

## INSITUFORM TECHNOLOGIES, LLC PROPOSAL TERMS AND CONDITIONS

1. Applicable Terms. These terms and conditions govern the provision of Goods and Services by Insituform Technologies, LLC ("Insituform") to Customer as detailed in Insituform's Proposal. Customer acknowledges that these terms and conditions are an integral part of Insituform's Proposal and are incorporated in the Proposal as if set forth in full. All terms and conditions contained in any other oral or written communication, including Customer's request for proposal(s), request for quote(s), or purchase order(s) which are different from or in addition to the terms and conditions herein are hereby expressly rejected and will not be binding on Insituform, whether or not they would materially alter this document. All prior proposals, negotiations, and representations, if any, are merged herein. Notwithstanding the foregoing, Insituform and Customer may enter into a subcontract for the work set forth in the Proposal and to the extent there is a conflict between these terms and conditions and any such subcontract, these terms and conditions shall prevail unless the parties expressly agree in writing with specific reference to these terms and conditions.
2. Payment Terms. Customer agrees to pay for the Goods and Services in full within thirty (30) days from the date of invoice unless otherwise stated. Monthly partial progress payments may be requested for the value of work in progress or completed, including materials delivered to the job site. If Customer fails to make any payment to Insituform when due, Customer's entire account(s) with Insituform will be in default and become immediately due and payable without notice or demand. Customer will be charged 1.5% interest per month, compounded monthly, or the maximum rate of interest allowed by law, whichever is less, on all amounts not received by the due date until fully paid, including any interest due. Insituform reserves the right to change its payment terms in its sole discretion based on its concern about Customer's ability to pay or perform any obligation owed to Insituform. Insituform reserves the right to suspend performance pending its receipt of adequate assurance of past due payment in a manner acceptable to Insituform in its sole discretion. Should Insituform incur costs or expenses to collect monies due from Customer, Customer shall pay to Insituform, in addition to all other sums due, reasonable attorneys' fees, consultants' costs, and other expenses and costs, including litigation expenses, arbitration expenses, and arbitrator compensation in connection therewith. Quantities in the Proposal are estimated. Unit prices apply for invoice and payment.
3. Labor Rates. Unless expressly stated otherwise in the Proposal, the price set forth in the Proposal is based on Insituform's wage rates as currently in effect. If Insituform is required to pay prevailing wages to its employees providing the services or adhere to any project labor agreement or similar agreement not disclosed to Insituform at the time the Proposal is issued, Customer agrees to pay any additional payroll expense or other expense incurred by Insituform which shall be deemed added to the price in the Proposal.
4. Schedule. The schedule for the performance of the Services will be mutually agreed upon with the objective of coordinating such schedule, to the extent practicable, with Customer's schedule. If the Proposal sets forth specific periods of time for rendering Services, or specific dates by which Services are to be completed, and such periods of time or extended or delayed through no fault of Insituform, Insituform's compensation and schedule shall be equitably adjusted. Any restrictions to Insituform's normal work hours required by local, state, or federal law or authorities shall result in an equitable adjustment of schedule and compensation. Any deadline shall be extended for a reasonable amount of time (as determined in Insituform's sole discretion) due to any of the following events or the effects thereof: (a) change orders, (b) force majeure, (c) late delivery of drawings, data, equipment, materials or other items to be furnished in connection with Insituform's obligations by Customer or its other subcontractors or suppliers, (d) excessive inspection by or on behalf of Customer, (e) other interference with Insituform's obligations by Customer or its agents, contractors or subcontractors, (f) inaccessible site of work, (g) transportation delays, or (h) any other circumstances beyond Insituform's reasonable control, whether similar or dissimilar to the foregoing. If Insituform is delayed on site for reasons beyond its reasonable control, Customer shall compensate Insituform for standby time at a rate of \$1,200.00 per hour. In no event shall Insituform be subject to liquidated or other damages arising from or related to any of the foregoing events.
5. Changed Conditions. If conditions are encountered at the job site which (a) are materially changed from the time of the Proposal, (b) present subsurface or otherwise concealed physical conditions which differ materially from the information on which the Proposal is based, or (c) present unknown conditions of an unusual nature which differ materially from those ordinarily found to exist, then the schedule and compensation shall be equitably adjusted. Insituform has based its Proposal on a nominal wall thickness for the CIPP tube as shown in the price. This is based on the best available information at the time of this Proposal. Existing pipe deterioration in excess of the conditions assumed, ground water loads in excess of those assumed, or other loads or conditions may increase the recommended thickness for all or part of the work. Final recommendations on wall thickness may be submitted following the completion of the preliminary TV phase of the project. Stated prices are subject to adjustment if design changes are expressly agreed upon in writing or necessitated by information received by Insituform after this Proposal is issued.

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6. Limitation of Liability. EXCEPT FOR LIABILITY TO INSITUFORM AS A RESULT OF CUSTOMER'S MATERIAL BREACH OF SECTIONS 8 AND 12 OF THE PROPOSAL'S TERMS AND CONDITIONS, IN NO EVENT SHALL INSITUFORM OR CUSTOMER BE LIABLE TO THE OTHER, ITS AFFILIATES, SUCCESSORS, ASSIGNS, VENDEES OR TRANSFEREES, OR TO ANY OTHER THIRD PARTY FOR ECONOMIC LOSS, LOST PROFITS OR BUSINESS OPPORTUNITIES, INCIDENTAL, CONSEQUENTIAL (INCLUDING LOSS OF PRODUCTION, LOSS OF PRODUCT, LOSS OF USE, LOSS OF BUSINESS AND BUSINESS INTERRUPTION, LOSS OF REVENUE, PROFIT, OR ANTICIPATED PROFIT, WHETHER SUCH LOSSES WERE FORESEEABLE AT THE TIME OF ENTERING THIS AGREEMENT), SPECIAL OR PUNITIVE DAMAGES OR LOSSES, EVEN IF THE PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ARISING OUT OF, RESULTING FROM, OR RELATING IN ANY WAY TO THIS AGREEMENT OR THE ACTS OR OMISSIONS OF THE PARTIES IN CONNECTION WITH THIS AGREEMENT.

