

**GENERAL.** These terms and conditions shall be part of, apply to and govern each and every agreement between Auburn FilterSense LLC (the "Company") and any buyer ("Buyer") of the Company's goods or services. Acceptance by Buyer of any offer reflected in this document is expressly limited to acceptance of the terms and conditions set forth herein, and none others unless expressly assented to in writing by an authorized employee of the Company. Contrary or additional terms and conditions specified by Buyer or any claimed amendment or supplement hereto shall have no effect without the written approval of an authorized employee of the Company. Absent such written approval, any proposal by Buyer for contrary or additional terms or conditions, or any attempt by Buyer to vary in any degree any terms and conditions herein, is hereby objected and rejected.

**PRICES AND SPECIFICATIONS.** Prices quoted are based upon manufacture of the quantity and type of goods ordered and are subject to revision when interruptions, or any changes are caused by Buyer. Clerical errors made by the Company are subject to correction. The Company may, without affecting the obligations of the parties, make changes in the specifications and catalog prices of goods without notice.

**DELIVERY.** The scheduled shipping or delivery date represents the best estimate by the Company of the time the order will be shipped. The Company assumes no liability for loss, damage, or incidental or consequential damages due to delays.

**SHIPMENTS.** All shipments are F.O.B. place of manufacture or warehouse. Goods will be packaged as the Company deems proper. The manner and carrier of shipment will be the Company's standard. All claims for damage must be initiated by the Buyer. After having made delivery in good order to the carrier, the Company is not responsible for delay or damage but will assist in dealing with the carrier for a claim.

**TERMS OF PAYMENT.** Terms of payment are NET 30 days from the date of shipment for orders less than \$30,000 USD, 30% with order and 70% NET 30 days for orders over \$30,000 USD, and 100% prepayment for all International orders, unless otherwise agreed to the contrary in writing by an authorized employee of the Company. All payments should be made in US currency. Payment by credit card will incur a 3.5% credit card fee. Payment is due with partial shipments. Where Buyer is responsible for any delay in shipment, the date of completion of goods may be treated as the date of shipment for the purpose of payment. Buyer agrees to pay interest on any past due amount at 18% per annum until paid in full. Buyer agrees to pay all Company costs, including attorney fees, to enforce any obligation of Buyer hereunder. Except with respect to the rights of the Company as set forth herein, each shipment shall be considered a separate and independent transaction, and payment therefore shall be made accordingly.

**FREIGHT, INSURANCE AND TAXES.** Federal, state or local excise, sales or use taxes shall be paid by Buyer or an exemption certificate must be provided. Shipping, handling and insurance are not included in the

price and will be added. Additional charges for international shipments or special packaging/handling may also be added.

**CANCELLATION AND DEFERRED DELIVERIES.** Buyer may only cancel orders by written notice sent by registered mail and effective on the date of receipt by Company. Upon cancellation and upon receipt of invoice Buyer agrees to (i) pay in full for pieces which are within (30) days of completion at the time of receipt of notice of cancellation, or (ii) if the order is not within (30) days of completion Buyer agrees to pay a minimum of 25 percentage of completion. Buyer may defer delivery by written notice and by registered mail effective on the date of receipt by Company. Within ten days after receipt of such notice Company will advise of percentage of completion of the order and will invoice for a percent of price equal to the percent of completion. Determination of the percentage of completion shall be in the Company's sole province and not subject to dispute. Payments in the case of cancellation or deferred orders must be made on the same terms as payment for delivery.

**ENGINEERING SERVICES.** Buyer is responsible for installation and start-up of the Goods, and shall pay all related expenses. Company at its option may provide on-site consultation in connection with or subsequent to the installation or start-up of the Goods if Buyer so desires, and Buyer shall pay all related expenses incurred by Company, including but not limited to traveling and living expenses of Company's personnel, as well as a fee for days/hours on-site by Company's personnel in connection therewith, based on Company's normal daily/hourly rates. In the event Company furnishes any installation support services, Buyer shall timely comply with all applicable specifications for installation and wiring up to and throughout the entire installation until completion. Buyer shall be responsible to pay Company for all additional travel expenses and time spent waiting for Buyer to complete installation and wiring. Buyer shall pay Company overtime rates should Company personnel be required to work overtime or after normal hours as a result of delays caused by Buyer.

