

Tecalemit Inc.**Standard Terms and Conditions of Sale and Delivery****Effective as of March 31, 2012****1. General.**

1.1. These general terms and conditions (the "Terms") of sale, delivery and service are applicable to all orders (hereinafter referred to as "Order(s)") from you (the "Buyer"), and each of the Buyer's affiliates, to purchase and/or to acquire products (hereinafter referred to as "Product(s)") from Tecalemit, Inc., or any of its affiliates or designated agents (collectively referred to herein as, "Tecalemit").

1.2 All terms applicable to the sale and delivery of Products, and to the business relationship between the Buyer and Tecalemit relating thereto, shall be governed by these Terms. These Terms may not be varied or supplemented unless agreed to in writing by a duly authorized representative of Tecalemit (it being understood that Sales Representatives of Tecalemit do not have such authority). Failure of Tecalemit to object to conflicting or different provisions contained in any Order or other writing of the Buyer shall not be construed as a waiver of this provision, of any other provision of these Terms, or as an acceptance of any terms and conditions of the Buyer.

1.3 The Buyer shall be deemed to have accepted these Terms upon the submission of any Order and Tecalemit hereby expressly rejects any portion of any Order or other writing that attempts to modify these Terms.

1.4 Orders from the Buyer may only be supplemented by the particular conditions reflected in any specific purchase order issued by the Buyer (hereinafter referred to as a "PO"), if agreed to, in writing, by Tecalemit.

1.5 These Terms contain the entire agreement between the parties with respect to the Products, and supersede all related previous agreements and understandings between Buyer and Tecalemit, whether written or oral and whether express or implied with respect to such Products.

2. Orders.

2.1 All Orders from the Buyer must be made pursuant to a written PO. Each PO is an offer to buy upon these Terms.

2.2 No Order or PO shall be effective unless it has been accepted by Tecalemit in writing, which writing shall consist of a duplicate of the PO duly signed by Tecalemit and sent to the Buyer by email, mail or fax, within ten (10) calendar days from the date of the PO (hereinafter the "Acknowledgement of Acceptance").

2.3 No modification of any Order or PO shall be effective unless approved in writing by Tecalemit's authorized representative (it being understood that Tecalemit's sales representatives do not have such authority). The Buyer acknowledges that Tecalemit reserves the right to reject any Order or PO for any reason or for no reason.

3. Price, Invoicing and Payment.

3.1 Unless otherwise agreed in the PO, all prices for Products ("Prices") shall be set forth in the PO. Such Prices are fixed and not subject to change. All Prices are for delivery Ex-Works Humble (INCOTERM 2010), and exclusive of taxes, customs, duties, packaging, transportation and insurance. Unless otherwise expressly specified in writing by Tecalemit, any and all current or future taxes or governmental charges applicable to the sale, delivery, shipment or storage of the Products that Tecalemit is required to pay or collect shall be for the Buyer's account and shall be payable by Buyer, and shall not be subject to any reduction.

3.2 Each invoice will correspond to a PO and will set out all the details that allow identification of the applicable Products.

3.3 Subject to Section 3.4 below, all invoices are payable, in a form acceptable to Tecalemit, net thirty (30) days after the date of invoice unless otherwise agreed by the parties in writing and set forth in the

PO; provided that invoices paid within eight (8) days of the invoice date shall be eligible for a 2% reduction. All payments provided hereunder shall be due as invoiced and shall not be contingent upon any payment to the Buyer from any third party or subject to offset or reduction for any reason. Interest will accrue at the rate of point five percent (0.5%) per week (not to exceed 5%), or, if such rate is greater than the maximum rate permitted by applicable law, then at the highest rate allowed by applicable law, compounded monthly on overdue balances. The Buyer shall pay all costs of collection, including without limitation the actual, documented fees and disbursements of counsel ("Legal Fees") to Tecalemit, subject to the limited exceptions set forth in Section 14, below, with respect to arbitration proceedings. Tecalemit reserves the right to seek any additional remedies allowed by law. Discounts and any unauthorized deductions or adjustments are not allowed. Tecalemit will not accept Order's from Buyers if Buyer's account is delinquent.

3.4 Notwithstanding Section 3.3 herein, with respect to all first-time sales or deliveries, any repair orders, or otherwise in Tecalemit's sole discretion, all amounts due in connection with an order for a Product or for other services shall be payable to Tecalemit by Buyer in advance.

