

**A. GOODS**

Goods supplied pursuant to this Contract are set forth on the face hereof and are set forth in attached Exhibit I. Any documents and other particulars relating to the goods, such as illustrations, drawings, weight specifications, and rating shall be taken as approximate only unless expressly declared binding. Estimates, drawings, and other documents as well as the copyright thereon remain FRIATEC N.A., LLC's property (hereinafter "FRIATEC N.A. LLC"). Such documents or copies thereof shall not be made available or rendered accessible to any third party without FRIATEC N.A., LLC's express consent in writing.

B. PAYMENT AND PASSAGE OF TITLE

Title to the goods shall not pass to The Buyer (hereinafter "you") until FRIATEC N.A., LLC has received full payment of the purchase price, interest and other charges hereunder or until you resell the goods in accordance with Article G hereof. You shall immediately notify FRIATEC N.A., LLC if any third party should assert rights to or claims against the goods prior to passage of title to you.

If full payment is not made when due, you shall pay to FRIATEC N.A., LLC, beginning with the due date for payment, interest on the outstanding unpaid balance of two percent (2%) per annum over and above the prime rate quoted from time to time by The Chase Manhattan Bank, NA, New York, without prejudice to any other rights for breach of this Contract and without formal or written notice. Counterclaims not accepted by FRIATEC N.A., LLC shall not entitle you to withhold payment nor to set off such claims against the amount due FRIATEC N.A., LLC under the terms of this Contract.

You should represent and warrant that your principal place of business is located at the address indicated on the face of this Contract. Until such time as payment for the goods has been made in full, you will immediately notify FRIATEC N.A., LLC of any change in your principal place of business to which the goods are moved.

Until the purchase price, interest, and other charges have been paid in full or until you resell the goods in accordance with Article G hereof, you shall keep the goods free from any lien, security interest or encumbrance other than the purchase money security interest created hereby and in good order and repair and shall not waste or destroy the goods or any part thereof. You shall not use or permit use of the goods in violation of any statute, ordinance or policy of insurance and FRIATEC N.A., LLC may examine and inspect the goods at any reasonable time wherever located.

You represent and warrant that no financing statement covering the goods or any proceeds thereof is currently on file in any public office and you shall give FRIATEC N.A., LLC prompt notice in writing of any such filing prior to the delivery of the goods to you.

C. DELIVERY

- 1.) FRIATEC N.A., LLC undertakes to exert its best efforts to meet the agreed delivery date. Partial shipments are permissible.
- 2.) Delivery to you shall be deemed to have been made at the earlier of: Your taking a.) physical possession of the goods, or b.) Seven (7) days after the date FRIATEC N.A., LLC has notified you that you may take physical possession of the goods at the point of delivery provided on the face of this Contract. You agree to pay any and all demurrage, maintenance, preservation, storage, insurance and related costs.

D. PASSAGE OF RISK: TAXES: OTHER EXPENSES

- 1.) Risk shall pass to you upon delivery as set forth in Article C.2. You shall at your own expense maintain property and liability insurance sufficient to fully protect FRIATEC N.A., LLC's interest in the goods until the purchase price and any interest and other charges due hereunder have been paid in full. All policies of insurance shall contain such terms, in such form, for such periods and written by such companies as may be satisfactory to FRIATEC N.A., LLC; all policies of insurance shall provide for ten days prior written notice of cancellation to FRIATEC N.A., LLC, shall name FRIATEC N.A., LLC as an additional insured and loss payee; and shall be payable to FRIATEC N.A., LLC and you jointly. At FRIATEC N.A., LLC's request all policies of insurance shall be delivered to and held by FRIATEC N.A., LLC. A certificate of insurance evidencing full compliance with insurance requirements herein shall be sent to FRIATEC N.A., LLC ten (10) working days before scheduled delivery date of the goods.
- 2.) You shall pay promptly when due all taxes, assessments and licensing fees upon the goods or for use or operation and shall pay any taxes, assessments and licensing fees due on execution of this Contract upon delivery of or payment for the goods other than customs duty.
- 3.) Until such time as payment for the goods has been made in full or until you resell the goods in accordance with Article G hereof, FRIATEC N.A., LLC may discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the goods and may pay for insurance coverage for the goods, and may pay for demurrage, maintenance, preservation or storage of the goods. You agree to reimburse FRIATEC N.A., LLC on demand for any such payment made at any expense incurred by FRIATEC N.A., LLC and to pay the costs of collection thereof, including reasonable attorney's fees. Your obligation to reimburse such payments and expenses shall be an additional sum secured by FRIATEC N.A., LLC's security interest in the goods until such payments and expenses have been paid in full.

E. INSTALLATION

Installation of the goods shall be your responsibility and at your sole expense.

