

**NORTHEAST FILTER & EQUIPMENT CO.
GENERAL TERMS AND CONDITIONS OF SALE**

1. **Definitions.** The term "Seller" shall mean Northeast Filter & Equipment Co. and its subsidiaries and affiliates (such entities collectively referred to as "NE Filter" or "Seller"). The term "Buyer" shall mean the company named on the Quotation, Acknowledgment and/or Invoice (collectively the "Sales Order") which is purchasing from NE Filter the goods, materials or other equipment listed in Sales Order (the "Goods"). Collectively Seller and Buyer are referred to as the "Parties" and individually as a "Party."

2. **Entire Agreement; Amendment.** All Goods and services sold by Seller are expressly subject to these General Terms and Conditions and the Sales Order. These General Terms and Conditions and the Sales Order are intended to be consistent, but to the extent of any conflict, the General Terms and Conditions will control over the Sales Order. The General Terms and Conditions and the Sales Order are sometimes collectively referred to as the "Terms". These Terms prevail over and supersede any of Buyer's general terms and conditions of purchase or other sales related documents regardless of whether or when Buyer has submitted such terms or documents and even when the Terms are additional or different from terms contained in Buyer's purchase order or other sales documents. Additional or different terms in Buyer's purchase order or other sales documents shall not be binding on Seller and are hereby expressly rejected unless otherwise expressly set forth in the Seller's Acknowledgment. Seller's fulfillment of Buyer's order does not constitute acceptance of any of Buyer's terms and conditions and does not serve to modify or amend these Terms.

3. **Price.** All prices are F.O.B. shipping point unless otherwise specified by Seller's authorized representative in writing. Except as otherwise expressly indicated on the Sales Order, prices are subject to change without prior notice and cover only the specified quantity. Seller reserves the right to invoice Buyer, and Buyer agrees to pay in accordance with these Terms, for any ancillary goods or services that Seller provides at the request of Buyer in connection with any particular purchase order, such as expedited delivery, regardless of whether such goods or services are identified in the purchase order or Seller's Quotation or Acknowledgement.

4. **Taxes.** Seller's price for Goods does not include any federal, state or local property, sales, use, excise or other taxes, all of which are the responsibility of the Buyer. If any sales or other tax is determined to be due upon any purchase, Buyer will pay the amount of such tax to Seller for payment to the appropriate taxing authorities. Buyer agrees to furnish to Seller a copy of any state or other license that would cause Buyer's purchases to be free of sales taxes. Further, Buyer will annually furnish current copies of such licenses, as the same are renewed.

5. **Terms of Payment.** Unless otherwise stated in the Sales Order, payment terms are net thirty (30) calendar days after the invoice date in U.S. Dollars. Should Buyer fail to make payment within said thirty (30) day period, Buyer shall be deemed delinquent and a late charge of 1.5% per month (or the maximum rate permitted by law, whichever is less) may be assessed on the unpaid balance. Buyer agrees to and shall pay all collection costs and expenses, including reasonable attorney fees, incurred by Seller in collecting or attempting to collect any unpaid balances.

6. **Shipment/Risk of Loss/Title Transfer.** Delivery dates are approximate and are based upon prompt receipt of all necessary information from Buyer. Unless otherwise specified in the Sales Order, delivery of Goods and title shall pass to Buyer F.O.B. Seller's facility. Expense and risk of loss for the Goods, including transport, shall pass to Buyer at the point of shipment from Seller's facility.

7. **Inspection.** Buyer agrees to inspect the Goods, and to promptly notify Seller of any non-latent defects or nonconformities, within seventy-two (72) hours after receipt of the Goods. Buyer waives any right to object to such defects or nonconformities later than seventy-two (72) hours after receipt of the Goods.

8. **WARRANTIES.** NE FILTER WARRANTS THAT THE GOODS AND/OR SERVICES LISTED IN ITS INVOICE CONFORM TO THE DESCRIPTION AND SPECIFICATIONS IN ITS PUBLISHED LITERATURE. THE WARRANTY IN THE PRECEDING SENTENCE IS THE SOLE AND EXCLUSIVE WARRANTY OF SELLER AND IS MADE EXPRESSLY IN LIEU OF ANY AND ALL OTHER WARRANTIES, ALL OF WHICH ARE EXPRESSLY EXCLUDED, INCLUDING, BUT NOT LIMITED TO, ALL EXPRESS OR

IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

NE FILTER IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES DIRECTLY OR INDIRECTLY ARISING OR RESULTING FROM THE BREACH OF ANY OF THE TERMS OF ITS WARRANTY, OR FROM THE SALE, HANDLING OR USE OF THE GOODS SOLD OR SERVICES RENDERED OR OTHERWISE. NE FILTER'S LIABILITY HEREUNDER, WHETHER FOR BREACH OF WARRANTY, NEGLIGENCE OR OTHER THEORY OF LIABILITY, AND WHETHER AT LAW OR IN EQUITY, IS EXPRESSLY LIMITED TO THE FOLLOWING REMEDIES, SELECTION OF WHICH IS AT NE FILTER'S OPTION: (A) THE REPLACEMENT AT THE ORIGINAL POINT OF DELIVERY THAT PORTION OF ANY GOODS PROVEN TO BE DEFECTIVE OR NOT TO CONFORM TO THE NE FILTER EXPRESS WARRANTY SET FORTH HEREIN; (B) THE REPAIR OF SUCH GOODS, OR (C) THE REFUND OR CREDITING TO BUYER OF THE PRICE OF THE GOODS PAID FOR BY BUYER AND PROVEN TO BE DEFECTIVE. THESE REMEDIES ARE THE SOLE AND EXCLUSIVE REMEDIES AVAILABLE AS AGAINST NE FILTER UNDER ITS WARRANTY OR OTHERWISE. ANY WARRANTY OR OTHER CLAIM AGAINST NE FILTER NOT MADE THROUGH WRITTEN NOTICE RECEIVED BY NE FILTER WITHIN ONE (1) YEAR AFTER GOODS ARE SHIPPED IS WAIVED.