**CONFIDENTIAL INFORMATION.** Buyer acknowledges that Company has a proprietary interest in all information, data, designs, specifications and memoranda relating to the Goods and any processes and methods with respect to the operation and marketing thereof (collectively "Information"), that the Information is a unique and valuable business asset of Company, and that Company would be seriously and irreparably harmed by wrongful disclosure or other misuse. Buyer agrees not to use any of the Information for any purpose other than the operation of the Goods, not to copy any of the Information or disclose any part thereof to any person or entity other than its employees (to the extent required), and to return all Information in its possession upon request. Buyer agrees to use care to insure that its employees, contractors and suppliers do not disclose Information to any other person or entity.

**LIMITATION OF AUTHORITY OF SALES REPRESENTATIVES.** Sales representatives are not employees or agents of the Company, and have no authority to enter into agreements on behalf of the Company. No agreement, contract, promise, affirmation, description or representation shall be binding upon the Company unless made in writing by an authorized employee of the Company.

RETURNS. No returns for calibration, checkout or repair will be accepted without a return authorization number provided by an authorized employee. Transportation and insurance charges must be prepaid and the Company's established return procedures must be followed. Authorization to return goods in no way implies warranty coverage. Charges for repair or calibration, restocking and return freight may apply.

WARRANTY PERIOD. All Goods delivered hereunder are warranted to be free from defects in parts, materials and in workmanship for 12 months. The Warranty Period shall commence on the date of shipment. This warranty shall apply only if (i) Buyer discovers the claimed defect within the Warranty Period; (ii) Buyer notifies the Company in writing of the claimed defect within 20 days of discovery; and (iii) Buyer provides the option for the Company to inspect the installation of the Goods claimed to be defective. This warranty shall not apply to Goods that have not been operated and maintained in accordance with operating instructions and specifications or that have been neglected, accidentally damaged, or to Goods with defects attributable in any way to installation, modification or repair made by any party other than Company; nor shall this warranty apply if (i) Buyer or a third party modifies or repairs the Goods without Company's prior written approval; or (ii) after discovery of a defect, Buyer fails to take prompt and reasonable steps to prevent the defect from becoming more serious. Further, this warranty shall not apply to Goods manufactured by a party other than Company and resold by Company except to the extent that any such third party has warranted such to Company and is liable to Company under such warranty. In the event Buyer complies in full with all of its obligations under this Order, including but not limited to payment in full in respect of the Goods, and the conditions of this paragraph are satisfied, Company shall correct any material defect either by (i) supplying F.O.B. Company's plant replacement parts or (ii) repairing any defect. If in Company's judgment repair or replacement would be commercially impracticable, Company may issue Buyer a refund or credit in the amount of the purchase price of the defective Goods. The foregoing warranty is exclusive and made only to Buyer. DETERMINATION OF WARRANTY IS AT THE SOLE DISCRETION OF THE COMPANY. COMPANY MAKES NO OTHER EXPRESS, IMPLIED OR STATUTORY WARRANTY, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR APPLICATION, AND ALL SUCH WARRANTIES ARE HEREBY EXPRESSLY EXCLUDED. No person is authorized to give any additional warranties on Company's behalf or to assume for Company any other liability in connection herewith, except in writing signed by an authorized officer of Company. For purposes of this paragraph, "Goods" shall specifically include any and all parts thereof.

WARRANTY DISCLAIMER. EXCEPT AS EXPRESSLY STATED IN THESE TERMS AND CONDITIONS, THE COMPANY MAKES NO EXPRESS, IMPLIED OR STATUTORY WARRANTIES (INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE OR APPLICATION) WITH RESPECT TO ANY GOODS OR SERVICES SOLD BY COMPANY. COMPANY DISCLAIMS ALL WARRANTIES ARISING FROM ANY COURSE OF DEALING OR TRADE USAGE, AND ANY BUYER OF GOODS OR SERVICES FROM COMPANY ACKNOWLEDGES THAT THERE ARE NO WARRANTIES IMPLIED BY CUSTOM OR USAGE IN THE TRADES OF THE BUYER AND OF THE COMPANY, AND THAT PRIOR DEALINGS OF BUYER WITH THE COMPANY DO NOT IMPLY COMPANY WARRANTS THE GOODS OR SERVICES IN ANY WAY.

