



Terms and conditions of sale 1.1 The contract The Contract shall be comprised of the following terms, together with such terms and conditions as are set forth in Seller's written proposal or quotation (the "Quotation"), including any documents, drawings or specifications incorporated therein by reference, and any additional or different terms proposed in Buyer's purchase order (the "Purchase Order") that are accepted by Seller in writing, which together shall constitute the entire agreement between the parties, provided, however, that preprinted terms on Buyer's purchase order or invoice shall not apply and Seller gives notice of objection to such terms. An offer by Seller in its Quotation that does not stipulate an acceptance date is not binding. This Contract shall be deemed to have been entered into upon written acknowledgment of the Purchase Order by an officer or authorized representative of Seller, which may not be modified, supplemented, or waived except in a writing executed by an authorized representative of the party to be bound.

1.2 Price The price quoted in the Quotation shall be the Purchase Price unless otherwise agreed in the Purchase Order. The Purchase Price for equipment shall include packing for shipment. Field Services shall be provided at Seller's standard rates. All other costs, including packing for storage, freight, insurance, taxes, customs duties and import/export fees, or any other item not specified in the Contract, shall be paid by Buyer unless separately stated in the Quotation and included in the price quoted. Any sales, use, or other taxes and duties imposed on the transaction or the equipment supplied shall be paid or reimbursed by Buyer.

1.3 Payment terms Payment shall be due within 30 days of the date of Seller's invoice in U.S. funds unless otherwise agreed. If Buyer does not observe the agreed dates of payment, Buyer shall pay interest to Seller on overdue amounts at a rate that is the higher of: 9% per annum or a rate 5 % in excess of the rate borne from time to time by new issues of six-month United States Treasury bills. Seller shall be entitled to issue its invoice for the Purchase Price for equipment upon the earlier of shipment, or notice to Buyer that Seller is ready to ship, and for services, upon completion. If the Purchase Price exceeds \$250,000 USD, Buyer shall pay the Purchase Price in Progress payments as follows: Fifteen percent (15%) upon

submittal of general arrangement drawings, thirty five percent (35%) after receipt of first Bowl Casting, twenty percent (20%) after first case/bowl hydro test or bowl machining and thirty percent (30%) after notification of ready to ship.

1.4 Acceptance and inspection All equipment shall be finally inspected and accepted by Buyer within 14 days after delivery or such other period of time as is agreed in the Purchase Order. Buyer shall make all claims (including claims for shortages), excepting only those provided for under the warranty clause contained herein, in writing within such 14-day period or they are waived. Services shall be accepted upon completion. Buyer shall not revoke its acceptance. Buyer may reject the equipment only for defects that substantially impair its value, and Buyer's remedy for lesser defects shall be in accordance with Section 10, Warranty. If tests are made by Buyer to demonstrate the ability of the equipment to operate under the contract conditions and to fulfill the warranties in Section 10, Buyer is to make all preparations and incur all expenses incidental to such tests. Seller will have the right of representation

1.5 Title and risk of loss Full risk of loss (including transportation delays and losses) shall pass to Buyer upon delivery, regardless of whether title has passed to Buyer, transport is arranged or supervised by Seller, or start-up is carried out under the direction or supervision of Seller. Delivery shall be ex works, INCOTERMS 2000. Loss or destruction of the equipment or injury or damage to the equipment that occurs while the risk of such loss or damage is borne by Buyer does not relieve Buyer of its obligation to pay Seller for the equipment.

1.6 Patent or trademark information If the equipment sold hereunder is to be prepared or manufactured according to Buyer's specifications, Buyer shall indemnify Seller and hold it harmless from any claims or liability for patent or trademark infringement on account of the sale of such goods.

1.7 Changes Buyer may request, in writing, changes in the design, drawings, specifications, shipping instructions, and shipment schedules of the equipment. As promptly as practicable after receipt of such request, Seller will advise Buyer what amendments to the Contract, if any, may be necessitated by such requested changes, including but not limited to amendment of the Purchase Price, specifications, shipment schedule, or date of delivery. Any changes agreed upon by the parties shall be evidenced by a Change Order signed by both parties.

1.8 Cancellation or termination Buyer shall have the right to cancel the Contract upon 15 days' prior written notice to Seller, and Seller shall stop its performance upon the receipt of such notice except as otherwise agreed with Buyer. If Buyer cancels the Contract, it shall pay: (a) the agreed unit price for equipment or components completed and delivered, (b) additional material and labor costs

incurred, and for engineering services supplied by Seller with respect to the canceled items, which shall be charged to Buyer at Seller's rates in effect at the time of cancellation, but which shall not exceed the contract price for such items, and (c) such other costs and expenses, including cancellation charges under subcontracts, as Seller may incur in connection with such cancellation or termination.

