

REPCO DEVELOPMENT TECHNOLOGIES LLC. (REPCODT) TERMS AND CONDITIONS OF THE SALE

1. **GENERAL** - Buyer and Seller agree that, unless otherwise expressly agreed in a writing signed by both parties, any purchase orders and subsequent sales of Seller's products are to be subject to and governed by these terms and conditions, and that SELLER SHALL NOT BE BOUND BY BUYER'S TERMS AND CONDITIONS. These terms and conditions constitute the entire agreement between the parties with respect to the sale of Seller's product to which they apply, and they may not be changed or waived, except in writing signed by the parties.

2. **DELIVERY** - Unless otherwise agreed in writing, all products manufactured, assembled or warehoused in the continental United States shall be delivered F.O.B. point of shipment and products shipped from outside North America for a destination within North America shall be delivered F.O.B. Ex-Works - Port of Customs Clearance, REPCODT is Importer of Record. For destinations in Mexico or Canada, customer is Importer of Record.

REPCODT standard estimated shipping date is 8 to 10 weeks ARO.

All deliveries shall be subject to the approval of the Seller's Credit Department. If the Buyer fails to fulfill the terms of payment, Seller may defer further deliveries, or may cancel the undelivered balance of the order and hold the Buyer liable for the resulting damages. The Seller reserves the right, prior to making any deliveries, to require from the Buyer satisfactory security for performance of Buyer's payment obligations.

Shipping dates are based on timely receipt of all necessary information from Buyer. Where the scheduled delivery of the products is delayed by Buyer or by reason of any of the events referred to in Paragraph 6 below, Seller may deliver the products by moving them to storage in accordance with Buyer's instruction, if any, for the account of and at the sole risk of the Buyer; provided, however, that delivery of the products as aforesaid shall be deemed to be delivery of the products for the purposes of the payment provisions contained in Paragraph 4. Seller reserves the right to deliver products in installments.

3. **INSURANCE** - Title in and to the products shall not pass from the Seller to the Buyer until the purchase price has been paid in full. If requested by Seller, Buyer shall execute a security agreement granting Seller a security interest in the products and shall take such further actions as may be reasonably required by Seller to perfect such a security interest. Risk of loss or damage to the products shall pass to the Buyer upon delivery of the products at the F.O.B. point or to a warehouse for Buyer's account as provided in Paragraph 2.

4. **TERMS OF PAYMENT** - The following terms are standard for all sales unless noted otherwise on estimates and/or invoices:

- 35% with purchase order;
- 50% upon delivery;
- 15% net 30 days after installation.

Payment terms for sales of accessories, spare parts, service and training are net 30 days after date of invoice.

If in the judgment of the Seller, the financial condition of the Buyer at any time prior to the delivery does not justify continuation of the terms of payment specified; Seller may require full or partial payment in advance or cancel an outstanding order, whereupon Seller shall be entitled to receive reasonable cancellation charges as provided in Paragraph 12 below. Delays in delivery or non-conformities in any installments shall not relieve Buyer of its obligation to accept and pay for remaining installments.

If payments are not made when due, Buyer shall pay, on past due installments of the purchase price, a late charge equal to the lesser of 1.5% per month or the highest legal rate of interest.

5. **INSTALLATION AND TRAINING** - REPCODT may provide installation and basic training at your facility at additional charge if required unless noted otherwise on estimates, invoices or electronic communication.

6. **FORCE MAJEURE** - Seller shall not be liable for loss, damage, detention or delay, nor be deemed to be in default from causes beyond its reasonable control or from acts of God, fire, strikes, labor difficulties, acts or omissions of any third party, any governmental authority or of Buyer, compliance with governmental regulations, insurrections or riots, embargoes, delays or shortages in transportation or inability to obtain necessary labor, materials or manufacturing facilities from usual sources, defects or delays in the performance of its suppliers or subcontractors due to any of the foregoing enumerated causes or any other cause similar or dissimilar to the foregoing. In the event of delay in delivery due to any such causes the date of delivery shall be postponed for such duration as may reasonably be necessary to take into account such delay.

