

AIRLOC - STANDARD TERMS AND CONDITIONS

THE SALE MADE BY AIRLOC A Division of Clark-Cutler-McDermott Company ("Seller") TO THE CUSTOMER INDICATED ON THE ATTACHED QUOTATION / ORDER DOCUMENT ("Buyer") IS MADE UNDER THE FOLLOWING TERMS AND CONDITIONS:

1. DEFINITIONS

Product: Items offered for sale to the Buyer by seller as specified on the attached quotation.

Proposal: The Quotation, these Standard Terms and Conditions and, if applicable, Application Specifications, which together constitute the entire offer and purchase agreement between Seller and Buyer.

Quotation: Document that details the Product offered for sale to Buyer by Seller including: a listing of items that constitute the Product; the purchase price; estimated delivery lead time after receipt and acceptance of the order by Seller; and details of or references to any additional terms and conditions or modifications of the standard terms and conditions.

Purchase Price: The total purchase price for the Product as set forth in the Quotation.

Application Specifications: Document(s) that details all specific design requirements and performance criteria of the application specific elements of the Product for Buyer. This document may include details of validation test(s) and corresponding performance criteria.

2. BACKGROUND

The terms and conditions set forth herein and within the attached Quotation shall constitute the only terms and conditions applicable to the sale of the Product by Seller and supersede all previous, discussions, representations, advice, understandings, and agreements between Buyer and Seller. Inconsistent or additional terms, including inaccurate prices in Buyer's order, impose no obligation on Seller. Any agreement imposing additional or different obligations on Seller must be in writing and signed by an officer of Seller. No order shall be binding on Seller until and unless accepted by Seller in writing. Seller may refuse to accept any order for any cause that Seller deems sufficient and shall not be liable for any claims of any nature because of failure to accept.

3. PRICES AND TAXES

Prices are exclusive of all national, federal, state, municipal, local or any other governmental, excise, sales, use, occupational, or like taxes or duties now in force or enacted in the future. Any such tax, fee, or charge of any nature whatsoever imposed by any governmental authority on, or measured by, the transaction between Seller and Buyer shall be paid by Buyer in addition to the prices quoted or invoiced. In the event Seller is required to pay any such tax, fee, or a charge, at the time of sale, or at any time thereafter, Buyer shall reimburse Seller therefore. Buyer will be the named "importer of record" on all shipments from.

Seller to Buyer's locations outside of the U.S. and Buyer will be responsible for all costs and fees associated with such designation by the appropriate customs and duties authorities.

Unless otherwise specified in the Quotation, all prices are quoted in U.S. dollars.

4. SHIPMENT, DELIVERY AND TITLE

Unless otherwise specified in the Quotation, title to and risk of loss of the Product sold hereunder shall pass unto Buyer upon shipment, F.O.B. Franklin, MA. Seller will supply the necessary materials to adequately package the Product so that it is suitably protected for shipment. Unless specified in the quotation, the Buyer shall reimburse the Seller for the costs of such packaging materials which will be invoiced to the Buyer at the time of the final billing associated with the order.

Buyer shall properly prepare the installation site prior to the delivery date to accept the Product in accordance with the Seller's requirements and shall be obligated to perform or contract for delivery from the Buyer's receiving area to the final installation site ("Inside Delivery"), including any applicable insurance against loss. Buyer will pay all costs for such site preparation and Inside Delivery and insurance.

Seller will undertake commercially reasonable efforts to ship the Product on or before the estimated shipping date. However, shipping dates are approximate and are subject to change.

5. TERMS OF PAYMENT

Unless otherwise specified in the Quotation, standard payment terms are as follows: 100% of the Purchase Price due within thirty (30) days of shipment. All payments shall be in U.S. Dollars unless otherwise specified in the Quotation. Late payments will be subject to interest charges of 1.5% per month on the outstanding balance owed.

6. SECURITY INTEREST

Seller hereby reserves a purchase money security interest in the Product sold and the proceeds thereof, in the amount of its Purchase Price. In the event of default by Buyer of any of its obligations to Seller, Seller shall have the right to repossess the Product sold hereunder. In such event, Buyer agrees to make the Product available to Seller so that Seller can repossess the same without a breach of the peace. These security interests will be released upon payment in full.

7. LIMITATION OF LIABILITY

SELLER'S LIABILITY UNDER, FOR BREACH OF, OR ARISING OUT OF THIS AGREEMENT AND/OR SALE SHALL BE LIMITED TO REFUND OF THE PURCHASE PRICE. IN NO EVENT SHALL SELLER BE LIABLE FOR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS BY BUYER. SELLER SHALL NOT BE LIABLE FOR COSTS ASSOCIATED WITH CONSTRUCTION DELAYS, ENGINEERING CHANGES, OR BUILDING MODIFICATIONS OR REPAIRS. IN NO EVENT SHALL SELLER BE LIABLE UNDER THIS AGREEMENT FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, OR OTHER DAMAGES (INCLUDING WITHOUT LIMITATION LOSS OF PROFIT, SALES, USE, TIME, AND DATA) WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS, HOWEVER CAUSED, WHETHER FOR BREACH OR REPUDIATION OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, OR OTHERWISE. THIS EXCLUSION ALSO INCLUDES ANY LIABILITY THAT MAY ARISE OUT OF THIRD PARTY CLAIMS AGAINST BUYER. THE ESSENTIAL PURPOSE OF THIS PROVISION IS TO LIMIT THE POTENTIAL LIABILITY OF SELLER ARISING OUT OF THIS AGREEMENT AND/OR SALE TO THE REFUND OF THE PURCHASE PRICE.

