LIABILITY AND TERMS OF SHIPMENT

SELLER shall not be liable for any loss, damage, or delays due to transportation difficulties, accidents, fire, strikes, labor shortage, civil or military authority, insurrections, riots, or any other causes or circumstances beyond its reasonable control. The delivery of equipment to the transportation company for shipment to PURCHASER shall release SELLER from all claims for damages by reason of any delay after such delivery to the transportation company, and PURCHASER'S remedy for delay or loss in transportation shall be solely against the transportation company. The liability of SELLER hereunder, in the event that the equipment fails to meet any warranty herein, shall only be as set forth herein.

PURCHASER shall pay all taxes on equipment or, if PURCHASER claims an exemption will provide the proper form of certification. Unless specified otherwise, all equipment shall be shipped F.O.B. point of shipment and shall be at PURCHASER'S risk upon delivery to the transportation company. Time of shipment of equipment shall be as agreed upon. However SELLER shall be excused because of delays as set forth above.

INSTALLATION AND REPAIR ASSISTANCE; CONTROL OF EQUIPMENT

Unless otherwise agreed by separate subsequent written agreement, from and after arrival at destination by the transportation company control of the equipment shall be in the PURCHASER. Thereafter, the PURCHASER at its expense shall have full responsibility for the installation and for the operation, safety and maintenance of the equipment, including during testing periods, if any. If PURCHASER requests, SELLER will furnish experienced personnel to assist in installing, testing or repairing equipment. Such services shall be provided at SELLER'S then current rates.

PURCHASER agrees to unload and haul all equipment and to take such precautions as may be necessary to recover from the transportation company for any and all damages or loss that may have occurred to the equipment while in transit.

LIABILITY FOR NEGLIGENCE

All persons engaged in the work of handling or installing and operating the equipment other than those persons furnished by SELLER in accordance with the above section shall be under the sole direction and control of PURCHASER, and no liability shall attach to SELLER by reason of any damage or injury to equipment resulting from the negligence of such persons.

WARRANTY; LIMITATIONS THEREOF

SELLER warrants the reconditioned equipment to be free from defective material or workmanship for a period of Six Months from the date of installation or Six months from shipment, and has been installed at PURCHASER plant when given normal and proper usage and while owned by the original PURCHASER from SELLER. This limited warranty shall be valid only if the equipment has been operated and maintained in accordance with generally approved practice and in accordance with SELLER'S instructions and further that no repairs, alterations or replacements not directed in equipment manuals provided by the SELLER to be made by the PURCHASER have been made without the Seller's prior written approval. Parts claimed defective must be returned by PURCHASER to SELLER and, if found defective as claimed, shall be replaced free of charge, including freight both ways. Parts claimed defective but not easily removable shall be inspected by SELLER at location of the equipment and, if found defective, will be repaired free of charge. SELLER shall in no event be held liable for damage or delay caused by defective parts and will not accept any charges for work performed by PURCHASER in making adjustments or repairs to the equipment unless such work has been directed in the equipment manuals provided with the equipment to be performed by the PURCHASER or has been authorized in writing by SELLER. Any equipment or components not of SELLER'S own manufacture is sold under such warranty only as the maker thereof gives to SELLER and SELLER is able to enforce, but such items are not warranted by SELLER in any way. When equipment is sold to be utilized in combination with other equipment (whether or not SELLER'S) pursuant to the PURCHASER'S own design or request, the warranty is limited to each separate piece of equipment provided and not their combined use or the use of any other equipment with which such equipment has been combined. SELLER'S sole and exclusive remedy against the SELLER shall be for the repair or replacement of defective parts as provided herein.

IN NO EVENT WILL THE SELLER BE LIABLE FOR ANY OTHER REMEDY INCLUDING, BUT NOT LIMITED TO INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES ARISING IN CONNECTION WITH THE USE OF, OR INABILITY TO USE, ITS EQUIPMENT FOR ANY PURPOSE WHATSOEVER. THE LIMITED WARRANTY DESCRIBED HEREIN SHALL BE IN LIEU OF ANY OTHER WARRANTY, EXPRESSED OR IMPLIED, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

CONDITIONS

THE SELLER MAY HAVE MADE STATEMENTS ABOUT THE EQUIPMENT DESCRIBED IN THIS AGREEMENT. SUCH STATEMENTS DO NOT CONSTITUTE WARRANTIES, SHALL NOT BE RELIED ON BY THE PURCHASER, AND ARE NOT PART OF THIS AGREEMENT. THE ENTIRE CONTRACT IS EMBODIED IN THIS WRITING WHICH CONSTITUTES THE FINAL AND COMPLETE EXPRESSION OF THE PARTIES' AGREEMENT, AND NO MODIFICATION OF THIS AGREEMENT SHALL BE BINDING UPON EITHER PARTY UNLESS SUCH MODIFICATION SHALL BE IN WRITING DULY ACCEPTED BY PURCHASER AND APPROVED BY AN OFFICER OF SELLER AT ITS HOME OFFICE.

Unless and until the equipment is fully paid for, SELLER reserves and PURCHASER in accepting this quotation grants to SELLER a security interest in said equipment to secure the unpaid balance of the price and all other obligations of the PURCHASER to SELLER howsoever arising. PURCHASER hereby appoints SELLER as its attorney-in-fact with power of substitution in the name of SELLER, PURCHASER, or otherwise to execute and record such financing statements and other notices as SELLER deems necessary to perfect its rights hereunder and to do all other things necessary or desirable to perfect and maintain the security interest granted thereby.

THIS AGREEMENT contemplates only the purchase and use by PURCHASER of the equipment specified herein, and nothing herein contained shall be construed as a right or license to PURCHASER or anyone acting for or in behalf of PURCHASER to duplicate, copy or otherwise reproduce the equipment either in whole or in part, and PURCHASER, except as may be needed from time to time to keep the equipment in working order, shall not duplicate, copy or otherwise reproduce the equipment either in whole or in part, or aid or assist others in so doing without written approval of SELLER. Violation of this provision may cause irreparable injury to SELLER that cannot be compensated in damages. Accordingly, PURCHASER agrees that SELLER is entitled to obtain injunctive relief for any breach or threatened breach of this provision.

THIS AGREEMENT shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereunto, and shall be binding only when approved by an officer of SELLER at its home office and cannot be canceled without prior written approval of SELLER and shall be governed and construed in accordance with the laws of the State of Texas, Harris County.