

TERMS AND CONDITIONS OF SALE

Southern Rewinding and Sales

CONDITIONS OF SALE Southern Rewinding and Sales ("Company") will provide the services and supply the products described on the accompanying Quotation or Acknowledgement (the "Job") in accordance with terms and conditions set forth on the face of this Quotation or Acknowledgement together with these standard terms and conditions (collectively, the "Terms and Conditions"). Company expressly objects to any different or additional terms or conditions contained in the Customer's Purchase Order or other document unless expressly accepted in writing signed by Company's President or Vice President. Even when so accepted, any such different or additional terms and conditions shall apply only to the particular subject covered. Authorization by Customer, whether written or oral, to furnish the quoted services, or receipt or acceptance of delivery by Customer of the products ordered or purchased hereunder will constitute Customer's acceptance of these Terms and Conditions. These Terms and Conditions supersede all prior or contemporaneous agreements or correspondence between the parties.

QUOTATIONS Quoted prices do not include freight, non-standard packaging, duties or taxes unless specifically stated in the Quotation. Quotations are void unless accepted within thirty (30) days from the date thereof, unless otherwise stated, and in the meantime are subject to change without notice. Orders made thereon are not binding until and unless accepted in writing by the Company. Job completion and shipping dates are approximate and based on prompt receipt of all necessary information and approvals from Customer.

REPAIR QUOTATIONS; STORAGE FEE If Customer asks Company to inspect an item and quote a price to repair it, Customer will pay Company the reasonable cost of opening, examining, and testing the item even if Customer decides not to have Company repair it. Such inspection and opening charges may be invoiced as soon as the repair quote is delivered to Customer. If Customer delays more than thirty (30) days in deciding whether to repair, Customer will incur a storage fee of one dollar (\$1) per day for each item. Unless a separate storage agreement is reduced to writing, any products left with Company for more than one (1) year without direction to Company to repair or scrap shall automatically become Company property. The minimum billing for any product furnished and/or service performed on a single order will be \$100.

TAXES Quoted prices exclude taxes. Customer shall pay Company for all federal, state or local taxes (other than income taxes) applicable to, measured by, or imposed upon or with respect to the Job that are paid or payable to Company.

PAYMENT TERMS Terms are net cash within thirty (30) days from date of invoice. On all payments made more than thirty (30) days after invoice, Customer shall pay interest at the lower of one-and-one-half percent (1½%) per month or the maximum rate allowed in Customer's State, without prejudice to Company's right to immediate payment. Payment shall not be contingent upon the results of any unauthorized testing procedures. Invoices rendered by Company covering parts or service not in dispute, shall be paid by Customer regardless of disputes relating in other invoices or other delivered or undelivered service or parts, and as to such undisputed invoices and deliveries. Customer waives the right to assert offset defenses or counter claims. Any check or remittance received from or for the account of the Customer may be accepted and applied by Company against any indebtedness owing by Customer without prejudice to the remainder of any such indebtedness, regardless of any condition or notation appearing on or accompanying such check or remittance. Company may require advance payment (in part or in full), or cancel the Job and recover reasonable cancellation charges if it believes payment is at risk due to Customer's financial condition including its: (i) commencement of, consent to or failure to contest bankruptcy proceedings; (ii) insolvency; or (iii) admission of inability to pay debts. If Customer delays Job completion, Company may require immediate payment for materials accumulated and work performed and may also require payment of a storage fee of one dollar (\$1) per day for each item. For work performed in Company's Service Center, Company may, at its option, retain possession of goods ordered or serviced under the contract if its charges for such goods or services are not paid within the Terms set forth above and Company may, upon not less than seven days' notice by certified mail to the Customer at the Customer's last known address, sell the goods at public or private sale and apply the net proceeds to Company's charges.

PACKAGING, TRANSPORTATION COSTS; DELIVERY All transportation costs shall be paid for by Customer and shall be added

to the invoice. Quoted prices include only standard packaging for domestic shipment and exclude transportation and delivery costs. Unless Customer stipulates in writing that early shipment is impermissible, Company reserves the right to ship prior to the shipping date.

RISK OF LOSS Any equipment sent to the Company for repair shall be delivered by Customer F.O.B. the Company. Repaired equipment shall be delivered to the Customer F.O.B. the Company's Service Center. Risk of loss of or damage to any material or equipment furnished by the Company under the contract shall pass to the Customer F.O.B. the Company's Service Center. Title to any material or equipment furnished by the Company under the contract shall pass to Customer upon payment in full. Risk of loss or damage to the Customer's material or equipment shall be with the Customer at all times.

CONTAINERS An extra charge will be made for returnable containers and special shipping devices. Refund or credit will be made only if returned in good condition to the Service Center within ninety (90) days from the date of original shipment, charges prepaid.

