



This Device and Monitoring Services Purchase and Sale Agreement (the “Agreement”) is entered into as of the date last set forth below (the “Effective Date”) by and between the parties listed below (collectively, the “Parties”):

	the “ <u>Seller</u> ”	the “ <u>Buyer</u> ”
<i>Legal Name:</i>	FlowActive, Inc.	
<i>State of Organization:</i>	Delaware	
<i>Form of Organization:</i>	Corporation	
<i>Office Address:</i>	2 Third Street Suite 370 Troy, New York 12180	
<i>Email Address:</i>	sales@flowactive.com	

WHEREAS Seller has developed an advanced technology capable of detecting water flow through the installation of a web-enabled leak detection device (a “Device”) in a standard residential-type toilet; and

WHEREAS Buyer owns and/or manages the facility described below (the “Facility”):

<i>Facility Name:</i>	
<i>Facility Address:</i>	

and

WHEREAS Buyer wishes to buy and Seller wishes to sell Devices, and Buyer wishes Seller to monitor the waterflow in each of the compatible toilets at the Facility in which the Devices are installed and to provide periodic reports describing any anomalies in water usage (as more fully described in Section 2 below, the “Services”), and Seller wishes to provide such Services; and

WHEREAS Buyer wishes to participate in Seller’s Early Adopter Program as described in Section 4 below, in consideration for which Buyer will receive a thirty-day trial period and special pricing for Services;

NOW, THEREFORE, the Parties hereby agree as follow:

- 1. Devices.** Buyer will purchase the number of Devices set forth in Paragraph 4 below, subject to the terms and conditions set forth in this Agreement and in the FlowActive, Inc.’s Terms of Sale current as of the Effective Date (the “Terms of Sale,” which are

available at <https://1stdrops.com/terms-of-sale>). Seller will deliver the Devices to the Facility. Buyer will activate and install the Devices in accordance with Seller’s instructions.

2. **Services.** Subject to the terms and conditions set forth in this Agreement and in the Terms of Sale, Seller will monitor data provided by the Devices (the “*Data*”) and provide Buyer with all of the available reports described in the attachment hereto identified as “*FirstDrops™ Service Plans,*” regardless of the Service Plan with which such report is associated. In addition, Seller will furnish Buyer with an application which can be installed on a computer or mobile device (the “*Software*”) which will permit Buyer to view the Data on demand and in real time. For participants in the Early Adopter Program, Seller will waive the normal fees for technical support and provide complimentary technical support for thirty days after delivery of the Devices

3. **Payment.** Buyer will pay to Seller the “*Purchase Price*” and a “*Services Price,*” both calculated as set forth below (collectively, the “*Price*”):

(a) *Purchase Price.* The Purchase Price will be a one-time fee payable in full prior to shipment, and will be calculated as follows:

	<i>Unit Price</i>		<i>Number of Devices</i>		<i>Total Price</i>
<i>Purchase Price</i>	\$49.95	X		=	\$ (one time)
					<i>Shipping</i>
					\$
					<i>Sales Tax</i>
					\$
					<i>Total Due</i>
					\$

If not satisfied with the Devices, Buyer may return the Devices to Seller within thirty days next following delivery, and Seller will refund the Purchase Price (net of shipping costs).

(b) *Services Price.* The Services Price will be payable monthly in advance of the service period and will be calculated as follows:

	<i>Unit Price</i>		<i>Number of Devices</i>		<i>Total Price</i>
<i>First Six Months</i>	<i>No Charge</i>				
<i>Balance of Term</i>	\$ 0.99	X		=	\$ (monthly)

4. Early Adopter Program.

- (a) At least monthly, Buyer will provide to Seller written or verbal reviews of reports and portal information including feedback on features and design.
- (b) Buyer will permit Seller to use Buyer's brand and the name and location of the Facility in promoting the FirstDrops™ product. Buyer will to the extent possible represent their experiences with FirstDrops™ with respect to the use and benefits of the technology in a positive manner and will in no event make any negative or disparaging statements regarding FirstDrops™ or Seller.

5. Other Obligations of Buyer.

- (a) Buyer will cause its Internet Seller ("ISP") to provide wireless connectivity which meets the requirements set forth in the attachment hereto entitled "*Wireless Connectivity Requirements*".
- (b) Buyer will advise Seller of the water and sewer rates applicable at the Facility and will update such advice in the event of any change. Upon request by the Seller, Buyer will provide copies of current water and sewer bills, which Seller will treat as Confidential Information as defined in the Terms of Sale.
- (c) Buyer will provide Seller with any applicable Facility rules or security, health or safety policies.

