

Equipment Supply and Maintenance Agreement



Company ("We" or "Us")

Global Water & Charcoal Innovations LLC, dba. ChlorKing Innovations LLC

PO Box 5959, Florence, SC, 29502 | Tel: 843-669-5213

Customer: ("You")

Customer legal name: City of Norman (Parks and Recreation)

Billing Address: PO Box 370 201-C West Gray

City: Norman State: OK County: Zip: 73070

Phone: 405-366-5472

Fax:

Email:

Physical Address: Westwood Aquatic Center, 1017 Fairview Dr.

City: Norman State: OK County: Zip: 73069

Description of Supplied Equipment or service

[1] ChlorKing NEXGEN 100SMR on-site chlorine generator

[1] 2hp Booster pump

PAYMENT SCHEDULE:

Term: (Months) 60 rental (No ownership)

Payment frequency: Monthly

Advanced rentals: \$950 shipping

Amount of each payment: \$3,926

Sales tax %: Exempt

Sales tax: Exempt

Total monthly payment due: \$3,926

1st payment due date:

ACCEPTANCE OF AGREEMENT

This is a binding contract. It cannot be cancelled. Read it carefully before signing and call us if you have any questions.

Signature of Customer:

Print name of signer:

Title:

Date:

(By signing above, I certify that I am legally authorized to sign on behalf of this organization)

Accepted and signed by Company:

Print name of signer:

Title:

Date:

Please remit a signed copy of this Agreement to ChlorKing Innovations LLC, PO Box 80823, Atlanta, Georgia, 30366 or fax to 770-685-6576 or email to steve@chlorking.com

(This is a 4 page agreement consisting of this cover page and pages 1, 2, 3 which contain additional terms and conditions. By signing above, You acknowledge that You have received and read the entire Agreement. This Agreement shall be deemed to be executed and delivered by You either by the actual delivery of this Agreement, or by the facsimile transmission to Us of this page, duly executed by You. If facsimile transmission is used, such Facsimile copy of this page received and accepted by Us, along with copies of page 1,2, 3, identical to those provided to You, shall constitute the one and only original of this Agreement.)

THIS AGREEMENT CANNOT BE CANCELLED EXCEPT AS EXPRESSLY PROVIDED.
THIS AGREEMENT SHALL BECOME EFFECTIVE UPON SIGNING BY COMPANY AND CUSTOMER.

1. **TERMS AND CONDITIONS:**
This Agreement constitutes the full and entire agreement between the Company and Customer in connection with the Equipment and merges any and all other understandings. This Agreement can neither be cancelled nor modified except by written agreement signed by both Company and Customer. Customer's acceptance of the Equipment shall be irrevocable unless Company receives Customer's written notice of substantial nonconformance of the Equipment within 30 days after acceptance of the Equipment.
2. **EQUIPMENT LOCATION:**
Equipment shall be installed at the physical address of the Customer. Equipment shall not be moved unless consent is given in writing by Company. If consent to move the equipment is given, you shall pay our then applicable relocation fee. We shall have the right to inspect Equipment at any reasonable time during business hours.
3. **OWNERSHIP, PERSONAL PROPERTY:**
This Equipment is our property and you have no right to or interest in it except as expressly set forth herein up to the execution of the \$1.00 buy-out option, at which time the equipment shall become the property of the Customer. The Equipment is and shall, at all times, remain personal property.
4. **ASSIGNMENT OFFSET:**
You may not assign, transfer or sublet any interest in this Agreement or the Equipment without our prior written consent. If consent to assign is given, you shall pay our then applicable assignment fee. We may assign this Agreement or mortgage the Equipment or both, in whole or in part without notice to you. If you receive notice, you will acknowledge receipt thereof in writing. Each assignee or mortgagee of ours shall have all of our rights, but none of our obligations under this Agreement. You shall not assert against assignee or mortgagee any defenses, counterclaims, or offsets you may have against us. This Agreement inures to the benefit of and is binding upon the heirs, legatees, successors, and assigns of the parties hereto. You acknowledge that any assignment by us will neither materially change your duties hereunder nor increase your burdens or risks hereunder.
5. **TAXES; NO LIENS:**
As we direct, you shall pay all applicable charges and taxes (local, state, federal and documentary stamp) incurred by us which may now or hereafter be imposed or levied upon the sale, purchase, personal property ownership, leasing possession, or use of the Equipment, excluding however, all taxes on or measured by our net income. You shall pay our then applicable fee to cover our expenses associated with the administration, billing and tracking of such charges and taxes. You shall keep the Equipment free and clear of all liens and encumbrances. If Customer is a tax exempt entity, then Customer shall provide a tax exemption certificate upon request.
6. **PAYMENT:**
Payment terms for this Agreement are indicated on Page 1 of this document. Payments are to be made in full on or before the indicated date each month. Interest will be calculated at 12.5% per annum, or the maximum amount permitted by applicable law, whichever is less, on all outstanding balances and all legal costs associated with recovering any unpaid funds will be the responsibility of the Customer. Each payment received will be applied to the oldest charge due under this Agreement. Without Company's prior written consent, any payment to Company of a smaller sum than due at any time under this Agreement shall not constitute Agreement or an accord or satisfaction for any greater sum due or to become due regardless of any restrictive waiver. An advance payment shall be held by Company as a security deposit for the faithful performance of this Agreement.
7. **FAILURE TO COMPLY:**
Failure to comply with any aspect of this Agreement will result in Company taking any measures necessary to recover all outstanding funds as well as removing all components of the Equipment from the Customer's property at the expense of the Customer.
8. **RESPONSIBILITY:**
It is the responsibility of the Customer to follow all operating instructions associated with the Equipment.
9. **MAINTENANCE AND INSPECTION:**
You will maintain the equipment in good working order. A standard user's manual will be provided upon installation. See standard user's manual for factory warranty information in the event of a malfunction.
10. **INDEMNITY:**
To the extent permitted by applicable law, Customer agrees to indemnify and hold Company harmless from and against any and all losses, damages (special, indirect or consequential), injuries demands and expense (a "Claim"), including any and all attorneys' fees and legal expenses, arising from or caused directly or indirectly by any actual or alleged use, possession, maintenance, condition (whether or not latent or discoverable), operation, location, delivery or transportation of the equipment, provided however, that such Claims are not due to the sole negligence or breach of this Agreement by Company.