F. WARRANTY

FRIATEC AG - FRIALIT DEGUSSIT Division (manufacturer) and FRIATEC N.A., LLC (collectively "FRIATEC") warrants its products to be free from defects in material and workmanship under normal use and service for a period of twelve (12) months from date of delivery to the purchaser (hereinafter "Buyer").

FRIATEC warrants replacement parts or spare parts to be free from defects in material and workmanship under normal use and service for a period of six (6) months from the date of delivery to the buyer or installation of the replacement by FRIATEC-authorized personnel, as applicable.

FRIATEC's sole obligation and the exclusive remedy under this warranty, including the warranty with respect to any spare or replacement parts now or hereafter furnished by FRIATEC, shall be the repair or replacement, at FRIATEC's option of any warrantable part acknowledged by FRIATEC to be defective when returned to FRIATEC or a FRIATEC-authorized service center, transportation charges prepaid, within the applicable warranty period described in Paragraph 1 above.

Buyer shall notify FRIATEC in writing of such defects within ten (10) calendar days after delivery or, if the defect was latent, within ten (10) calendar days after its discovery. Delivery terms are at FRIATEC's option. Repairs to, or replacement of, warrantable parts found by FRIATEC to be defective shall be made by FRIATEC at no charge to the buyer for the labor and warrantable parts required to make such repairs or replacements. However, Buyer agrees to perform minor warranty work per the instructions of FRIATEC free of charge to FRIATEC for up to four (4) hours per warranty occurrence.

If Buyer expects his own warranty labor to exceed four hours, buyer will send a fax request for approval of his labor charges @75% of buyer's regular shop charges to FRIATEC N.A., LLC Service Corp. Reimbursement of Buyer's labor is contingent of this pre-approval.

PREREQUISITES FOR CONSIDERATION OF WARRANTY CLAIMS ARE:

- exclusive use of original FRIATEC spare parts unless FRIATEC approves or uses alternative parts.
 - REPLACED PARTS MUST BE SENT TO THE NEAREST FRIATEC SERVICE OFFICE FOR EXAMINATION. THERE WILL BE NO WARRANTY ACCEPTANCE WITHOUT RETURN OF THE DEFECTIVE PARTS.
- Any defective parts replaced as provided herein shall become the property of FRIATEC. Buyer shall not be required to deliver a defective part to FRIATEC if: (1) the part was destroyed as a result of its defect or of any defect in any part covered in this warranty, and (2) FRIATEC is reasonably satisfied that the part was defective at the time of sale. If both these conditions are met, FRIATEC shall replace the part as provided herein as if Buyer had delivered it to FRIATEC.
- use of attachments on the goods delivered only with the prior written consent of FRIATEC;
 - modifications or repair work must be performed only by FRIATEC-authorized personnel (which could be Buyer's personnel if preauthorized by FRIATEC / FRIATEC N.A., LLC Service) or in the event of an emergency and if after reasonable efforts FRIATEC-authorized personnel are not available then by other qualified personnel; and



FRIATEC shall have no warranty obligations or other liability for:

- a.) used parts, attachments or other objects;
- b.) parts subjects to wear and tear
- c.) abnormal wear as a result of operation;
- d.) results of improper operation, application or installation;
- e.) results of willful or grossly negligent acts (including, but not limited to, acts of violence or willful damage);
- f.) damage caused by improper maintenance
- g.) deviations to original technical specification's operating conditions unless otherwise approved by FRIATEC'S technical department;

This Warranty applies only to the components or parts while they are located in the United States of America, Mexico, Spain, or Canada. FRIATEC's warranty obligation is contingent upon Buyer's fulfillment of its contractual obligations, especially in regard to the timely payment of the purchase price. Buyer agrees to afford FRIATEC such time and opportunity for affecting repairs and/or replacements, as FRIATEC deems necessary.

THIS WARRANTY IS THE ONLY WARRANTY APPLICABLE TO FRIATEC PRODUCTS AND FOR THE GOODS INVOLVED IN THIS TRANSACTION AND IS EXPRESSLY IN LIEU OF ANY WARRANTIES OR CONDITIONS OTHERWISE IMPLIED BY LAW, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

The remedies under this warranty shall be the only remedies available to the owner of FRIATEC products, supplied by FRIATEC, or any other person, and FRIATEC does not assume any other obligation or responsibility with respect to the condition of FRIATEC products, and no other person is authorized to assume for FRIATEC any other obligation or liability. This exclusive remedy shall not be deemed to have failed of its essential purpose so long as FRIATEC is willing and able to repair or replace defective parts as provided herein.

