

TERMS AND CONDITIONS OF SALE

1. The Terms and Conditions contained herein are the exclusive terms and conditions for the sale of products from United Filters Internal LLC, a division of UFI L.L.C. ("UFI") to you, the "Customer". Customer agrees that the terms and conditions stated herein and, to the extent not stated herein but contained on any UFI invoice, constitute the final, complete, exclusive expression of the agreement between UFI and Customer. In the event that any Customer form, purchase order or any other document submitted by Customer contains terms and conditions in addition to or different from the terms and conditions herein or from any UFI invoice, Customer agrees, by so submitting its purchase order or order form, by receiving an order acknowledgment or by accepting product produced by UFI, that such new or additional terms are rejected and that the language of the UFI terms and conditions control. Any and all new or additional terms contained on any Customer document (whether provided to UFI prior to or subsequent to the delivery of these Terms and Conditions) are hereby expressly and completely rejected. Acceptance of Customer's order for product from UFI is expressly limited to these terms and conditions. Any of the terms or provisions of the Customer's order which are inconsistent with the terms and provisions contained herein are not agreed to by UFI and shall not be binding on UFI and shall not be considered applicable to the sale or shipment of the products ordered.

2. Any price quotation issued by UFI is valid for 30 days from the date of issuance. Orders become effective only when accepted and approved by UFI. Products sold shall be in case quantities only. Orders requiring pallets will be charged a fee of \$16.50 per pallet used. There shall be a minimum order amount of \$200.00 exclusive of freight.

3. Orders, shipments, and terms of payment are subject to the approval of UFI's credit department. Invoices shall be rendered when the products are shipped. Upon credit approval, terms of payment are net 30 days, unless otherwise agreed by UFI. Any sums not paid within the specified net terms are subject to a service charge of 1.5% per month. No discount will be allowed to any Customer having an overdue balance. Any discounts previously granted to any Customer that fails to pay any UFI invoice when due will be immediately forfeited and lost and will be billed to Customer, which shall be immediately due and payable. Payment by credit card will be subject to a 3.6% administration fee. Customer will pay all costs, collection agency commissions, expenses and all reasonable attorney fees incurred in the collection of any past due sums. By submitting an order or taking receipt of UFI products, Customer consents to the exclusive jurisdiction of the state and federal courts located in the State of Ohio. Customer shall be deemed to have accepted the products shipped by UFI within ten (10) days after delivery to Customer. After acceptance, Customer shall not be entitled to reject the products that are not in accordance with these terms and conditions. UFI reserves the right to refrain from performing any work on any of Customer's orders should any of Customer's account(s) or jobs with UFI be or become past due. Payments shall be made to UFI at the address listed on the UFI invoice.

4. All shipments are F.O.B. UFI's facility (either Amarillo, TX, Sun Valley, CA, or Eastlake, OH) unless otherwise agreed upon in writing. Risk of loss or damage to the UFI products shall pass to the Customer upon delivery by UFI to the initial carrier, notwithstanding any right that the Customer may have to cancel or return goods. If Products are shipped via Prepaid & Add and the carrier re-weighs or reclassifies the shipment, UFI will invoice (or reinvoice) the Customer for these charges and provide supporting documentation. In the event UFI is forced to delay delivery of goods to the initial carrier due to any action or the Customer agrees to pay all reasonable storage and insurance charges specified by UFI. In the event goods are returned pursuant to the UFI return policy, risk of loss shall remain with Customer until the goods are delivered to the UFI's plant and accepted by UFI. Customer agrees to indemnify and hold UFI harmless from any loss or damage to the goods or consequence thereof, sustained while the risk of such loss or damage remains upon Customer.

