

SALES TERMS

STANDARD CONDITIONS OF SALE

All orders are subject to acceptance by Engine and Compressor Accessories ("E&CA"). Any acceptance by E&CA of Buyer's order is expressly conditional on Buyer's assent to any additional or different terms and conditions contained herein, and all sales and charges of the products listed herein shall be, in the case of conflict between the terms and conditions of E&CA and Buyer, interpreted and governed exclusively by the terms and conditions contained herein. Any terms and conditions proposed by Buyer, whether in its purchase order or otherwise, which are additional to or different from the terms and conditions set forth herein are hereby objected to by E&CA and shall not be binding on E&CA unless and only if specifically accepted in writing by a principal officer of E&CA or his designated representative.

PRICE POLICY

Price in effect at time of order entry, provided order is fully released for immediate shipment. Special or obsolete renewal parts will be subject to price in effect at time of shipment. List prices and discounts as published in this catalog will apply to all order. Special products or obsolete parts will be quoted on a refer to office basis. Whenever possible, E&CA will provide a minimum of 30 days advanced notice prior to the effective date of a price increase

E&CA's prices do not include any applicable federal, state, or local sales, use, excise or similar taxes; and the amount of any such tax which E&CA may be required to collect will be added to each invoice unless the Buyer has furnished E&CA with a valid tax exemption certificate acceptable to the taxing authorities.

TERMS OF PAYMENT

All payments will be due net 30 days after invoice date.

DELIVERY

Delivery dates indicated in the contract documents are approximate and are based on prompt receipt of all necessary information regarding the equipment covered by the contract. E&CA will use reasonable efforts to meet the indicated delivery dates, but cannot be held responsible for its failure to do so. Title to equipment and risk of loss or damage shall pass to Buyer upon delivery to a carrier. In no event shall E&CA be liable for any loss (including consequential) or damage occasioned by loss or non-receipt of the product.

FREIGHT POLICY

All shipments will be F.O.B. our warehouse. E&CA will select the least expensive method of transportation, the carrier and the routing; should the Buyer require an alternate method of shipment, the additional cost of such a shipment will be charged to the Buyer.

WARRANTY AND LIMITATION OF LIABILITY

WARRANTY

Engine & Compressor Accessories warrants its products against defects in material or workmanship under normal use and service for a period of 12 months from the date of shipment from its plant in Houston, Texas. The foregoing warranty is exclusive and in lieu of all other warranties, whether written, oral, implied, or statutory. NO IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE SHALL APPLY.

LIMITATION OF LIABILITY

E&CA's liability shall be limited exclusively to repairing or replacing any product found by E&CA to be defective, or at E&CA's option, to refund the purchase price of its product. Such product shall be returned, freight prepaid, to E&CA's factory. It is agreed that such replacement, repair or refund be the sole and exclusive remedy available from E&CA. E&CA shall not be liable for damages of any sort whatsoever beyond this exclusive remedy, including incidental, special, penal, and consequential damages, including, but not limited to loss of profits or revenues, loss of use of products or associated equipment; costs for replacement products or facilities, down-time costs, or claims of Buyer's customer, regardless of whether any claim is based on contract, negligence, strict liability, tort, warranty or any other basis. The repair or replacement of the product, or the refund of the purchase price, at E&CA's option, constitutes fulfillment of all liabilities of E&CA to the Buyer for defective products.

WARRANTY AND LIMITATION OF LIABILITY (continued)

Parts and accessories manufactured by outside suppliers shall be limited by that manufacturer's warranty, and E&CA does not warrant any parts or accessories made by any other manufacturer or supplier.

If field service, at the request of the Buyer, is rendered and the problem or product is found to be outside of the warranty stated above, the Buyer shall pay the time and expense to the E&CA Field Representative. Bills for service, labor, or other expenses that have been incurred by the Buyer, its customer or agent, without approval or authorization by E&CA will not be accepted.

Limitations on Claims and Actions

Any claim by the Buyer of a breach of the foregoing limited warranty shall be waived by the Buyer unless notice of any claimed breach is submitted to E&CA in writing within 30 days from the date the Buyer discovered, or reasonably knew of the alleged breach, but in no event more than one year from the shipment date. E&CA shall have an additional 30 days from receipt of such notice to respond to the notice.

This warranty does not cover failure resulting from improper installation or use.

Changes or repairs made in the field without authorization from E&CA will void this warranty.

Nuclear Indemnification

E&CA does not market products for nuclear use in connection with any facility, and it is the responsibility of the Buyer to notify E&CA if it intends to utilize an E&CA product in connection with any nuclear facility, so that E&CA may decline the sale. The Buyer shall indemnify and reimburse E&CA against any liability and expense (whether as a result of breach of contract, warranty, tort, (including E&CA's negligence) or otherwise arising out of any use of any E&CA product in connection with any nuclear facility.)

Force Majeure

E&CA shall not be liable for any delay in delivery or for non delivery, caused, in whole or in part, by the occurrence of any contingency beyond the control of either E&CA or E&CA's suppliers, including but limited to, war (whether an actual declaration thereof is made or not); sabotage; insurrection; riot or other act of civil disobedience; act of a public enemy; failure or delay in transportation; act of any government or any agency or subdivision thereof; judicial action; labor dispute; accident, fire, explosion, flood, earthquake, severe weather, or epidemic; shortages of labor, fuel, raw material or machinery; freight embargo; confiscation by governmental authority; breakage in transit; and unavailability of manufacturing facilities due to any of the foregoing. In the event of any such delay, the date of delivery shall be extended by the period of the delay. E&CA expressly reserves the right to allocate production and deliveries among its customers.

CANCELLATIONS

The Buyer may cancel an order for model number finished goods and high usage renewal parts if the order has been received, but not shipped by E&CA. Upon payment a handling fee of \$60.00, a Buyer may cancel an order for non-standard products scheduled but not yet released for production, upon payment of E&CA's cost to date associated with the production of the order, except that if the non-standard product is ready to ship or is in E&CA inventory, 100% of the purchase price must be paid.

RETURNS

The following terms and conditions will apply for all returned goods of E&CA products:

1. All unused E&CA products returned under this Return Goods Policy shall be in first class, salable condition, in original packaging and subject to E&CA inspection. Used or damaged E&CA products will not be accepted for credit unless authorized by E&CA. A restocking charge of 20% will apply.
2. All requests for the return of E&CA products shall be directed to the attention of your normal field or customer service representative.
3. All returns must be authorized. A completed Return Goods Authorization form must be obtained from your customer service representative and a copy of the RGA included with the packing list. In the event a shipment is received without authorization, the material will be refused and the carrier instructed to return the shipment to the point of origin.
4. All returned E&CA products must be shipped either freight prepaid or collect. This will be indicated on the Return Goods Authorization.
5. A Return Goods Authorization will be valid for 60 days from the date of issue. Please make your shipment as soon as you have received authorization.