemed a waiver of Seller's rights in case of any subsequent default by Buyer.
29. SEVERABILITY. If any provision of these Terms and Conditions is unenforceable or invalid, these Terms and Conditions shall be interpreted and enforced to the greatest extent possible as if the unenforceable provision or portion had never been a part hereof.
30. NONEXCLUSIVITY. Buyer acknowledges that Seller is not obligated to sell Goods exclusively to Buyer. Seller may sell Goods (including goods similar to those provided to Buyer) to any third-parties, regardless whether such third-parties are in direct competition with Buyer.
31. HEADINGS. The headings of Sections are for reference only and shall be given no substantive effect whatsoever.
32. LANGUAGE. English is agreed to be the contractual language. All documents notices and other communications, written or otherwise, between the parties shall be in English, except as otherwise expressly agreed to in writing by Seller.
33. ASSIGNMENT. These Terms and Conditions shall be binding upon and shall inure to the benefit of the successors and assigns of Buyer and Seller provided, however, that Buyer may not assign or transfer the Instrument of Sale or these Terms and Conditions, in whole or in part, except upon the prior written consent of Seller.
34. LIMITATION PERIOD. ANY LEGAL PROCEEDING MUST BE COMMENCED WITHIN TWO YEARS FROM THE EARLIER OF: (I) THE DATE THE CAUSE OF ACTION ACCRUES; OR (II) THE DATE THE GOODS ARE DELIVERED. ANY DISCREPANCY IN SELLER'S PRICING OR OTHER CHARGES SHALL BE DEEMED WAIVED BY BUYER UNLESS BUYER NOTIFIES SELLER THEREOF, IN WRITING, WITHIN SIXTY (60) DAYS FROM THE DATE OF THE INVOICE ON WHICH SUCH DISPUTED TRANSACTION IS REFLECTED
35. GOVERNING LAW; VENUE; RESELL. Unless otherwise specified in the Instrument of Sale, the Instrument of Sale and these Terms and Conditions shall be construed in accordance with and governed by the laws of the State of New Jersey, without regard to its conflicts-of-laws rules or principles. All actions or proceedings arising directly or indirectly herefrom or related hereto shall be litigated only in the courts of Hood River in the State of Oregon. The parties hereby consent to the jurisdiction and venue of such courts.
36. ENTIRE CONTRACT. Buyer and Seller hereby agree that these terms and conditions along with the instrument of sale shall constitute the entire agreement between Buyer and Seller and no prior or contemporaneous oral or written statement, correspondence, sample or other terms, quotations or understandings shall modify, alter or in any way affect the terms thereof.