7. **SELLER'S WARRANTY** - A. Seller's machines are warranted against defects in materials and workmanship for a period of 12 months, after installation, except for the parts that are detailed on the Limited Warranty Schedule, which are covered for 90 days. Seller's accessories and spare parts are warranted against defects in materials and workmanship for a period of 90 days from date of delivery. If Seller receives notice of such defects during the applicable warranty period, the Seller will approve the return of the defective item from Buyer, and may re-issue a replacement for such item. Transportation and insurance charges for returning a defective item to Seller's facility shall be paid by Buyer. Seller shall determine the existence or cause of defect; and if it is found that an item is not defective, Buyer will be notified, the item returned at Buyer's expense and Buyer will be charged accordingly including any charges for examination and testing.

B. Repairs or replacements pursuant to the foregoing warranties shall not renew or extend the original warranty period, but any such repaired or replaced item shall be warranted for the time remaining on the original warranty period or ninety (90) days after delivery, whichever is longer.

C. The foregoing warranties do not apply to any item which (a) has been improperly repaired or altered; (b) has been subject to misuse, accident or negligence; (c) has been used in a manner contrary to Seller's instructions; or (d) is subject to normal wear and deterioration. The foregoing warranties do not cover routine mechanical adjustments of the type described and explained in the instruction manual furnished to the Buyer with the product. Such adjustments are the responsibility of the Buyer.

D. Seller warrants to Buyer that all services to be performed under these terms and conditions shall be performed in a professional and workmanlike manner. For services not in conformance with this warranty, the Buyer shall be entitled to re-performance of the non-conforming services.

E. Seller extends to the Buyer a thirty (30) days limited warranty on repaired parts. The warranty period begins from the invoice date and protects against defects in materials and workmanship. This warranty does not cover wearable parts and consumables that have worn due to normal use. Electronic

spare parts will be accepted for warranty replacement only in those cases where the Seller is able to determine that the cause of failure was due to a manufacturing defect. The warranty does not apply to any item which (a) has been improperly repaired or altered; (b) has been subject of misuse, accident or negligence; (c) has been used in a manner contrary to Seller's instructions.

F. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF QUALITY AND PERFORMANCE, WRITTEN, ORAL OR IMPLIED, AND ALL OTHER WARRANTIES, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED BY SELLER. Correction of nonconformities in the manner and within the period of time provided above shall be Buyer's exclusive remedy and shall constitute fulfillment of all liabilities of Seller (including any liability for direct, indirect, special, incidental or consequential damages) whether in warranty, contract, negligence, tort, strict liability, or otherwise with respect to any nonconformance of or defect or deficiency in the products supplied or services furnished hereunder.

8. **LIMITATION OF LIABILITY** - A. IN NO EVENT, WHETHER ON ACCOUNT OF PRODUCTS OR PARTS FURNISHED TO BUYER OR SERVICES PERFORMED UPON OR WITH RESPECT TO PRODUCTS OR PARTS, SHALL SELLER BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHETHER IN WARRANTY, CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE including, but not limited to, loss of profits or revenue, loss of use of the products or parts therefor or any associated equipment, facilities or services downtime costs, delays, or claims of customers of the Buyer or other third parties for such or other damages. The provisions of this Section 7 shall be unaffected by any and shall apply to the full extent permitted by law, regardless of fault or negligence of Seller or its subcontractors or suppliers, and shall apply notwithstanding any other provisions of these terms and conditions or any other agreement between the parties.

B. Seller's liability on all claims whether in warranty, contract, negligence tort, strict liability, or otherwise for any loss or damage arising out of, connected with, or resulting from an order or the performance or breach thereof, or from the design, manufacture, sale, delivery, resale, repair, replacement, installation, technical direction of installation, inspection, operation or use of any product or parts covered by or furnished under these terms and conditions, or from any services rendered in connection therewith, shall in no case exceed the purchase price allocable to the product or part thereof.