1.9 Delivery and delays Seller shall use its best efforts to meet quoted delivery dates, which are estimated based on conditions known at the time of quotation. Seller shall not be liable for any nonperformance, loss, damage, or delay due to war, riots, fire, flood, strikes or other labor difficulty, governmental actions, acts of God, acts of the Buyer or its customer, delays in transportation, inability to obtain necessary labor or materials from usual sources, or other causes beyond the reasonable control of Seller. In the event of delay in performance due to any such cause, the date of delivery or time for completion will be extended to reflect the length of time lost by reason of such delay. Seller shall not be liable for any loss or damage to Buyer resulting from any delay in delivery.

1.10 Warranty Seller warrants that the equipment or services supplied will be free from defects in material, and workmanship for a period of 12 months from the date of initial operation of the equipment, or 18 months from the date of shipment, whichever shall first occur. In the case of spare or replacement parts manufactured by Seller, the warranty period shall be for a period of six months from shipment. Repairs shall be warranted for 12 months or, if the repair is performed under this warranty, for the remainder of the original warranty period, whichever is less. Buyer shall report any claimed defect in writing to Seller immediately upon discovery and in any event, within the warranty period. Seller shall, at its sole option, repair the equipment or furnish replacement equipment or parts thereof, at the original delivery point. Seller shall not be liable for costs of removal, reinstallation, or gaining access. If Buyer or others repair, replace, or adjust equipment or parts without Seller's prior written approval, Seller is relieved of any further obligation to Buyer under this section with respect to such equipment or parts. The repair or replacement of the equipment or spare or replacement parts by Seller under this section shall constitute Seller's sole obligation and Buyer's sole and exclusive remedy for all claims of defects. SELLER MAKES NO OTHER WARRANTY OR REPRESENTATION OF ANY KIND WITH RESPECT TO THE EQUIPMENT OR SERVICES OTHER THAN AS SPECIFIED IN THIS SECTION 10. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED. For purposes of this Section, the equipment warranted shall not include equipment, parts, and work not manufactured or performed by

Seller. With respect to such equipment, parts, or work, Seller's only obligation shall be to assign to Buyer any warranty provided to Seller by the manufacturer or supplier providing such equipment, parts or work. No equipment furnished by Seller shall be deemed to be defective because of normal wear and tear, failure to resist erosive or corrosive action of any fluid or gas, Buyer's failure to properly store, install, operate or maintain the equipment in accordance with good industry practices or specific recommendations of Seller, or Buyer's failure to provide complete and accurate information to Seller concerning the operational application of the equipment.

1.11 Technical documents Technical documents furnished by Seller to Buyer, such as drawings, descriptions, designs and the like, shall be deemed provided to Buyer on a confidential basis, shall remain Seller's exclusive property, shall not be provided in any way to third parties, and shall only be used by Buyer for purposes of installation, operation and maintenance. Technical documents submitted in connection with a Quotation that does not result in a Purchase Order shall be returned to Seller upon request.

1.12 Limitation of liability Seller shall in no event be liable for any consequential, incidental, indirect, special or punitive damages arising out of the Contract, or out of any breach of any of its obligations hereunder, or out of any defect in, or failure of, or malfunction of the equipment, including but not limited to, claims based upon loss of use, lost profits or revenue, interest, lost goodwill, work stoppage, impairment of other equipment, environmental damage, nuclear incident, loss by reason of shutdown or nonoperation, increased expenses of operation, cost of purchase of replacement power or claims of Buyer or customers of Buyer for service interruption whether or not such loss or damage is based on contract, tort (including negligence and strict liability) or otherwise. Seller's maximum liability under this Contract shall not exceed the Purchase Order amount of the equipment or portion thereof upon which such liability is based. All such liability shall terminate upon the expiration of the warranty period, if not sooner terminated.

1.13 This company is an equal opportunity employer 2. Installation - mechanical English (US) This agreement incorporates by reference applicable provisions and requirements of Executive Order 11246 and FAR Section 52.222- 26 (covering race, color, religion, sex and national origin); the Vietnam Era Veterans Readjustment Assistance Act of 1974 and FAR Section 52.222-35 (covering special disabled and Vietnam era veterans); and the Rehabilitation Act of 1973 and FAR Section 52.222-36 (covering handicapped individuals). By acceptance of this agreement Buyer certifies that it does not and will not maintain any facilities in a segregated manner, or permit its employees to perform their services at any location under its control where segregated facilities are maintained, and further that appropriate physical

facilities are maintained for both sexes. Buyer agrees that it will obtain a similar certificate prior to award of any nonexempt lower-tier subcontracts. 1.14 Law and arbitration The Contract shall be governed by the law of the State of Texas. Any disputes arising out of this Contract shall be resolved by informal mediation in any manner that the parties may agree within 45 days of written request for mediation by one party to the other. Any dispute that cannot be resolved through mediation shall be resolved by binding arbitration conducted in English in Portland, Oregon under the Commercial Rules of the American Arbitration Association except as otherwise provided in this Section. The arbitration shall be conducted by three arbitrators chosen in accordance with said Rules. The arbitrators are not entitled to award damages in excess of compensatory damages. Judgment upon the award may be entered in any court having jurisdiction.