SERVICE AND REPAIR WARRANTY Company warrants that repair work and other services performed by Company will be free of defects in materials or workmanship and will be performed in all material respects in accordance with ANSI or IEEE standards or EASA Recommended Practice as applicable. If performed on Customer's premises, Company further warrants that such work shall be performed in accordance with Customer's safety policies, so long as such policies are provided to Company prior to commencement of the work. Company will rework any nonconforming service or repair work during the one (1) year period ("Warranty Period") commencing as of Job completion.

NEW PRODUCT WARRANTY Company warrants that all new Company-brand products, will (i) be free of defects in materials or workmanship during the one (1) year period ("Warranty Period") commencing as of the date of delivery, except FDAL and CDAS electromagnetic lifting magnets sold under the Scrapmizer and Scrap Star names will have a Warranty Period of two (2) years commencing as of the date of delivery, and (ii) conform and operate during the Warranty Period in accordance with written specifications to which Company has agreed. With products that are not manufactured by Company or sold under the Company brand, Customer's warranty shall be limited to that extended by the original equipment manufacturer, which warranty Company will assign directly to Customer.

USED OR RECONDITIONED PRODUCT WARRANTY Company warrants that products sold as "Used" and products that are reconditioned by Company will (i) be free of defects in materials or workmanship during the ninety (90) day period ("Warranty Period") commencing as of the date of delivery. Company accepts no responsibility for damage or loss due to reuse of components or equipment at Customer's direction.

LIMITED REMEDY The warranties stated above are expressly limited as follows. Company's entire liability and obligation to Customer under this warranty shall be expressly limited to the repair, replacement or crediting, as Company may choose at its sole discretion, of any defective or nonconforming products or items of which Customer has first given written notice to Company of such defect or nonconformity in the manner as provided below. No claim under this warranty shall be valid unless, within thirty (30) days of the date upon which Customer discovered or reasonably should have discovered the defect, Customer furnishes Company written notice describing in reasonable detail the nonconformity with the above warranties. Absent such timely notice, Customer shall be deemed to have waived any defect or nonconformity which could be determined based upon a reasonable inspection of the goods or items. Following prompt written notice from Customer, Company's sole obligation shall be, at its election, to rework nonconforming service or to repair, recondition, or replace Customer's nonconforming equipment. Company shall not be responsible for any removal, disassembly, transportation or reinstallation of equipment, materials or structures required to provide access to permit cure of such nonconformities. In no event shall the Company be responsible for providing transportation to and from the Company Service Center, which shall be at Customer's risk and expense. Company shall perform all warranty work on Monday through Friday, on a single-shift, straight time basis. The premium portion of any overtime or double-time hours shall be at the Customer's sole expense. Repairs or

replacements pursuant to this warranty shall not renew or extend the applicable original warranty period. The Company may, at its option, substitute improved products when replacing any part.

INSPECTION CHARGE WHEN OUTSIDE WARRANTY When Customer asks Company to open, examine, and test an item to determine if a problem is covered by warranty, Customer will pay Company the reasonable cost of opening, examining, and testing the item if Company determines that the problem is not covered by warranty.

PATENT OR TRADEMARK INFRINGEMENT Company warrants that any and all products included in the Job will be free of rightful third-party patent or trademark infringement claims and will indemnify Customer against liabilities arising from such claims. Subject to the general limitations set forth below, the Company will (at its sole option) participate in or defend exclusively actions brought against Customer for any such claim, will bear all reasonable costs and expenses (including attorney's fees) of such defense and will pay any judgment awarded against Customer for such claim, provided the Company is notified promptly of the claim and Customer cooperates fully. The indemnity obligations of the Section shall not apply to (i) motors and/or equipment specified by the Customer, (ii) modification made to motors and/or equipment by the Customer or at its request, or (iii) use of motors and/or equipment in combination with other motors/equipment not supplied or approved by the Company hereunder.

GENERAL WARRANTY LIMITATIONS The foregoing warranties are valid only if the product is stored, installed, operated and maintained in accordance with all reasonable instructions of Company and with standard industry practice. The foregoing warranties will not apply to defects that result from misuse, abuse, or improper assembly, installation, application, circuit protection, maintenance, or repair of the product by Customer or others. The warranties also will not apply if, without Company's consent, the product is subjected to tests other than those specified by the latest revision of American National Standards Institute (ANSI) for the particular product. Any claim or action for breach of any of the foregoing warranties must be brought within two years after the claim or cause of action has accrued. Company's liability on any claim of any kind arising out of or related to the Job shall in no case exceed the purchase price of the goods or services which give rise to the claim.

EXCEPT FOR THE ABOVE WARRANTIES, COMPANY MAKES NO WARRANTY OF ANY KIND. THE ABOVE WARRANTIES ARE EXCLUSIVE, AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED (INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ARISING FROM COURSE OF DEALING OR USAGE OF TRADE) ARE DISCLAIMED.