5. Lead times provided by UFI to Customer are approximate times to shipment. Lead times are not guaranteed shipment dates. Delivery and shipment dates are estimated dates only. No allowance is made, nor shall UFI be liable directly or indirectly, for delays or non-performance due to delays of carriers or delays caused by labor difficulties, shortages, strikes, stoppages, fires accidents, failure or delay in obtaining materials or manufacturing facilities, acts of any government affecting UFI in any way, bad weather, causes beyond UFI's control, acts of God, or any other contingency that was not foreseen at the time when an order was submitted to UFI. UFI shall not be liable for any damages or penalties whatsoever, whether direct, indirect, special, consequential, or otherwise, resulting from UFI's failure to perform or delay in performing or shipping. UFI may decline to deliver, accept for cash, or stop goods in transit whenever, for any reason, doubt as to Customer's financial responsibility develops or may arise. Orders expedited at Customer's request may be subject to a 25% expedited fee and must ship via either one or two-day delivery, no ground shipments.

6. Orders for non-standard Products, such as modified Products or Products produced to Customer's specifications, are not cancelable and not returnable without UFI's prior consent. Should cancellation consent be given, UFI reserves the right to recover all direct costs incurred as a result of such cancellation. Standard Products may be returned at Customer's request only upon the approval of UFI. Products must be in re-sellable condition and in their original packaging. No cash refunds will be provided for returned products. UFI will issue a credit memorandum for any authorized material return. Said credit memorandum will have no cash value and shall expire one (1) year after issuance. Authorized Returns not accompanied by a new order of greater or equal value shall be subject to a restocking fee of 25% of the original sale price.

7. UFI will, to the extent permissible, pass through to Customer all available applicable original equipment manufacturer and additional warranties for any product sold.



warranty period. The determination as to whether a Product is defective shall be in UFI's sole and exclusive discretion. Any warranty claim is further subject to Customer's return of defective Products to a destination specified by UFI. Under no circumstances will credit be allowed for the unauthorized return of any Products.

NO EMPLOYEE, REPRESENTATIVE OR DISTRIBUTOR IS AUTHORIZED TO CHANGE THE FOREGOING WARRANTIES IN ANY WAY OR GRANT ANY OTHER WARRANTY ON BEHALF OF UFI. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND NO REPRESENTATIONS, GUARANTEES, OR WARRANTIES, EXPRESS OR IMPLIED, ARE MADE BY UFI IN CONNECTION WITH THE MANUFACTURE OR SALE OF ITS PRODUCTS. THE LIABILITY OF UFI, WHETHER IN CONTRACT, TORT, UNDER ANY WARRANTY, OR OTHERWISE, SHALL NOT EXTEND BEYOND ITS OBLIGATION TO REPAIR OR REPLACE, AT ITS OPTION, ANY PRODUCT OR PART FOUND BY UFI TO BE DEFECTIVE IN MATERIAL OR WORKMANSHIP. UFI SHALL NOT BE LIABLE FOR COST OF REMOVAL OR INSTALLATION AND/OR SHALL NOT BE RESPONSIBLE FOR ANY DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE.

Whether based on any Warranty claim or otherwise, UFI will not, in ANY event, be liable for any loss of profit, interruption of business or any other special, consequential or incidental damages suffered or sustained by Customer. UFI's total maximum liability to Customer in respect of the manufacture and sale of Products is limited to the Warranty stated herein and, if any claim by Customer is based on a theory other than the Warranties, then the damages are limited to the total monies received by UFI from Customer for the particular Products described in Customer's order which are determined to be defective. The total maximum liability for scheduled orders that are drawn down against each month will be the monthly total of the affected order or the total value of the items affected, whichever is the lesser.

9. UFI shall have no responsibility or liability for any assistance, suggestions or technical advice given Customer concerning dimensions, handling, installation, testing, storage, use or placement in service of any Product sold to Customer. Any such assistance, suggestion or technical advice is merely an accommodation to Customer.

10. No employee, agent, or representative of UFI has the authority or power to add, waive, or amend these terms and conditions unless first authorized in writing by an officer of UFI. Any transaction with Customer shall be construed under the laws of the State of Ohio. Waiver of UFI of any breach shall not thereafter be deemed a waiver of a subsequent breach of the same of any other provision hereof.