- 6. Term.** This Agreement will enter into full force and effect upon the Effective Date and will expire two years after activation of all Devices or twenty-five months from delivery of all Devices, whichever occurs first, unless earlier terminated in accordance with the Terms of Sale.

[Signature page follows.]

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by its duly authorized representatives on the dates set forth below.

Seller

Buyer

FlowActive, Inc.

By _____

By _____

(Printed Name)

(Printed Name)

(Title)

(Title)

(Date)

(Date)



- The Facility's wireless network must have 2.4GHZ WiFi capabilities and support 802.11b/g/n.
- The Facility's wireless network must support WPA/WPA2 if WiFi network is encrypted.
- If devices need to be whitelisted via MAC address, the ISP must be able to accommodate our request within 3 business days.
- The Facility's wireless network must be able to open ports 80, 123, 443 and 8883.
- The Facility's wireless network must support MQTT protocol.
- The Facility's wireless network must be able to provide onboard support for devices, and network setup must be approved by us.
- The Buyer or its ISP must confirm in writing to Seller the WiFi credentials provided to Seller.
- The Facility's wireless network must provide the option to have a VLAN and to separate from the normal guest network.
- The network configuration must allow for number of devices required for the Facility.

The FlowActive team will work with your Wi-Fi provider to ensure the devices are live and can communicate through your existing infrastructure.

A. Basic Plan

Buyers who choose the Basic Plan will receive the following reports:

- Basic Standard Weekly & Monthly Reports. The Basic service plan provides weekly and monthly flow alert summary reports. The data can be organized by number of alerts or by room.
- Major Alerts. Buyer will be notified immediately by email or text to the address or number designated by the Buyer whenever a Device detects water flow at a rate of four gallons per minute or more or over 500 flushes per day.

Basic Plan subscribers will also have access to an on-line portal containing a wealth of learned information in videos and tutorials to help the Buyer through the process of installation and show how to best use the device data. This content is available online for use at any time.

The Basic Plan permits data access by an administrator plus two other users.

B. Plus Plan

In addition to the benefits of the Basic Plan, Buyers who choose the Plus Plan will receive:

- Plus and Premium Standard Weekly & Monthly Reports. In addition to flow alert summaries, Plus Plan subscribers receive weekly and monthly water usage summaries. The flow alerts and water usage data can be classified and organized by number of alerts, room, floor or other single criterion selected by the customer. The usage and flow alert summaries can be combined into one report by room at the Buyer's request.
- Custom Reports. Plus Plan subscribers can add over the term of the contract one custom alert report. The custom alert can be for a set flow or flush threshold. The report can be set to identify the flow or flush alerts by room, floor or building.
- Access to On-call Report Experts. We have developed expertise in the FlowActive staff from helping so many customers save freshwater and prevent catastrophic losses. This insight is a phone call away for the Plus Plan for up to 2 hours per month.

The Plus Plan permits data access by an administrator plus four other users.

C. Premium Plan

In addition to the benefits of the Plus Plan, Buyers who choose the Premium Plan will receive:

- Custom Alerts. Premium Plan Buyers have the ability to set flow and flush alert levels.
- Custom Reports. Premium Plan Buyers will be able to access a broad spectrum of raw data through two customized reports over the course of the contract term. These reports

can be customized by floor, building, staff assignments or other pre-determined criteria set by the customer.

- Repair Verifications. Premium subscribers receive an additional notification after an alert has been triggered indicating that the fixture has returned to performing within normal operating parameters
- Predictive Maintenance Reports. The predictive maintenance report is designed to allow property owners and managers to proactively manage their plumbing maintenance. The device software can estimate through algorithms which leaks and flows occurring outside of normal operating parameters have the indicators of progressing from low to high severity. Each alert the software generates has a severity level. The software can estimate which low severity alerts are more likely to continue to progress. These fixtures can then be proactively repaired before it gets worse.
- Access to On-call Report Experts. We have developed expertise in the FlowActive staff from helping so many customers save freshwater and prevent catastrophic losses. This insight is a phone call away for the Premium Plan for up to 4 hours per month.