ANY BUYER OF GOODS OR SERVICES FROM THE COMPANY AGREES WITH THE COMPANY THAT THE SOLE AND EXCLUSIVE REMEDIES FOR BREACH OF ANY WARRANTY CONCERNING THE GOODS OR SERVICES WHETHER BASED UPON CONTRACT, TORT, WARRANTY, STRICT LIABILITY OR NEGLIGENCE, AND WHETHER FOR COMMERCIAL LOSS, PERSONAL INJURY OR OTHER MONETARY LOSS, SHALL BE AT COMPANY'S OPTION, TO REPAIR OR REPLACE THE GOODS OR SERVICES OR REFUND THE PURCHASE PRICE. THE COMPANY SHALL IN NO EVENT BE LIABLE FOR

EXPENSE FOR REMOVAL, REINSTALLATION OR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES EVEN IF THE COMPANY FAILS IN ANY ATTEMPT TO REMEDY DEFECTS IN THE GOODS AND SERVICES, BUT IN SUCH CASE THE BUYER SHALL BE ENTITLED TO NO MORE THAN A REFUND OF ALL MONIES PAID TO THE COMPANY BY THE BUYER FOR PURCHASE OF ALL GOODS OR SERVICES. ANY CAUSE OF ACTION FOR BREACH OF ANY WARRANTY BY THE COMPANY SHALL BE BARRED UNLESS THE COMPANY RECEIVES FROM THE BUYER A WRITTEN NOTICE OF THE ALLEGED DEFECT OR BREACH WITHIN 20 DAYS FROM THE EARLIEST DATE ON WHICH THE BUYER COULD REASONABLY HAVE DISCOVERED THE ALLEGED DEFECT OR BREACH, AND NO ACTION FOR THE BREACH OF ANY WARRANTY SHALL BE COMMENCED BY THE BUYER LATER THAN TWELVE MONTHS FROM THE EARLIEST DATE ON WHICH THE BUYER COULD REASONABLY HAVE DISCOVERED THE ALLEGED DEFECT OR BREACH. For purposes of this paragraph, "Goods" shall specifically include any and all parts thereof.

FORCE MAJEURE. Neither party hereto shall be liable to the other for default or delay in performing its obligations hereunder if caused by fire, strike, riot, war, act of God, delay of carriers, governmental order or regulation, complete or partial shut down of plant by reason of inability to obtain sufficient raw materials or power, and/or any other similar or different occurrence beyond the reasonable control of the party so defaulting or delaying. The party whose performance is prevented by any such occurrence shall notify the other party thereof in writing as soon as is reasonably possible after the commencement of such occurrence, setting forth the full particulars in connection therewith, and shall attempt to remedy such occurrence (if possible) with all reasonable dispatch, thereafter giving written notice to the other party of any cessation of such occurrence.

#### STATUTE OF LIMITATIONS

Any actions brought by you against us must be instituted by you within one (1) year of the date that the cause of action arose.

#### INDEMNIFICATION

To the fullest extent permitted by law, Buyer shall release, hold harmless, indemnify and defend Seller, its officers, agents, employees, affiliates, joint ventures, insurers, successors and assigns, from and against any loss, liability, claims, suits, judgments, decrees, costs and damages ("Damages") resulting in

personal injury or death, Damages to any real or personal property, Damages relating to loss of use or loss of profit and Damages relating to infringement of any United States Patent due to Buyer's use of the Goods, caused by, arising out of, or relating to Buyer's purchase, sale, use, possession, or ownership of the Goods or relating to Buyer's acts or omissions with respect to such Goods. The sale of the Goods shall not grant to Buyer any right or license of any kind under any patent owned or controlled by Seller or under which Seller is licensed, but the foregoing shall not be understood to limit in any way the right of Buyer to use and sell such Goods.

**GOVERNING LAW.** Any agreement between the Company and Buyer shall be deemed to be made and entered into the State of Massachusetts and shall be interpreted in accordance with the laws of that state. The Company and Buyer consent to the jurisdiction of the courts of Essex County Massachusetts for adjudication of any dispute relating to or arising out of the sale or the agreement of the parties, and agree that said courts shall be the exclusive forum for adjudication of any such dispute.