

SERVICE AGREEMENT

This Agreement is entered into this 31 day of MAY 2011 by and between Mason County Transportation Authority, a Washington municipal corporation, ("MTA") and RITSAP TRANSIT ("Customer")

IN CONSIDERATION OF the mutual benefits and conditions set forth below, the parties hereto agree as follows:

1. **Scope of Services to be Performed by MTA.**

MTA shall perform the following services for Customer:

- a. Level I Cleaning:
 - i. Receive filter and inspect
 - ii. Filter band and seal cleaning
 - iii. Air flow testing
 - iv. Pneumatic cleaning
 - v. Filter air flow test
 - vi. Filter repackaging for shipment
- b. Level II Cleaning:
 - i. Includes Level I Cleaning
 - ii. Thermal regeneration for up to 12 hours
 - iii. Pneumatic cleaning
 - iv. Filter air flow testing
 - v. Filter repackaging for shipment

2. **TIME, PRICE AND PAYMENT.**

- a. Level 1 Cleaning will usually be processed within 24 hours of arrival at a cost of \$80.00 per unit.
- b. Level II Cleaning is charged a Level 1 Cleaning fee plus \$10.00 per hour. Level II Cleaning may take 8 to 12 additional hours of cleaning.
- c. Customer will be invoiced for services performed when the last item is shipped. All payments are due 30 days from the date of invoice.

3. **TERM.** This agreement shall be effective for a period of one year. After the expiration of the first year of the contract, it shall automatically renew on an annual basis except that the prices charged for services shall be adjusted to the

then current rate. Either party may cancel this agreement at any time without cause upon Ten (10) days written notice to the other party.

4. **NO WARRANTY.** MTA cannot and does not guarantee or warrant that we can achieve recovery of the filter. Filters can fail for a variety of reasons as a result of operating conditions. The primary source of failure is unusual thermal events that have caused sintering, failure of the cell walls or melting of the ceramic sub-strait. Filters can also be damaged by dropping them, thermal shocking them, excessive oil soaking, chips and vibration. Due to design and materials some filters last longer than others or can with stand higher temperatures.

MTA cannot control the time between cleanings and makes no guarantees. Filters can be re-plugged within hours if the engine is malfunctioning, operating temperatures are out of specification or if the wrong fuels or lubricants are used. MTA knows of filters that have run 240,000 miles after cleaning and filters that re-plugged in hours. The ash that plugs a filter loads lineally in the filter based on engine hours and rpm. The loading rate of ash will vary due to the lubricants used, engine condition, and fuel quality. Usually it takes quite a period of time to plug a filter with ash. Soot plugging can occur very quickly and is usually due to a very unfavorable operating condition such as low filter temperature or engine problems.

5. **SHIPPING.**

- a. Incoming: MTA only accepts filters shipped with all incoming freight prepaid. MTA will not accept freight collect shipments.
- b. Outgoing: MTA will ship all outgoing freight collect unless otherwise agreed. MTA accepts no liability for any damage which occurs in shipping. Shipping is strictly at Customer sole and exclusive risk.
- c. Drop off and Pick-up: MTA will accept filters dropped off by Customer and will call to notify Customer when filters may be picked up. Filters may not be left at MTA for more than thirty days unless advanced written agreement is reached. Filters left for more than thirty days will be subject to sale or disposal. All disposal costs will be billed to customer.

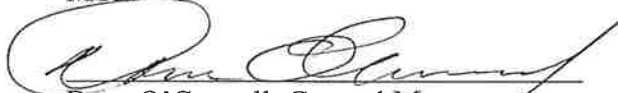
6. **PACKAGING.** DPF are very expensive filters and should be treated with care. Make sure your shipment is adequately packaged for rough motor freight conditions. The filter should be placed in a sealed bag or container. Make sure the packaging protects flanges or rims from denting. Do not leave the ceramic face exposed. Filters will be returned to the customer using the packaging in which they were originally sent to MTA.

7. **REPAIRS.** MTA does not offer repair services.
8. **Independent Contractor.** The Customer and MTA agree that the MTA is an independent Contractor with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee, agency or joint venture between the parties. No employee of the MTA shall be entitled to any benefits accorded Customer's employees by virtue of the services provided under this Agreement. The Customer shall not be responsible for paying, withholding, or otherwise deducting any customary state or federal payroll deductions, including but not limited to FICA, FUTA, state industrial insurance, state workers compensation, or otherwise assuming the duties of an employer with respect to any employee of the MTA.
9. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either party. Either party may request changes to the Agreement. Proposed changes, which are mutually agreed upon and signed by each parties authorized signatory, shall be incorporated by written amendments to this Agreement.
10. **Applicable Law; Venue; Attorneys' Fees.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in Mason County, Washington. The prevailing party in any such action shall be entitled to its attorneys' fees and costs of suit.

CONTRACT SIGNATURES

DATED this 31 day of MAY, 2011.

MTA



Dave O'Connell, General Manager

Address:

PO Box 1880

790 E Johns Prairie Road

Shelton, WA 98584

Phone: (360) 426-9434

CUSTOMER:



Name, Title

Address:

General Manager
60 Washington Ave Suite 200
Bremerton, WA 98337