THE ABOVE REMEDIES ARE CUSTOMER'S EXCLUSIVE REMEDY FOR BREACH OF WARRANTY OR FOR ANY OTHER OBLIGATION ARISING BY OPERATION OF LAW OR OTHERWISE WITH RESPECT TO THE JOB REGARDLESS OF WHETHER A CLAIM IS BASED ON CONTRACT LAW, TORT LAW (INCLUDING NEGLIGENCE, STRICT LIABILITY OR OTHERWISE) OR OTHER LEGAL THEORY.

IN NO EVENT SHALL COMPANY BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR SPECIAL DAMAGES OF CUSTOMER INCLUDING WITHOUT LIMITATION LOSS OF USE OR UNDER-UTILIZATION OF LABOR OR FACILITIES OR LOSS OF REVENUE OR ANTICIPATED PROFITS.

INDEMNIFICATION Subject to the Limited Remedy and General Warranty Limitations set forth above, Company shall indemnify Customer for claims of third parties for physical damage to property and personal injury (including death) occurring during the performance of a Job on the premises of Customer and arising or resulting directly and solely from the negligence or willful misconduct of Company or its employees while engaged in such work, provided that Company is notified promptly of such claims and is given an opportunity to defend against them.

SITE EXCLUSION The Company shall not be liable or responsible in any way for any liability arising from any unanticipated, hidden or concealed site conditions of Customer's site or for injury to person(s) or property which is caused by such condition.

HAZARDOUS SUBSTANCES Unless otherwise agreed to in writing, Company will not handle, move, store, treat or dispose of insulating oil, polychlorinated biphenyl, asbestos or other hazardous Southern Rewinding and Sales

substances. If hazardous substances are found in equipment to be serviced on Customer's premises if services are performed on-site, Company may terminate the Job. Following termination, Customer shall pay Company for work performed and costs incurred (including reasonable termination costs) to the time of termination.

NUCLEAR INSURANCE - INDEMNITY For applications in nuclear projects, the Customer or Owner shall have complete and proper insurance protection against liability and property damage resulting from a "nuclear incident" (as defined in the Atomic Energy Act of 1954, as amended), and shall indemnify the Company, its suppliers and subcontractors, of any tier, against all claims resulting from a nuclear incident.

EXCUSABLE DELAYS Company shall not be liable for delay due to causes beyond its reasonable control including acts of Customer, acts of God, prerequisite work by third parties, valid or invalid action by governmental authority, fires, floods, windstorms, explosions, riots, natural disasters, acts of war or terrorism, sabotage, labor problems (including lockouts, strikes and slowdowns), inability to obtain electrical service or transportation, faulty casting or forgings, or court injunction or order. In the event of such delay, the time of performance shall be extended for a period equal to the time lost by reason of the delay. If Company's work is delayed by acts of the Customer or by prerequisite work by other contractors or suppliers of Customer, Company shall be entitled to an equitable price adjustment in addition to extension of the time of performance.

TERMINATION Any Job other than product-only sale may be terminated by the Customer by written notice to Company and payment to Company for work performed and costs incurred plus a charge of ten (10%) percent of the contract price to compensate for indirect costs resulting from the termination.

RETURN OF GOODS No item shall be returned to Company unless and until the Customer secures written approval and terms for return from Company. Materials returned without written approval or without charges prepaid will not be accepted. Company reserves the right to assess a restocking fee of twenty percent (20%) or greater based upon the reason for the return, as determined by Company in its sole discretion.

SCRAP MATERIALS All scrap materials resulting from the Job shall, at Company's option, become Company property.

INTELLECTUAL PROPERTY Any information, suggestions or ideas transmitted by the Customer to Company are not to be regarded as secret or submitted in confidence except as may otherwise be provided in a writing signed by a duly authorized representative of Company.

DISPUTE RESOLUTION Customer agrees that the Ohio state courts located in Stark county, Ohio U.S.A (or if there is exclusive federal jurisdiction, the United States District Court for the Northern District of Ohio) shall have exclusive jurisdiction and venue over any dispute arising out of this agreement and/or Job. To the extent not otherwise subject to the jurisdiction of such courts, Customer hereby agrees to waive any objection to jurisdiction and to subject itself to the jurisdiction of such courts. This agreement and/or Job shall be governed by and construed in accordance with the laws of the State of Ohio. Reasonable attorneys' fees and costs shall be awarded to the prevailing party in the event of litigation involving the enforcement or interpretation of this agreement and/or Job.

COMPLETE AGREEMENT This document, including the language on the face of the Quotation or Acknowledgment together with these Terms and Conditions, contains the complete agreement between Company and the Customer and no modification, amendment, rescission, waiver or other change will be binding on Company unless assented to in writing by Company's authorized representative. Any oral or written representation, warranty, or course of dealing not contained or referenced herein will not be binding upon Company. The invalidity, in whole or in part, of any of the individual paragraphs of the contract will not affect the remainder of such paragraph or any other paragraph or term in the contract.