3.5 The Buyer shall pay, if applicable, in addition to any invoiced amount, (a) all taxes on the provision, sale, or use of the Products, including, without limitation, all federal, state, or local property, license, privilege, sales, use, excise or gross receipts taxes or other like taxes and tariffs ("Taxes"), and (b) all performance-related costs, fees and expenses incurred by Tecalemit in connection with the provision, sale or delivery of Products, including, without limitation, any and all travel, accommodation, printing, copying, postage and/or any other general and administrative costs and expenses ("Expenses"). If Tecalemit is required by law to pay any such Taxes or Expenses, then the Buyer shall indemnify, pay or reimburse Tecalemit on demand for such payments and any penalties or fees related thereto.

3.6 The Buyer grants to Tecalemit a purchase money security interest in the Products under the Uniform Commercial Code. Failure of the Buyer to make any payment when due shall entitle Tecalemit, in its sole discretion, to declare all obligations of the Buyer immediately due and payable and; in such event Tecalemit shall have all the rights and remedies of a secured party under applicable law. Upon request the Buyer agrees to execute all documents that may be deemed by Tecalemit necessary or appropriate to create, perfect and maintain the perfection of its security interest under applicable law. The Buyer hereby appoints Tecalemit as its attorney-in-fact to sign and file financing statements and such other documents as Tecalemit deems necessary to create, file, perfect and maintain the perfection of its security interest.

4. Delivery.

4.1 Delivery of the Products shall be made by the Buyer collecting the Products at Tecalemit's premises at any time after Tecalemit has notified the Buyer that the Products are ready for collection or, if some other place for delivery is agreed by Tecalemit, by Tecalemit delivering the Products to that place.

4.2 Delivery dates are estimated only and not guaranteed. Tecalemit will endeavor to meet the Buyer's delivery requirements but shall not be liable for any loss or damage, whether direct, consequential or otherwise, caused by any delay in delivery.

4.3 Upon Tecalemit's notification to the Buyer that the Products are ready for collection or delivery, the Buyer shall agree to collect or accept delivery of the Products, as the case may be, immediately. If the Buyer shall fail to give proper delivery instructions or to accept the Products promptly the Buyer shall be liable for reasonable costs of such failure (including without limitation reasonable costs of storage, insurance and demurrage) which costs shall become immediately due and payable on demand. Such liability shall not affect the Buyer's obligation to purchase the Products or the right of Tecalemit to damages for breach of such obligation.

4.4 Unless otherwise stated in writing by Tecalemit, Orders against which deliveries are to be made over a period of time in accordance with a schedule are accepted on the condition that a schedule received by Tecalemit shall be a firm Order for the Products shown therein.

4.5 Tecalemit shall be entitled to make deliveries by installments or partial deliveries. Each installment shall be construed as constituting a separate agreement to which all the provisions of these Terms shall (with any necessary alterations) apply. Failure by Tecalemit to deliver any one or more installments in accordance with these Terms or any claim by the Buyer in respect of one or more installments shall not entitle the Buyer to treat the applicable Order as a whole as repudiated.

4.6 Unless otherwise agreed by the parties, Tecalemit shall determine the type and design of all packaging used for the Products.

5. Risk of Loss.

5.1 Risk of damage to or loss of the Products shall pass to the Buyer: (a) in the case of the Products to be delivered at Tecalemit's premises, at the time when Tecalemit notifies the Buyer that the Products are available for collection; or (b) in the case of the Products to be shipped from Tecalemit's premises, at the time of delivery to the applicable freight carrier or, if the Buyer wrongfully fails to take delivery of the Products, at the time when Tecalemit has tendered delivery of the Products.

5.2 Notwithstanding delivery of the Products or any other provision of these Terms, title in the Products shall not pass to the Buyer until Tecalemit has received in cash, or good funds, payment in full of the price of the Products and all other Products agreed to be sold by Tecalemit to the Buyer for which payment is then due.

5.3 Until such time as title in the Products passes to the Buyer, the Buyer shall hold the Products as Tecalemit's fiduciary and bailee and shall keep the Products separate from those of the Buyer and third parties and properly stored, protected and insured and identified as Tecalemit's property, but

shall be entitled to resell or use the Products in the ordinary course of its business. Buyer may not resell or use the Products if it is adjudicated bankrupt, is placed in administration, an administrative receiver appointed for all or part of its undertaking or in the event of notices being served, meetings called for a creditors meeting of the Buyer or proceedings issued which could lead to the winding up of the Buyer.