NE FILTER IS A DISTRIBUTOR, AND NOT A MANUFACTURER OF GOODS LISTED IN THE SALES ORDER. IN THE EVENT BUYER OBTAINS ANY RECOVERY OR REMEDY RELATED TO A DEFECT OR WARRANTY CLAIM AGAINST THE MANUFACTURER OF THE GOODS, NE FILTER SHALL BE ENTITLED TO AN OFFSET OF THOSE AMOUNTS AGAINST ANY REMEDY PURSUED OR CLAIMED BY BUYER AGAINST NE FILTER.

9. **Freight and Handling.** Unless otherwise provided in the Sales Order, freight charges on all shipments, and spotting, switching, demurrage, or drayage at destination are to be paid by Buyer. All incoming shipping and handling charges, and all outgoing shipping and handling charges on all shipments from Seller to Buyer, shall be borne by Buyer. Any difference in the amount of freight from that shown on the invoice as being included, is for Buyer's account. If a specific delivering carrier is required, Buyer must designate such carrier in writing to Seller with its purchase order. All changes in freight rates or transportation charges used by Seller in computing prices and charges shown on the Sales Order occurring after the date of the Sales Order will be for the Buyer's account.

10. **Force Majeure.** NE Filter shall not be liable for any failure or delay in manufacture, shipment or delivery of Goods resulting from any cause beyond NE Filter's control, including, but not limited to, provisions of law or governmental regulations, accident, explosion, fire, windstorm, flood or other casualty or Act of God, strike, lockout, or other labor difficulty, riot, war, terrorist acts, insurrection, shortage of or inability to secure labor, raw materials, production or transportation facilities. Shipping dates are approximate and are based on conditions at the time of quotation. In the event of delay due to events or conditions of force majeure, there will be no termination of the order and the date of delivery will be extended for a period equal to the duration of force majeure.

11. **Cancellation.** No order may be canceled or changed in whole or in part without the prior written consent of NE Filter. Shipment of Goods cannot be extended beyond the original shipping date specified without NE Filter's written consent.

12. **Compliance with Laws.** NE Filter will supply Goods in accordance with applicable laws. Compliance with any federal, state or local procurement law or regulations, or similar laws or rules governing the purchase or use of the Goods, is the sole responsibility of Buyer.

13. **Assignment.** Buyer may not assign or transfer any of its rights or obligations under the Sales Order without prior written consent of NE Filter.

14. **Specifications.** Buyer warrants that all specifications and directions provided to Seller are complete and accurate in all respects.

15. **Waiver.** Seller's waiver of any provision of these Terms shall not be construed as a waiver of any other provision of these Terms. Any waiver by Seller of any provision of these Terms must be in writing, signed by

Seller's authorized representative and refer specifically to these Terms. Any waiver in one instance does not imply or suggest waiver in another unless the writing in the previous sentence expressly confirms that intent by Seller. Neither Seller's failure, delay nor partial exercise of any right, remedy, power or privilege under these Terms will operate as a waiver.

16. **Return Goods Policy.** No Goods will be accepted for return without a NE Filter approved Return Goods Authorization ("RGA"). All returns are subject to a restocking charge. Special ordered or modified Goods are not returnable.

17. **Goods Sold for Buyer's Export.** Buyer assumes responsibility and liability for compliance with all U.S. and international laws, treaties and customs rules and regulations applicable to the export of Goods by Buyer, including without limitation determination and compliance with all export licenses and authorizations.

18. **Modification.** These Terms may only be amended or modified in a writing that specifically states that it amends these Terms and that is signed by an authorized representative of Seller. NO MODIFICATION OR ALTERATION OF THESE TERMS WILL RESULT FROM SELLER'S SHIPMENT OF GOODS FOLLOWING RECEIPT OF BUYER'S PURCHASE ORDER, SHIPPING ORDER, OR OTHER FORMS CONTAINING PROVISIONS, TERMS AND CONDITIONS IN ADDITION TO, DIFFERENT FROM OR IN CONFLICT WITH THOSE SET FORTH IN THIS DOCUMENT. Except as set forth in a written agreement for the purchase and sale of Goods between Buyer and Seller, signed by authorized representatives of each, there are no terms, conditions, understandings or agreements between Buyer and Seller other than those stated herein. In the event of a conflict between a signed written agreement between Buyer and Seller with these Terms, the written agreement will control. In all other instances, the Terms supersede prior or contemporaneous understandings, negotiations, representations, and communications, both written and oral, between Buyer and Seller regarding the subject matter addressed by the Terms.

19. **Venue; Governing Law.** THE BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT JURISDICTION AND VENUE FOR ANY ACTIONS BROUGHT BY EITHER PARTY SHALL BE EXCLUSIVELY IN EITHER THE STATE COURTS OF GEauga COUNTY, OHIO OR THE FEDERAL DISTRICT COURT FOR THE NORTHERN DISTRICT OF OHIO. THE PARTIES FURTHER AGREE THAT THE LAW OF OHIO APPLIES TO ALL MATTERS OR DISPUTES BETWEEN THEM REGARDING SELLER'S GOODS OR THESE TERMS, WITHOUT REGARD TO CHOICE OF LAW PRINCIPLES.