Seller shall not be liable for any loss, damages or penalty resulting from delay in delivery when such delay is due to causes beyond the reasonable control of Seller, including but not limited to supplier delay, force majeure, act of God, labor unrest, fire, explosion, or earthquake. In any such event, the delivery date shall be deemed extended for a period equal to the delay. Seller represents to its knowledge that the Product does not appropriate or infringe upon the intellectual property rights of any third party. The Product will be delivered free and clear of all liens and rights of another party except for the Seller's security interest and that upon delivery of the Product to Buyer, and payment of the Purchase Price, Seller will convey to Buyer all right, title and interest in and to the Product.

8. SUBSTITUTIONS AND MODIFICATIONS

Seller shall have the right to make substitutions to and modifications of Product sold by Seller provided that such substitutions or modifications will not materially affect overall product performance and/or, if applicable, meeting of the Application Specifications. Seller may fill all orders with products having improvements or changes that are not shown in Seller's catalogs or printed matter. Seller shall not be obligated to

furnish Buyer with such improvements or changes for products previously sold or delivered. In the event that Seller requires modifications of the Application Specifications after the Order Acceptance Date, then Seller will not carry out such modifications without written approval of Buyer.

No changes to the Application Specifications or the system configuration can be made by the Buyer subsequent to the Order Acceptance Date unless accompanied by a separate Quotation and order as agreed to by both Buyer and Seller.

9. RETURN / CANCELLATION

All returns require a return authorization from Seller prior to material being returned. A re-stocking fee may be assessed based on inspection of returned material.

This order, or any portion thereof, may not be cancelled by Buyer except upon written notice to Seller and the payment of cancellation charges determined by seller, which shall include but not be limited to expenses already incurred for labor and material costs, reasonable overhead, commitments made by Seller, and a reasonable profit, provided that in no event shall Buyer be obligated to pay more than the Purchase Price. Buyer shall have no claim or rights to partially completed Products. Buyer may not cancel any order, or portion thereof, after shipment. Buyer may not reschedule or change any order, or portion thereof, without Seller's prior written consent.

10. BANKRUPTCY

If Buyer shall become bankrupt or insolvent or compounds with his creditors or commences to be wound up or suffers a receiver to be appointed, Seller shall be at liberty by notice in writing to cancel this contract without judicial intervention or declaration of default of Buyer and without prejudice to any right or remedy which shall have accrued or shall accrue thereafter to Seller.

11. PROPRIETARY RIGHTS

Seller retains for itself all proprietary rights in and to all designs and design details, manufacturing details and manufacturing data pertaining to the Product except where such rights are assigned under written agreement by a corporate officer of Seller.

12. LICENSE

The Product is offered for sale and is sold by Seller subject in every case to the condition that such sale does not convey any license, expressly or by implication, estoppels or otherwise, under any patent or other intellectual property claim with respect to which Seller can grant licenses covering complete equipment, or any assembly, circuit combination, method or process in which any such products are used as components. Seller expressly reserves all its rights under such patent or other intellectual property claims.

13. PROPRIETARY INFORMATION AND CONFIDENTIALITY

Herein the term "Confidential Information" means all data, specifications and other

proprietary information provided by either Seller or Buyer (the "Disclosing Party") to the other party (the "Recipient") in connection with Buyer's order and the sale and use of Seller's Product, except any portion thereof which (i) is known to the Recipient as evidenced by its written records before disclosure by the Disclosing Party, (ii) is disclosed to the Recipient by a third person who is under no obligation of confidentiality to the Disclosing Party, (iii) is or becomes generally known to the public through no fault of the Recipient, or (iv) is independently developed by the Recipient as evidenced by the Recipient's written records without access to the Disclosing Party's information. All Confidential Information shall be used by the Recipient only for the purposes permitted in connection with Seller's manufacture of the product unit pursuant to Buyer's order and Buyer's use of the product unit. All Confidential Information shall be received and held in confidence by the Recipient subject to the provisions of these terms and conditions and the purchase order. Each Recipient shall restrict disclosure of Confidential Information to those of its employees to whom it is necessary to disclose the same; and each Recipient shall use efforts to protect the Confidential Information of the other party which are fully commensurate with those employed for the protection of its own confidential information.

