

### 3.6 Taxes; Duties; Exemptions

If in accordance with Owner's direction an exemption is claimed for taxes, Owner agrees to defend, indemnify and hold Contractor (and its Subcontractors) harmless from any liability, penalty, interest, fine, tax assessment, attorneys fees or other expense or cost incurred by Contractor as a result of any action taken by Contractor ( or its Subcontractors) in accordance with Owner's direction. The Contract Price does not include any taxes, duties, fees or charges of any kind relating to the jurisdiction in which the Project is being constructed except for: (i) Gross Receipts Taxes imposed by the Territory; (ii) all taxes, duties, fees or charges of any kind levied upon or with respect to the Project in the United States and the State of Florida, and (iii) any other taxes duties, fees or charges as may be specifically additionally specified in the Contract Documents The Owner shall be solely responsible for all other taxes, duties, fees or charges of any kind levied upon or with respect to the Project, Contractor's services hereunder, or the operation of the Project.

### 3.7 Warranties

3.7.1 Contractor warrants that all materials and equipment furnished under this Agreement will be new, unless otherwise specified and, in conformance with the Contract Documents. With respect to any components or other items of equipment provided by Contractor as to which the manufacturer provides a written warranty that is permitted by the manufacturer to be passed on to the Owner, Owner shall rely solely upon said warranty; provided, however, that Contractor shall assist Owner with respect to any claim of Owner upon any such warranty, and further provided that all such warranties will be at least one year from the date of installation or 18 months from the date of shipment by the manufacturer, whichever is less. Contractor shall and does hereby assign to Owner all warranties of all Subcontractors and Suppliers of the Work. Contractor further warrants that the Work will conform to the specifications of this Agreement and will be free from defects in design, materials and workmanship for a period of one year from the date of Substantial Completion of the Work or eighteen (18) months from the date equipment is ready to ship, whichever is earlier. This warranty excludes any damage or defect caused by abuse, modifications not executed or approved in writing by Contractor, improper or insufficient maintenance, and improper operation or normal wear and tear. Owner's sole and exclusive remedy for a breach of this warranty shall be the correction of any design defect, and/or reperformance, repair or replacement of the Work or the affected materials or equipment in Contractor's reasonable discretion. Owner shall not be responsible for all costs of shipping and for all duties, taxes and costs associated with the importation and exportation of parts, materials and equipment in connection with this warranty. In order for an item to be considered under this warranty, Owner shall return to Contractor in St. Thomas the item as to which a warranty claim is being made at Owner's sole expense. If the item is covered by this warranty, Contractor shall replace or repair the item in Contractor's reasonable discretion and promptly provide the item to Owner. Any on-site labor required for the reinstallation or repair of any item covered by this warranty shall be provided by Contractor, except for the cost of transportation of materials and personnel from Red Hook in St. Thomas to Little St. James Island which shall be the responsibility of Owner. OTHER THAN AS SPECIFICALLY SET FORTH HEREIN, CONTRACTOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE WORK OR THE MATERIALS OR EQUIPMENT SUPPLIED PURSUANT TO THIS AGREEMENT; CONTRACTOR DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE; AND CONTRACTOR SHALL NOT BE LIABLE FOR ANY DAMAGES CAUSED IN CONNECTION THEREOF.

3.7.2 Contractor shall collect all written warranties and equipment manuals and deliver them to Owner, and shall also deliver the O&M Manual and provide the training in accordance with and as described in Contractor's Proposal Number 40-902-26-5, dated November 12, 2009 (the "Proposal").