5.4 The Buyer shall not be entitled to pledge security for any indebtedness any of the Products which remain the property of Tecalemit. If the Buyer does so, all monies owing by the Buyer to Tecalemit shall (without prejudice to any other right or remedy of the Seller) forthwith shall immediately become due and payable.

6. Cancellation.

6.1 After written acceptance by Tecalemit, the Buyer may not cancel any PO without Tecalemit's prior written consent.

6.2 If the Buyer requests the cancellation or suspension of Tecalemit's performance pursuant to any PO and Tecalemit agrees to cancel or suspend such performance, then the Buyer shall, as a cancellation charge and liquidated damages, reimburse Tecalemit for all documented expenditures incurred by Tecalemit in connection with its performance, whether partial or complete, or in preparation thereof, incurred prior to such cancellation or suspension. Such expenditures may include, without limitation, any Expenses and any third party cancellation charges, plus the contemplated profit associated with the applicable PO.

7. Limited Warranty.

7.1 Tecalemit will authorize repair or, at its option, replace any Product manufactured by Tecalemit that is found, within 24 months after Tecalemit's delivery thereof, to be defective by reason of faulty materials, workmanship or design provided that notice of any such defect is delivered to Tecalemit promptly and that the applicable Product is returned forthwith, freight paid to the premises of Tecalemit.

7.2 In respect of Products not manufactured by Tecalemit, the Buyer shall be entitled only to such benefits as

Tecalemit may recover under any warranty or guaranty given to Tecalemit in respect thereof by the manufacturer.

7.3 Tecalemit accepts no liability under this clause as follows: (a) in the event of any damage sustained in transit, any liability shall fall to the insurance of the freight carrier; (b) for defects caused by installation, operation or maintenance carried out other than in accordance with instructions supplied with the Products or by wear and tear, accident or misuse, improper operation or neglect or arising as a result of the fitting of any Product which does not comply with Tecalemit's recommendations or otherwise as a result of failure of the Buyer to comply in full with any technical specifications and operating instructions supplied by Tecalemit; (c) where any Product has been used for an application other than that specified at the time the order was acknowledged or not in accordance with Tecalemit's instructions; or (d) where the Buyer has failed to observe the terms of payment for the Product and all other obligations imposed by these terms and conditions.

7.4 Where any Products have been ordered, obtained or manufactured to the Buyer's own design or specification, Tecalemit can accept no liability for any failure or defect in such any such Product except in so far as such failure or defect arises directly as a result of the failure of Tecalemit to follow the design or specification provided and in particular Tecalemit gives no warranty as to fitness of purpose for any particular purpose of goods so supplied to the Buyer's design or specification.

7.5 The Buyer shall indemnify Seller in respect of all liability, loss or damage suffered by Tecalemit as a result of Tecalemit following the designs or specifications provided by the Buyer including any such liability suffered as a result of a claim by a third party for infringement or intellectual property rights.

8. Warranty Disclaimer.

Except for the limited warranty set forth section 7 herein, the Products are provided "as is" without warranty of any kind, whether express or implied. Provision

and/or use of the Products are at the buyer's sole risk. Tecalemit expressly disclaims and makes no representation or warranty as to the performance or any results that may be obtained by use of the Products. Tecalemit makes no other warranties, express or implied, including without limitation any implied warranties of merchantability or fitness for a particular purpose, loss of data, or otherwise concerning the subject matter of the terms, warranties of title, non-infringement and warranties based upon course of dealing or trade usage. Except as specifically set out herein, Tecalemit shall be under no liability in respect of the quality, conditions or description of the Products or for any loss or damage however caused to the Buyer or to any other person and any terms, conditions or representations to the contrary whether express or implied by statute, common law or otherwise is hereby expressly excluded.

