



TERMS AND CONDITIONS OF SALE

The following terms and conditions apply to all purchase orders, contracts or shipments between Alcoil ("Alcoil") and any customer ("Customer") for which Alcoil provides equipment, products, or services:

OFFER AND ACCEPTANCE. The products and services described are offered for sale by Alcoil subject to all of the terms and conditions stated herein. This writing constitutes an offer of sale, which is expressly limited to the products, services, terms, and conditions stated herein. By submitting a purchase order or other written response to this offer of sale, or by accepting delivery of the products and services offered herein, Customer accepts all of the terms and conditions contained herein. No additional, changed, or conflicting terms and conditions appearing in Customer's purchase order or other written response to this offer shall be binding upon Alcoil unless expressly agreed to in writing by Alcoil.

PAYMENT TERMS. Payment terms are NET 30 Days from Date of Invoice, Subject to credit approval by Alcoil's Credit Dept.. Shipments, deliveries, and performance of work by Alcoil shall be subject to the continuing approval of Alcoil's Credit Dept., which may require full or partial payment in advance if the financial condition of Customer (in the sole opinion of Alcoil's Credit Dept.) does not justify continuance of work by Alcoil on the terms of payment agreed upon.

PRICES. All Prices are F.O.B, York, Pennsylvania, USA. All transportation expenses shall be paid by Customer, either Freight Collect, or Pre-paid/Add to Invoice. Alcoil reserves the right to adjust prices (surcharge or credit) at time of order entry due to material cost fluctuations.

TITLE AND RISK OF LOSS. Title to any products shipped by Alcoil shall pass to Customer upon delivery by Alcoil to the carrier. Risk of loss or damage to products in transit is assumed by Customer, and Customer shall bear responsibility for filing and pursuing any claims for loss or damage with the carrier.

DELIVERY. Shipping dates are approximate only based upon prompt receipt from Customer of all information required by Alcoil to meet Customer expectations. Alcoil shall not be liable for delays in delivery or failure to perform hereunder where such delay or failure results from: (i) causes beyond the reasonable control of Alcoil, (ii) acts of God, acts of Customer, or acts of civil or military authorities, (iii) inability of Alcoil to obtain necessary labor, materials, components, or facilities, or (iv) any other commercial impracticability. In the event of any such delay, the date of delivery shall be deferred for a period of time equal to the time lost by reason of the delay.

LIMITED WARRANTY OF PRODUCTS AND SERVICES

Limited Warranty. Alcoil warrants its products to be free from defects in materials and workmanship under normal use and operation for a period of one (1) year from the date of product installation and no more than one (1) year and six (6) months from date of product delivery, as evidenced by Alcoil shipping records (the "Warranty Period"). For any materials or workmanship determined by Alcoil to be defective within the Warranty Period, Alcoil shall, at its option, either: (i) repair any such defective material, component part, or service, or (ii) make available to Customer, FOB York, Pennsylvania, any repaired or replacement parts or materials to replace such defective material, component part, or service, or (iii) refund to Customer the amount paid by Customer for the defective product or service provided by Alcoil hereunder.

Exclusions. The above warranty shall not apply to any product that has been: (i) subjected to misuse, negligence or accident; (ii) misapplied by Customer or others for an improper use; (iii) installed in an improper manner; (iv) modified or repaired contrary to Alcoil recommendations or generally accepted practices or procedures in the industry, or (v) operated under conditions which may cause product failure. Alcoil shall not be responsible for any costs associated with the product damage, loss or replacement due to freeze-up, improper water treatment, improper cleaning, fluid chemistry exceeding Alcoil's recommendations, clogging and debris, fouling, corrosion, galvanic induced corrosion, vibration, thermal

cycling, hydraulic shock, over-pressurization, compressor failure, system contamination, loss of protective coating (where applied) and any other operating or system condition which may cause product failure.

Warranty Procedures. If any Alcoil product is believed to be defective, written notice of such warranty claim must be made and an RA# (Return Authorization) must be issued by Alcoil, 3627 Sandhurst Dr, York, PA 17406. Ph: 717-347-7500 FAX: 717-347-7383

Alcoil, at its option, may require return of any product believed to be defective for purposes of testing, inspection and verification, as a requirement for potential warranty coverage.