14. IMPORT AND EXPORT REQUIREMENTS

Buyer shall, at its own expense, pay all import and export licenses and permits, pay customs charges and duty fees, and take all other actions required to accomplish the export and import of the Product. If Seller is required to pay any such license, permit, charge or duty at the time of shipment or thereafter, Buyer shall reimburse Seller therefore. Buyer understands that Seller is subject to regulation by agencies of the U.S. government, including the U.S. Department of Commerce, which prohibits export or diversion of certain technical products to certain countries. Buyer warrants that it will comply in all respects with the export and re-export restrictions set forth in any export license for the Product.

15. ACCEPTANCE BY BUYER - ENTIRE AGREEMENT

The terms and conditions as set forth in the proposal shall constitute the entire agreement between Seller and Buyer (the "Agreement"). This Agreement shall not be modified, supplemented, qualified, or interpreted by any trade usage or prior course of dealing not made a part of the contract by its express terms. Seller shall not be bound by any terms of Buyer's order that are inconsistent with the terms and conditions set forth by Seller. Acceptance by Buyer of these terms and conditions may be made either by written acceptance or by receipt by Buyer of delivery of any Products quoted and failure by Buyer to return the same within

five (5) days following delivery of such products as herein provided. The failure by Seller or Buyer to enforce at any time any of the provisions of this Agreement, or to exercise any election or option provided herein, shall in no way be construed as a waiver of such provisions or options, nor in any way to affect the validity of this Agreement or any part thereof, or the right of Seller and Buyer thereafter to enforce each and every such provision.

Each shipment made hereunder shall be considered a separate transaction, and in the event of any default by Buyer, Seller may decline to make further shipments. If Seller elects to continue to make shipments, then such action shall not constitute a waiver of any default by Buyer or in any way affect Seller' legal remedies for such default.

16. DISCLAIMER OF WARRANTIES

SELLER PROVIDES THE PRODUCT OR PRODUCTS ON AN "AS IS" BASIS, AND SELLER DISCLAIMS ANY AND ALL OTHER WARRANTIES, CONDITIONS, OR REPRESENTATIONS (EXPRESS, IMPLIED, ORAL, OR WRITTEN), RELATING TO THE PRODUCT OR PRODUCTS OR ANY PART THEREOF, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES INCLUDING THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SELLER FURTHER EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION TO ANY THIRD PARTY. SELLER SPECIFICALLY DISCLAIMS ALL EXPRESS WARRANTIES, CONDITIONS, OR REPRESENTATIONS RELATING TO THE PRODUCT EXCEPT FOR THOSE SPECIFICALLY SET FORTH HEREIN OR IN THE QUOTATION.

THE ENTIRE RISK AS TO THE QUALITY AND PERFORMANCE OF THE PRODUCT OR PRODUCTS IS WITH THE BUYER. BUYER HEREBY ACKNOWLEDGES THAT BUYER HAS THE SOLE RESPONSIBILITY FOR DETERMINING WHETHER PRODUCT OR PRODUCTS MEET ANY DESIRED USE, APPLICATION, OR SPECIFICATION, AND THAT BUYER IS RESPONSIBLE FOR DETERMINING WHETHER SELLER'S PRODUCTS ARE SUITABLE FOR BUYER'S USE. BUYER IS NOT RELYING ON ENGINEERING, DESIGN, OR OTHER PROFESSIONAL ADVICE FROM SELLER.

17. INSURANCE

Seller shall maintain at all times during the performance of labor or service for Buyer under the contract which results from the acceptance of this Order, workmen's compensation insurance with applicable statutory limits, employer's liability of \$1,000,000 limit, and comprehensive public liability insurance including "XCU" products - completed operations, automobile and contractual liability coverage with limits of \$500,000/\$500,000 bodily injury, and \$500,000 property damage (\$75,000 property damage - automobile), which coverage shall survive termination of the insurance for claims made for the effective period but subsequent to termination for a

period of at least five years, and which shall also provide for a retroactive date of placement coinciding with the effective date of the Agreement.

18. **GOVERNMENT REGULATION**

In furnishing goods or services covered by this Order, Seller agrees to comply with the provisions of applicable law.

19. **JURISDICTION AND VENUE**

The contract between the parties is made, governed by, and shall be construed in accordance with the laws of the Commonwealth of Massachusetts of the United States of America, except choice of law rules that would require the application of the laws of any other jurisdiction. The Commonwealth of Massachusetts shall have exclusive jurisdiction and venue over any dispute arising out of this agreement and sale, and Buyer hereby consents to the jurisdiction of such courts.

20. **ERRORS**

Stenographic and clerical errors are subject to corrections.

21. **ATTORNEY'S FEES**

In the event of litigation involving the enforcement or interpretation of this agreement or any request for shipment release issued and accepted under the terms of this agreement, the Buyer shall pay the Seller reasonable attorneys' fees and costs for all such litigation where Seller prevails. The Seller shall not be responsible for Buyer's attorneys fees in the event of any litigation or dispute.