

BUTTERFLY VALVES & CONTROLS, INC.
STATEMENT OF WARRANTY AND LIMITATION OF LIABILITY

Warranty

Unless otherwise provided herein, Butterfly Valves & Controls, Inc. ("BVC") warrants, to the initial purchaser only (the "Initial Purchaser") of the products which are delivered to the Initial Purchaser with this document (the "Products") that the Products are free from material defects in materials and workmanship and will remain so (absent alteration or improper use as more fully described below) for a period of twelve months from the date of installation or eighteen months from delivery to the Initial Purchaser; provided, however, that with respect to any Products not manufactured by BVC, such warranty is limited to the extent of, and consistent with, the original manufacturer's warranty. Claims pursuant to this warranty must be made within twelve months from the date of such installation or eighteen months from the delivery of the Products.

If any of the Products malfunctions or fails in its normal use during the warranty period, the Initial Purchaser shall promptly notify BVC in writing of such failure, and BVC shall, upon substantiation that the Products have been stored, installed, maintained and operated in accordance with BVC's recommendations and standard industry practice, either repair or replace, at BVC's option, such malfunctioning Product. When authorized by BVC, the product should be return to the factory or such other location as directed by BVC, freight pre-paid, for disposition.

Such repair or replacement performed by BVC shall constitute the sole remedy of the Initial Purchaser with respect to such Product. Notwithstanding anything herein to the contrary, BVC shall not be responsible for any damages resulting from fair wear and tear, the negligence of the Initial Purchaser, the misapplication or misuse of the Products, the failure of the Initial Purchaser to maintain the Products as recommended, or the failure of the Initial Purchaser to operate the Products in accordance with the standards prescribed by BVC or any other manufacturer of the Products or any federal, state or local law, rule or regulation. BVC will not accept or pay for any invoices or charges for any work performed during the warranty period by others. This warranty shall terminate if the Initial Purchaser makes any unauthorized modifications to the Products or assigns any of its rights hereunder to any other party without first obtaining the written consent of BVC.

THE WARRANTY STATED IN THIS DOCUMENT IS THE INITIAL PURCHASER'S EXCLUSIVE WARRANTY FOR THE PRODUCTS. BVC SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND OF MERCHANTABILITY. NO WARRANTY OF ANY KIND HEREUNDER, WHETHER EXPRESS OR IMPLIED, SHALL COMPANY, OR OTHER ENTITY.

Limitation of Liability

BVC's contractual liability for failure to fulfill its warranty hereunder or any other obligation with respect to or in connection with the Products shall be limited to the amount of the purchase price of the Products. BVC SHALL NOT BE LIABLE IN TORT, INCLUDING LIABILITY IN NEGLIGENCE OR STRICT LIABILITY, AND SHALL HAVE NO LIABILITY AT ALL FOR INJURY TO PERSONS OR PROPERTY WITH RESPECT TO THE PRODUCTS. EVEN IF BVC HAS BEEN ADVISED OF THE POSSIBILITY OF THE FOLLOWING, BVC SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS OR REVENUES, LOSSES DUE TO DELAY IN SHIPMENT, FAILURE TO REALIZE EXPECTED SAVINGS, ANY CLAIM

AGAINST THE INITIAL PURCHASER OR A SUCCESSOR BY A THIRD PARTY, OR ANY OTHER COMMERCIAL OR ECONOMIC LOSSES OF ANY KIND.