7. LIMITED WARRANTY. Insituform warrants that the material and services provided will be free of defects in materials and workmanship. Such warranty will continue for a period of one year following the completion of Insituform's work. This warranty is conditioned on Insituform's verification of the claimed defect. This warranty is conditioned on Customer giving Insituform written notice of any warranty claim within a reasonable time after the discovery of the defect and in no event more than one year following the completion of Insituform's work. The sole remedy for any such defect shall be Insituform's correction of the work or materials and is conditioned on Customer granting Insituform suitable access and working conditions to accomplish such correction. INSITUFORM EXPRESSLY DISCLAIMS ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE WARRANTY SET FORTH IN THIS SECTION IS INSITUFORM'S SOLE AND EXCLUSIVE WARRANTY FOR THE MATERIAL AND SERVICES PROVIDED AND IS SUBJECT TO SECTION 6 ABOVE. When cured in place pipe ("CIPP") is required to negotiate bends or defects in the host pipe, there is a tendency to experience wrinkling in the installed CIPP around the inside radius of the bend or in the area where the host pipe defect is located. This is not a defect, is normal, and should be expected. It will not affect the structural integrity of the finished product. Insituform will not be liable for wrinkles in the CIPP at the locations of bends or defects in the host pipe.

8. Acceptance. The Proposal is valid for thirty days from the date of the Proposal unless rescinded by Insituform. The acceptance period may be extended only in the sole discretion of Insituform and such extension must be expressly set forth by Insituform in writing. If Customer does not sign the Proposal, Customer's ordering of goods or services by purchase order or otherwise shall be treated as Customer's acceptance of the Proposal and its terms and conditions. The acceptance of this Proposal creates a binding contract regarding the applicable project at the prices quoted herein and subject to these terms and conditions. Customer acknowledges that Insituform has used time and resources to prepare the Proposal in reliance on Customer's express agreement that if Insituform's Proposal is the lowest for the Goods and Services at the time of bid, the Owner's award to Customer of the Prime Contract or notification to Customer of the award of the Prime Contract, whichever occurs first, shall in any event constitute acceptance of the Proposal. Insituform reserves the right in its sole discretion to change its pricing based on any unforeseeable delay in beginning and completing its work which is not caused by Insituform.

9. Service Reconnection. Service connections will be reconnected only upon written directions from the Customer. The Customer will indemnify and hold Insituform harmless from all claims and liability arising from services not reconnected based on Customer's instructions or omissions. If Insituform is unable to locate or reconnect a service lateral internally, the Customer will externally reconnect the service at no cost to Insituform.

10. Set-off and Backcharges. Customer will not be entitled to set-off any amounts due to Customer against any amount due to Insituform from Customer. Insituform will not be responsible for any backcharges unless approved in writing in advance by an authorized representative of Insituform.

11. Equal Employment Opportunity. To the extent applicable to Insituform's activities under this Proposal, Insituform shall comply with the following laws and regulations: Executive Order 11246 (and its implementing regulations at 41 C.F.R. part 60); the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended (and its implementing regulations at 41 C.F.R. 60-250); and Section 503 of the Rehabilitation Act of 1973, as amended (and its implementing regulations at 41 C.F.R. 60-741); and the equal employment opportunity clauses within each of the above regulations, as applicable, are included by reference in this Proposal.

12. Proprietary and Confidential Information. The information contained in the Proposal is proprietary to Insituform and shall be retained by Customer in confidence and shall not be published or otherwise disclosed by Customer, its employees, and agents to third parties without the written consent of Insituform except for disclosures required by law.

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Any publication or unauthorized disclosure of the Proposal or its material terms by Customer or its employees, agents, or affiliates shall be a material breach of this Agreement and entitle Insituform to damages for unauthorized disclosure.

13. Termination. This Proposal may be terminated by Insituform without notice and without liability to Insituform should Customer fail to materially perform in accordance with this Agreement, be the subject of proceedings under insolvency or bankruptcy law, or make an assignment for the benefit of creditors. However, Insituform shall be entitled to be paid in full for its work and material provided until the date of termination.

14. Miscellaneous. No part of this Proposal may be changed except by a written document signed by Insituform. As used in this Proposal, "including" and its variants mean "including without limitation" and its variants. No course of dealing or performance, usage of trade, or failure to enforce any terms will be used to modify the Proposal. The headings used in this Proposal are for general ease of reference and are not part of this Proposal. In any of these terms are unenforceable, such term will be limited only to the extent necessary to make it enforceable, and all other terms will remain in full force and effect. Customer may not assign this Proposal without Insituform's prior written consent. Nothing in this Proposal shall be construed to create, impose, or give rise to any duty owed to any third party. A waiver of the terms and conditions of this Proposal shall not operate as a subsequent waiver. Notwithstanding completion or termination of this Proposal for any reason, all representations, warranties, limitations of liability, and indemnification obligations contained in this Proposal shall survive such completion or termination and remain in full force and effect until fulfilled.