

## MELLEN STANDARD TERMS AND CONDITIONS OF SALE

Sale of any of the equipment or services described or referred to in this sales agreement is expressly conditional upon the terms and conditions set forth below. Any additional or different terms and conditions shall not be effective or binding unless assented to in writing by an authorized representative of The Mellen Company, Inc.

### QUOTATIONS AND ACCEPTANCE OF ORDERS

Prices quoted are binding upon the Mellen Company, Inc. unless otherwise stated for fifteen (15) days from the day of quotation. Orders placed with the Mellen Company, Inc., are subject to acceptance by the Mellen Company, Inc. in Concord, N.H., and when accepted, constitute a sales agreement made in New Hampshire. Prices on all equipment shipped more than thirty (30) days from the date of Mellen's acknowledgment of the order for such equipment may be increased if necessary to cover increased costs of labor and material incurred by Mellen unless otherwise agreed to in writing.

### CANCELLATION POLICY

NO CANCELLATIONS ARE ALLOWED AFTER PRODUCTION HAS BEGUN. Prior to production a minimum fee of 25% will be charged for all cancellations. In addition, the Purchaser will be responsible for all engineering hours that have accrued as well as covering the cost of any/all parts that were purchased specifically for their job. All cancellation requests must be made in writing by an authorized representative of the Purchasing Company.

### PATENTS

The Mellen Company, Inc. shall defend any suit or proceeding brought against the Purchaser so far as based on a claim that any equipment, or any part thereof, furnished under this contract constitutes an infringement of any patent of the United States, if notified promptly in writing and given authority, information and assistance (at the Company's expense) for the defense of same; and the Mellen Company, Inc. shall pay all damages and costs awarded therein against the Purchaser. In case said equipment, or any part thereof, is in such suit held to constitute infringement and the use of said equipment or parts enjoined, Mellen shall, at its own expense and at its option, either procure for the Purchaser the right to continue using said equipment or part, or replace same with non-infringing equipment, or modify it so it becomes non-infringing, or remove said equipment and refund the purchase price. The foregoing states the entire liability of the Mellen Company, Inc., for patent infringement by said equipment or any part thereof.

### DELAYS

Shipping dates stated in this sales agreement are approximate. The Mellen Company, Inc. shall not be liable for delays in delivery, or in performance or failure to manufacture or deliver, due to: (1) causes beyond its reasonable control, and (2) acts of God, acts of the Purchaser, acts of civil or military authority, priorities, fires, strikes or other labor disturbances, floods, epidemics, war, riot, delays in transportation or car shortages, or (3) inability on account of causes beyond its reasonable control to obtain necessary labor, materials, components or manufacturing facilities. In the event of any such delay, the date of delivery or of performance shall be extended for a period equal to the time lost by reason of the delay.

### PAYMENTS

Payments of the purchase price stated herein shall be due and payable within thirty (30) days after receipt of the Company's invoice which shall be rendered upon shipment of the equipment. If shipment is delayed by the Purchaser, Mellen's invoice shall be rendered on the date when Mellen is prepared to make shipment. Equipment held for the Purchaser shall be at the risk and expense of the Purchaser. Unpaid balances of past due accounts will be charged a 2% per month finance charge which corresponds to an annual rate of 24% plus all applicable collection fees.

### SALES AND SIMILAR TAXES

The Company's prices do not include sales, use, excise or similar taxes. Consequently, in addition to the price specified in this sales agreement, the amount of any present or future sales, use, excise or similar tax applicable to the sales or use of the equipment thereunder shall be paid by the Purchaser; or in lieu thereof, the Purchaser shall provide the Company with a tax exemption certificate acceptable to the taxing authorities.

### PACKING AND SHIPPING

Prices are quoted exclusive of packing and shipping charges. Unless otherwise stated, the FOB point is Concord, New Hampshire. Delivery to common carrier of postal authorities at Concord, New Hampshire shall constitute delivery to the Purchaser, who shall thereafter be responsible for delays, loss, or damage in transit.

### LIMITATION OF LIABILITY

The Mellen Company's liability on any claim of any kind, including negligence, or any loss or damage arising out of, connected with, or resulting from, this agreement or from the performance or breach thereof, or from the design, manufacture, sales, delivery resale, installation repair, operation or use of any equipment covered by or furnished under this agreement shall in no case, (except as provided in paragraph entitled "Patents"), exceed the purchase price of the equipment which gives rise to the claim. In no event, whether as a result of breach of contract or warranty or alleged negligence, shall the Mellen Company, Inc. be liable for special or consequential damages including, but not limited to, loss of profits or revenue, loss of use of equipment or any other equipment, cost of capital, cost of substitute equipment, facilities or services, downtime costs, or claims of customers of the Purchaser for such damage.

### WARRANTY

All material supplied by the Mellen Company, Inc. is guaranteed for 90 days from start up, or six months from date of shipment, whichever is sooner (both parts and labor) against faulty material and/or workmanship when the parts are returned, prepaid, to Mellen within the warranty period. Our liability under the above is limited to the repair or replacement of the faulty part. Heating elements, thermocouples, insulation packs and retorts are excluded from this warranty because the Mellen Company, Inc. has no control over the temperatures and environments to which the elements, thermocouples, insulation packs, or retorts may be exposed during operation. All controller and computer-related hardware is covered under warranty by the original manufacturer(s), which is extended to the end user by The Mellen Company, Inc. The normal manufacturer's warranty period for this equipment is one (1) year.

*If you have any questions, please contact us immediately at Tel. (603) 228-2929 or Fax (603) 228-5727.*

**The MELLEN Company, Inc., 40 Chenell Drive, Concord, New Hampshire 03301 USA**