

Southern Heat Exchanger Corporation / Worldwide Exchangers LLC / Worldwide Air-Coolers LLC (DBA SHECO Industries collectively)
Terms and Conditions

Upon Buyer's acceptance of the proposal to which these terms and conditions are attached (the "Proposal"), the following terms and conditions will become a part of and govern the agreement between the parties related to the subject matter of the Proposal (together with the Proposal, this "Contract"). All prices stated in the Proposal are firm for a period not to exceed 20 days from the date of the quotation unless stated otherwise in the Proposal.

1. TAXES: In addition to the price specified herein, the amount of any present or future tax applicable to the sale, manufacture, delivery, use or other handling of material hereunder shall be paid by Buyer unless otherwise stated in the Contract.

2. MANUFACTURING TOLERANCES: Unless otherwise indicated, price data covers only material subject to Seller's standard manufacturing limits as to sizes, tolerance, finish and properties.

3. DELAYS: Seller shall not be responsible for any failure or delay in delivery due to causes beyond Seller's control including, without limitation, fire, floods, labor troubles (whether or not due to fault of Seller), breakdowns, delay of carriers, total or partial failure for any reason of usual source of supply or transportation, or requirements or requests of any government or subdivision thereof.

4. WARRANTY:

4.1 Seller warrants that products sold hereunder to Buyer (the "Products") shall be free from defects in material and workmanship and shall conform to specifications provided by Buyer in writing and in relation to the Products (the "Specifications") for a period defined as eighteen (18) months from shipment or twelve (12) months from installation, whichever occurs first (the "Warranty Period").

4.2 Seller makes no other representations or warranties, either expressed or implied, concerning the products, including, without limitation, the implied warranties of merchantability and fitness for a particular purpose. All such warranties are hereby excluded and there are no warranties which extend beyond the description on the face of this contract.

4.3 Buyer hereby agrees to inspect each delivery of the Products within a period of 10 working days from the date of delivery and to inform Seller as soon as practicable of any defective Products or Products that fail to conform to the Specifications ("Non-conforming Products"). Promptly after receipt of notice of a Non-conforming Product, Seller shall, at its election, repair or replace at no cost to Buyer such Non-conforming Products with Products conforming to the Specifications or refund the purchase price applicable to such Non-conforming Products; provided, however, that Buyer shall return all Non-conforming Products in the same condition as when received by Buyer and that Seller shall not be obligated for any costs associated with the return of materials deemed by Buyer to be Non-conforming Products which, upon inspection by Seller, prove to be free from defect and in conformity with the Specifications. In this event, Seller shall return the Products to Buyer at Buyer's expense.

4.4 The warranty does not cover any costs associated with lost production, lost profits, consequential or indirect damages, or punitive damages.

5. LIMITATION OF SELLER'S LIABILITY; CLAIMS:

5.1 Buyer's remedies under this Contract are limited to the repair or replacement of any Non-conforming Product or the return and repayment of the purchase price of any Nonconforming Product, as the case may be and as more fully described in Section 4.3.

5.2 Seller shall not be liable for any indirect, special, exemplary, punitive or consequential damages except for indirect, special, punitive, or consequential damages arising from:

- a) Fines or penalties assessed by a government agency
- b) Any breach by supplier of its obligations under the confidential information section of the agreement;
- c) Any obligation arising out of or relating to the indemnity sections of the agreement;

d) Any breach by supplier of its obligations under the privacy section of the agreement; or

e) For gross negligence, willful misconduct or fraud. (A through E collectively termed "Limited liability exclusions")

Seller's entire liability under this contract or arising from any of the transactions contemplated hereby (a) shall never exceed the purchase price of the products and (b) shall be limited to buyer's actual damages.

5.3 In order to be entitled to the remedies provided in this section 5, buyer shall submit any claims relating to non-conforming products to seller in writing within the warranty period as described in section 4.1.

6. ADVICE BY SELLER: The giving or failure to give advice or recommendations of any character by Seller shall not impose any liability upon Seller nor grant Buyer any license to the use of any of Seller's patents, trade-marks, or trade names.

7. TERMS OF SALE: The Products are sold on Ex Works (EXW) terms (as defined in INCOTERMS, 2010 Edition). Seller delivers by placing the Products at the disposal of Buyer at Seller's manufacturing facility not cleared for export and not loaded on any collecting vehicle. Three (3) day storage is included in the quoted price for each unit. If storage is longer than 3 days a Storage fee of \$100/Day per bundle/item will begin to accrue unless a prior agreement is made. If cranes and/or trailers are utilized in order to move the stored equipment after the 3rd day additional fees will be issued at cost to the buyer.

8. EXPORT COMPLIANCE RESPONSIBILITY: Buyer acknowledges that all Seller equipment and related technology, including the Products, is subject to the U.S. Export Administration Regulations administered by the U.S. Department of Commerce's Bureau of Industry and Security (the "EAR") and other U.S. laws. Buyer agrees that it is solely responsible for compliance with the EAR and applicable U.S. laws in its handling of all Seller equipment and technology, including, but not limited to, determining the applicability of export licensing requirements and meeting any such requirements. Without limiting the generality of the foregoing, Buyer agrees, represents and warrants that no Seller equipment or technology, including Products, will be exported or re-exported to Cuba, Iran, Sudan, Syria, North Korea, or any country subject to U.S. sanction or embargo administered by U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), or accessed by, released to, exported to or re-exported to any person or entity on OFAC's Specially Designated Nationals List, or the Entity List, or Denied Persons List, of the EAR.

9. CHANGES: Seller assumes no responsibility for any changes in the Specifications unless such changes are confirmed in writing by Buyer and accepted in writing by Seller. Any price variation resulting from such changes will become effective immediately upon acceptance of such changes.

10. CANCELLATION: This contract is subject to cancellation by Buyer only upon Seller's acceptance, within three (3) business days, of such cancellation in writing, and the effective date of such cancellation will be the date of such acceptance. Payment of cancellation charges shall be made by Buyer upon receipt by Buyer of Seller's acceptance of such cancellation. Cancellation charges shall not exceed the purchase price of the cancelled portion of this Contract. Cancellation charges will include, but are not limited to, any engineering cost, labor completed, and materials on order or received prior to the effective date of cancellation. In addition, cancellation charges will include a 5% administrative fee.

11. ENTIRE AGREEMENT: This contract represents the entire agreement between Buyer and Seller related to the subject matter hereof. There are no oral representation, stipulations, warranties, agreements or understandings with respect to the subject matter of this Contract which are not fully expressed herein and any additional terms proposed by Buyer shall not become part of this agreement unless accepted in writing by Seller.

11. NO RIGHT TO SETOFF: All payments to be made by either party relating to this order will be made free of any set-off, deduction or hold-back, and will be promptly remitted to the party entitled to receive payment per the terms of this Agreement.