Disclaimer of Further Warranties. THE LIMITED WARRANTY SET FORTH ABOVE IS THE EXCLUSIVE WARRANTY APPLICABLE TO THIS CONTRACT, AND ALCOIL EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES OR REMEDIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHETHER THE SAME ARE WRITTEN, VERBAL, IMPLIED, OR STATUTORY.

Limitation of Liability. Under no circumstances shall Alcoil be liable for any incidental, consequential, or special damages, losses, or expenses incurred by Customer or any third party arising from this offer of sale or the performance of Alcoil hereunder. Under no circumstances shall the amount of any claim for damages or liability exceed the amount paid by Customer for products and services provided by Alcoil hereunder.

Time Limitation on Warranty Claims. No legal action or claim, whether based in tort, contract, strict liability, breach of warranty or otherwise, arising out of this offer of sale or the performance by Alcoil hereunder may be commenced more than one (1) year following expiration of the Warranty Period. Customer hereby waives any such claim or cause of action commenced after the Warranty Period.

TAXES AND DUTIES. Customer shall be responsible for collection or payment of any federal, state, provincial or local taxes or duties. Any taxes which Alcoil may be required to pay or collect, under any existing or future law, with respect to the sale, purchase, delivery, storage, or use of any product or services covered hereunder shall be the responsibility of Customer.

PROPRIETARY RIGHTS. Alcoil retains the exclusive right to all trade names, service marks, trademarks and patents for which Alcoil is the lawful owner or Licensee, and Customer acknowledges that Customer acquires no right, title or interest in or to any such trade names, service marks, trademarks or patents for any reason.

JURISDICTION AND VENUE. As to litigation arising from any disputes, claims or controversy, both Customer and Alcoil: (i) submit to the exclusive general jurisdiction of the state courts of York County, Pennsylvania, the federal courts of the United States of America for the Middle District of Pennsylvania, and any appellate courts from any decision thereof; (ii) consent that any such action or proceeding may be brought in such courts; and (iii) waive any objection that either may have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient forum and each party agrees not to plead or claim the same.

ENTIRE AGREEMENT. These terms constitute the entire agreement between the parties and all prior negotiations and representations of the parties are merged herein.

PENNSYLVANIA LAW TO APPLY. Any purchase order, shipment or contract resulting from Customer's acceptance of this offer of sale shall be deemed to have been executed and delivered in York County, Pennsylvania, and shall be construed under, and in accordance with, the laws of the Commonwealth of Pennsylvania.

WAIVER. One or more waivers of any breach of any term or condition herein shall not be construed as a waiver of any subsequent breach of the same term or condition. To be effective, any express waiver must be in writing.

COLLECTION COSTS. Should Customer default in the payment of any amount owing to Alcoil for products of services, and Alcoil is required to expend costs and expenses in collecting such amount, Alcoil shall be entitled to reimbursement for all such costs of collection (including reasonable attorney fees).

PRODUCT SELECTION AND USE. Customer shall be responsible for accurate design and operating conditions used in the selection and use of Alcoil products. Customer selection and use of Alcoil product from published literature or Alcoil Selection software shall be at the customer's risk as to appropriate application, design conditions and performance criteria use.

STANDARDS AND TOLERANCES. All Product Dimensions and published information is subject to change without notice. All Alcoil products furnished to Customer shall also be subject to tolerances and variations consistent with usages of the trade concerning dimensions, composition and mechanical properties, and normal variations in performance characteristics and quality.

SPECIAL ORDERS. On special orders and products of custom design, a minimum of 50% of the sale price may be required upon engineering approval by the customer.

RESTOCKING AND CANCELLATION CHARGES. Alcoil reserves the right to collect costs against returned product and cancelled orders. Restocking charges of returned product costs shall be 25% of the product(s) sales price, and cancellation charges shall be a minimum of 25% of the product(s) sales price, or work in progress costs incurred by Alcoil, whichever is higher.