FRIATEC shall have no liability arising out of the sale, use, or operation of FRIATEC products, whether on warranty, contract, negligence or otherwise, for loss of profits, loss of use, loss of time, inconvenience, delays, work stoppage, or any other indirect, incidental, special or consequential damages, whether arising from defects, malfunctions, negligence, breach of the promise to repair or replace contained herein, or otherwise.

FRIATEC reserves the right to make changes in design or add any improvement on its products at any time without incurring any obligation to install same on units previously delivered.

FRIATEC's / FRIATEC N.A, LLC's SALESMEN may have made oral statements about the goods involved in this transaction. Such STATEMENTS DO NOT CONSTITUTE EXPRESS WARRANTIES and Buyer agrees not to rely on such statements. This warranty constitutes a final written expression of all the terms and conditions of warranty and is a complete and exclusive statement of those terms.

G. RIGHT OF RESALE

- 1.) Until you have paid in full the purchase price and other charges due to FRIATEC N.A, LLC hereunder, you shall have the right to resell the goods in the ordinary course of business only with our prior written consent to such release.
- 2.) Resale with FRIATEC N.A, LLC's consent shall be on a cash basis and, if not on a cash basis, shall be only on such terms and conditions as have been approved in advance by FRIATEC N.A, LLC in writing.
- 3.) Any and all cash proceeds of resale shall be fully accounted for by you and promptly paid to FRIATEC N.A, LLC to be applied to the payment of your indebtedness hereby secured.
- 4.) You shall deliver to FRIATEC N.A, LLC all non-cash proceeds of resale including the original executed copies of any sales contract between you and your customer covering the goods, any chattel paper arising there from, any notes from your customer, and any and all other documents involved in the resale. You shall execute and deliver to FRIATEC N.A, LLC such additional documentation regarding such non-cash proceeds as FRIATEC N.A, LLC, in its sole discretion, deems appropriate, including without limitation assignments of such sales contracts other chattel paper, notes, and security documents.

H. DEFAULT

- 1.) Until default you may have possession of the goods and use the goods in any lawful manner not inconsistent with any policy of insurance thereon.
- 2.) You shall be in default under this contract upon the occurrence of any of the following events or conditions:
 - a.) Default in the payment or performance of any obligation of yours contained herein.
 - b.) If any representation or statement made or furnished by you to FRIATEC N.A, LLC or on your behalf proves to have been inaccurate or false in any material respect when made or furnished.
 - c.) Any event that alters the accuracy of any material representation or statement made to FRIATEC N.A, LLC by you or on your behalf.
 - d.) Loss, theft, destruction, sale or encumbrance to the goods except as expressly provided herein, or the making of any levy, seizure or attachment thereof, or the lease or rental of the goods by you to any third party for any period without FRIATEC N.A, LLC's prior written approval.
 - e.) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the goods, assignment for the benefit of creditors or the commencement of any proceedings under any bankruptcy or insolvency laws by or against you.
- 3.) Upon default and at any time thereafter, we may declare immediately due and payable the entire unpaid balance owed under this contract together with interest and any other charges due and shall have all remedies of a secured party under the Uniform Commercial Code. Any FRIATEC N.A, LLC expenses of retaking, holding, sale preparation, sale or related expenses and reasonable attorney's fees and legal expenses shall be to your account. No waiver by FRIATEC N.A, LLC of any default shall operate as a waiver of any other default or of the same default on a future occasion.

I. RIGHT TO CANCEL OR REDUCE THE ORDER

- 1.) Should FRIATEC N.A, LLC fail to fulfill its obligations under this Contract, you shall have the right in the case of total non-fulfillment to terminate the contract, or in case of partial non-fulfillment to claim a proportionate reduction in price.
- 2.) Should FRIATEC N.A, LLC be unwilling and unable to remedy an admitted or proven defect as provided in Article F, you shall have the right to claim a partial refund of the purchase price proportional to the reduction of value of the product attributable to such defect. In lieu of such partial refund FRIATEC N.A, LLC may, at its sole option, refund the contract price and take title to and possession of the goods.
- 3.) The goods supplied are engineered products, suitable for the specific conditions stated in our offer. As such, any cancellation by the customer after release to production is non-cancelable, or cancelable at the agreed to purchase price.
- 4.) You agree that such remedies are reasonable and conscionable and further remedies are excluded.

J. ASSIGNMENT

FRIATEC N.A, LLC reserves the right to assign and transfer any and all of your obligations, including the obligation to pay the purchase price hereunder without written notice to you or your approval.

K. GOVERNING LAW

This contract shall be governed by the laws of the State of Florida. You agree that any action at law, suit in equity or other judicial proceeding for the enforcement of this contract or any provision thereof shall be instituted only in the courts located within the State of Florida, but FRIATEC N.A, LLC at its option may elect to sue at your principal place of business or in any jurisdiction in which the goods or other assets of yours may be found.