11. **WARRANTY:**
Equipment manufactured by the Company will be covered by the Companies warranty for the Agreement period providing all terms and conditions of this Agreement have been met, and the Agreement is in good standing. Regular maintenance, including but not limited to the regular cleaning of the electrode stacks, as outlined in the user manual, must have been completed by the Customer in order for the warranty to be valid.
12. **REPLACEMENT OF FAULTY COMPONENTS**
Any component failure on the Equipment provided by the Company shall be replaced by the Company at no cost to the Customer for the duration on this Agreement, as long as the Agreement is in good standing and all terms and conditions have been met. Components will not be replaced if it can be shown that malicious damage has occurred, routine maintenance has not been completed or as a result of an act of God.
13. **RISK OF LOSS:**
You assume and agree to bear the entire risk of loss, theft, destruction or other impairment of the Equipment (excluding normal wear and tear) regardless of cause (collectively "Loss") for the entire term of this Agreement until you return the equipment to us. No loss shall relieve you of any of your obligations under this Agreement. You shall immediately notify us in writing of the occurrence of any loss. You shall, at your expense, keep the Equipment insured against loss for its full replacement value under a comprehensive policy of insurance or other arrangement satisfactory to us ("insurance"). You or your agent must call us at 1-800-536-8180 and provide us with such evidence. If you fail to provide such evidence, we may, in our sole discretion, refrain from requiring evidence of insurance and, due to the increased credit risk, include the equipment in our own risk management program, and charge you a fee, which will be separately reflected as an additional charge on our invoices to you. This monthly fee will be calculated at 10% of the contract price per year, divided by 12. Before including the Equipment in our program and charging you the fee, we will send to you by U.S. mail a letter reminding you of your obligations to insure the Equipment and provide evidence of the insurance. The letter will be deemed received by you at the time we place it in the mail. If you do not respond with the evidence of insurance within the time specified in the letter, we may immediately include the equipment in our program. If we include the Equipment in our program and any loss, damage or destruction to the Equipment occurs that does not result from your gross negligence or willful misconduct, we shall, at our option (provided you are not in default under this Agreement, including the payment of any fees invoiced by us), either repair or replace the Equipment and your Agreement obligations will remain unchanged. Title to the Equipment, whether repaired or replaced, will at all times remain with us. We will not be liable to you if we terminate any such risk management program. By providing this risk management program we are not offering or selling you insurance.
14. **MISCELLANEOUS CUSTOMER WAIVERS:**
This Agreement constitutes the entire Agreement between the parties as to the subject matter contained herein and representations or statements not included herein are not part of this Agreement. This Agreement shall not be amended, altered, or changed, except by a written Agreement signed by the parties hereto and no provision of this Agreement can be waived except by our written consent.
15. **ACCOUNT CHARGES:**
Unless prohibited by applicable law, you agree to pay the fees and charges set forth in this Agreement, including without limitation, the fees and charges relating to (a) your failure to pay in a timely manner, (b) your exceeding your credit line, (c) transaction fees, if applicable and (d) fees attributed to the return of any checks that you give to us as payment of your account. Unless prohibited by applicable law, the bank may charge you and you agree to pay the bank's fees then in effect for copies of statements, personalized business checks and other fee-based services provided by the lender.
16. **OWNERSHIP AND TITLE:**
Company is the sole owner of the Equipment until all payments have been made in full. Company has the right to inspect the Equipment and has the right to affix and display notice of Company's ownership thereon. The Equipment shall remain Company's personal property whether or not affixed to realty and shall not be part of any real property on which it is placed. All additions, attachments and accessories placed on the Equipment become part of the Equipment and Company's property until all payments have been made in full. Customer agrees to maintain the equipment so that it may be removed from the property or building where located without damage.
17. **COLLECTION CHARGES AND ATTORNEY'S FEES:**
If Company does not receive any part of any sum due to Company within 10 days of the due date or if any sum paid by check shall be dishonored or returned to Company on account of uncollected funds or for insufficient funds, Customer agrees to pay Company:

- (a) a onetime late charge to compensate Company for collecting and processing the late sum, equal to the greater of 15% of any delayed sum or a minimum of \$25.00,
- (b) An interest charge for every month after the first month in which the sum is late to compensate Company for the inability to reinvest the sum, such interest charge stipulated and liquidated at 12.5% per annum or the maximum allowed by applicable law, whichever is less.
18. CUSTOMER AND ANY GUARANTOR AGREE TO PAY COMPANY'S REASONABLE ATTORNEYS' FEES AS DAMAGES AND NOT COSTS:
In all proceedings arising under this Agreement, such proceedings including any bankruptcy proceeding, civil action, mediation or counterclaim on which Company prevails seeking relief from stay in bankruptcy or post-judgment action or appeal with respect to any of the foregoing, reasonable attorneys' fees are stipulated and liquidated at not less than the greater of \$500.00 or 25% of Company's total amount in collection.
19. DEFAULT:
Customer shall be in default of this Agreement on any of the following events:
(a) Customer fails to pay any month's rent with 30 days after it first becomes due.
(b) Customer assigns, moves, pledges, sells or relinquishes possession of the Equipment or attempts to do so, without Company's prior written authorization.
(c) Customer breaches any of its warranties or other obligations under this Agreement or any other agreement with Company and fails to cure such breach within 30 days after Company sends Customer a notice of the existence of such breach by same manner as set forth in item 12, above.
(d) Any execution or writ of process is issued in any action or proceeding to seize or detain the Equipment.
(e) Customer or any guarantor gives Company reasonable cause to be insecure about Customer's willingness or ability to perform obligations under the Agreement or any other agreement with Company.
(f) Customer or any guarantor dies becomes insolvent or unable to pay debts when due, stops doing business as a going concern, consolidates, merges, transfers all or substantially all of its assets, makes an assignment for the benefit of creditors, appoints a trustee or receiver or undergoes a substantial deterioration of financial health.
(g) Company or any guarantor fails to reaffirm this Agreement obligation within thirty (30) days of the filing of any petition for protection under the United States Bankruptcy Code.
20. REMEDIES:
Should Customer default, Company has the right to exercise any or all of the following: Company may without notice accelerate all sums under the Agreement and require Customer to immediately pay Company all sums that are already due and the discounted value of those that will become due and
(i) Require the immediate return of the Equipment to Company or
(ii) If Company agrees after Customer pays all other sums under the Agreement, sell the Equipment to Customer at the stipulated buy-out contract price less 100% of monthly payments made to that point.
Company has the right to immediately retake possession of the Equipment without any court or other process of law and for such purpose may enter upon any premises where the Equipment may be and remove the same. Company has the right to exercise any remedy at law or equity, notice hereof being expressly waived by Customer and any guarantor. Company's action or failure to act on any one remedy constitutes neither an election to be limited thereon nor a waiver of any other remedy nor a reAgreement of Customer from the liability to return the Equipment or for any Loss or Claim with respect thereto. The provisions of this Agreement are severable and shall not be affected or impaired if any one provision is held unenforceable, invalid or illegal. Any provision held in conflict with any statute or rule of law shall be deemed inoperative only to the extent of such conflict and shall be modified to conform with such statute or rule.
21. DISPUTES:
In the event of a dispute between Customer and Company arising out of or related to this Agreement, the aggrieved party shall notify the other party of the dispute within a reasonable time after such dispute arises. If the parties cannot thereafter resolve the dispute, each party shall nominate a senior officer of its management to meet to resolve the dispute by direct negotiation or mediation. Should such negotiation or mediation fail to resolve the dispute, either party may pursue resolution of the dispute as allowed by applicable law and regulation. During the pendency of any dispute, the parties shall continue diligently to fulfill their respective obligations hereunder.
22. CONSENT TO JURISDICTION, VENUE AND NON-JURY TRIAL:
Customer and any guarantor consent agree and stipulate that:
(a) this Agreement shall be deemed fully executed and performed in the State of Oklahoma and shall be governed by and construed in accordance with the laws thereof; and
(b) in any action, proceeding, or appeal on any matter related to or arising out of this Agreement, Company, Customer and any guarantor: (i) shall be subject to the personal jurisdiction of the State of Oklahoma including any state or federal court sitting therein and all court rules thereof; and (ii) shall accept venue in any federal or state court in Oklahoma.
Nothing contained herein is intended to preclude Company from commencing any action hereunder in any court having jurisdiction thereof.
23. CONSENT TO SERVICE OF PROCESS:
Customer and any guarantor agree that any process served for any action or proceeding shall be valid if mailed by Certified Mail, return receipt requested, with delivery restricted to either the addressee, its registered agent or any agent appointed in writing to accept such process.