C. All causes of action against the Seller arising out of or relating to Seller's performance of these terms and conditions shall expire on (1) year after the time of accrual thereof.

9. **TAXES** - The price for the products does not include any federal, state or local property, license, privilege, sales, service, use, excise, value added, gross receipts, or other like taxes which may now or hereafter be applicable to, measured by or imposed upon or with respect to product or its purchase, sale, replacement, value or use, or any services performed in connection therewith. Buyer agrees to pay or reimburse Seller for any such taxes which Seller is required to pay or collect or which are required to be withheld.

10. **LAWS AND REGULATIONS** - Seller does not assume any responsibility for compliance with federal, state and local laws and regulations, except as expressly set forth herein, and compliance with any laws and regulations relating to the operation and maintenance or use of the products is the sole responsibility of the Buyer. Nothing contained herein shall be construed as imposing responsibility or liability upon Seller for the obtaining of permits, license or approvals from, or product compliance with, laws codes, or regulations of, any agency required in connection with the supply, installation, possession, operation, maintenance or use of the equipment.

11. **SOFTWARE AND INFORMATION LICENSE** - Seller hereby grants the Buyer a paid-up non-exclusive and non-transferable limited license to use the computer programs and related software developed and supplied by the Seller or its affiliates and all drawings, operating and maintenance manuals and other information prepared and supplied by Seller or its affiliates (the "Licensed Products") solely for the purpose of operating and maintaining the products. The Buyer shall use the Licensed Products only for the purposes specified in the preceding sentence. The Buyer shall not copy, replicate or make extracts of the Licensed Products and shall not allow their use by others or disclose their contents to others without the Seller's prior written permission. The Licensed Products may be used only in the United States and may not be moved to another country without the Seller's prior written permission. The license granted herein shall terminate when the Buyer ceased to own the products for which the Licensed Products are intended to be used or earlier upon the Buyer's violation of the terms of this Paragraph 10 or any other provision of these terms and conditions. Upon expiration of the license, the Buyer shall return the Licensed Products to the Seller.

12. **PATENT INDEMNITY** -

THE FOREGOING PARAGRAPHS STATE THE ENTIRE LIABILITY OF SELLER WITH RESPECT TO PATENT INFRINGEMENT.

A. To the extent that products or any part thereof are modified by Buyer, or combined by Buyer with products or processes not furnished hereunder, except to the extent that Seller is a contributory infringer, or said products or any part thereof are used by Buyer to perform a process not furnished hereunder by Seller or to produce an article, and by reason of said modification, combination, performance or production, an action is brought against Seller, Buyer agrees to defend and indemnify Seller in the manner and to the extent Seller indemnifies Buyer in this Paragraph 12.

13. **CANCELLATION** - Any order or contract may be terminated by Buyer only upon prior written notice and upon payment of Seller's termination charge all direct and indirect costs identified to the order or contract incurred prior to the effective date of notice of termination and all charges incurred by Seller in respect of or arising out of the termination.

14. **GOVERNING LAW** - A. These terms and conditions shall be governed and interpreted, and all rights and obligations of the parties shall be determined, in accordance with the laws of the State of New Hampshire, without regard to its principles of conflicts of law.

B. Any dispute in connection with these terms and conditions shall be finally settled by arbitration in the State of New Hampshire in accordance with the Commercial Arbitration Rules of the American Arbitration Association as then in effect.

15. **PARTIAL INVALIDITY** - If any provision herein or portion thereof shall be found in any jurisdiction to be in violation of public policy or illegal or unenforceable in law or equity, such finding shall in no event invalidate any other provision of these terms and conditions in that jurisdiction, and these terms and conditions shall be deemed amended to the minimum extent required to comply with the law of such jurisdiction.

16. **ASSIGNMENT** - Buyer shall not assign its rights or obligations under these terms and conditions without the prior written consent of the Seller.

THE TERMS AND CONDITIONS ARE HEREBY ACCEPTED AND AGREED TO BY BUYER.