9. Damages disclaimer and limitation.

The sole and exclusive remedy for breach of warranty hereunder (and for any other claim of any nature arising from the failure of the Products to conform to any specifications required by any PO) shall be limited to repair, replacement or refund of purchase price (at Tecalemit's option) under the limited warranty clause. In no event, regardless of the form of the claim or cause of action (whether based in contract, infringement, negligence, strict liability, other tort or otherwise), shall Tecalemit's cumulative liability to the Buyer exceed the purchase price for the specific Product giving rise to the claim or cause of action. Tecalemit shall not be liable for damages caused by delay in performance. The Buyer agrees that in no event shall Tecalemit's liability to the Buyer extend to include indirect, incidental, exemplary, consequential, special or punitive damages. The term "consequential damages" shall include, but shall not be limited to, loss of anticipated profits, loss of business, loss of use, loss of revenue, goodwill, downtime costs and cost of capital. Without limiting the generality of the foregoing, Tecalemit will not be liable to the Buyer or any other person for failure to accept an order or issue

an acknowledgement of acceptance, delays in product warranty claims of purchasers from, or buyers of, the buyer.

10. Release and Indemnification.

10.1 In the event (a) that the Buyer uses the Products in applications other than that specified at the time of Acknowledgment of Acceptance or not in accordance with Tecalemit's instructions, or (b) that the Buyer breaches any of the terms or conditions set forth in these Terms or any PO, the Buyer agrees to release Tecalemit from, and to hold Tecalemit harmless and, upon request, defend Tecalemit for, from and against, any and all claims, suits, actions or legal proceedings brought against Tecalemit, its affiliates and its officers, directors, employees and representatives, seeking injunctive relief or damages to recover any loss, damage or injury to person or property, including reputation and goodwill, whether brought by a federal, state or local governmental agency, or any other person.

10.2 This release, hold harmless and indemnification shall apply, regardless of whether such claims, lawsuits, judgments, demands, actions or causes of action allege or are based on negligence, breach of implied warranty, strict liability, reckless or intentional conduct, or any other nature or manner of legal theory or cause of action.

10.3 The sole exception to this agreement is if such claims, suits, actions or legal proceedings arise exclusively from failure of the Products to meet the Limited Warranty set forth in Section 7.

11. Default.

In the event of breach of the Terms or any PO, Tecalemit may exercise all rights and remedies available to it hereunder and under the laws of the State of Texas. Among such remedies and without limitation, Tecalemit reserves the right to cancel all or any part of a current Order and any other Orders outstanding, without liability to the Buyer, if the Buyer fails to perform under any applicable provision of the Terms or of any applicable Order and the failure is not cured within ten (10)

calendar days after notice to the Buyer by Tecalemit.

12. Force Majeure.

Tecalemit shall not be liable for damages as a result of any delay or failure to perform pursuant to any PO due to any cause beyond Tecalemit's control, including, without limitation, acts of nature or God, act of Buyer or any of its representatives, any statute, ordinance, regulation, order or other governmental, agency or judicial action, fire, storm, flood, earthquake, explosion, accident, war or rebellion, sabotage, epidemic, quarantine restrictions, strike, riot, terrorism, war, transportation embargoes, failure or delay in transportation or inability to obtain or delay in obtaining necessary labor, products, fuel or manufacturing locations or failures of manufacturing machinery. In the event of any such delay, applicable date(s) of delivery or performance by Tecalemit shall be extended for a period equal to the time loss by reason of such delay and, if such delay is caused by act of the Buyer or any of its representatives, Tecalemit shall be reimbursed for any additional costs arising from such delay.

13. Bankruptcy or Insolvency.

If the Buyer files any petition under any bankruptcy reorganization, composition or insolvency law, or if any other person or entity files such petition with regard to Buyer, or if a receiver has been appointed to manage the Buyer's affairs or property, Tecalemit, in its sole discretion, may terminate any Order by written notice to the Buyer. Tecalemit's termination shall not prejudice its rights to the amounts then due under any PO or these Terms or to any other remedies available. In the event an action is brought by Tecalemit to collect the monies due hereunder, the Buyer shall pay all cost of collection, including reasonable attorney's fees, and interest allowed by law.

14. Arbitration.

14.1 If the parties are unable to agree on any matter for which agreement is required under any Order, including these Terms, or if either party commits a breach hereunder,

whether material or immaterial, either party shall have the right to submit the matter to binding arbitration in accordance with the rules of the American Arbitration Association ("AAA"), as then in effect. Each party shall pay one-half of the deposit required by AAA.

14.2 If the matter in dispute exceeds Two Hundred Fifty Thousand Dollars (\$250,000), the matter shall be considered by a panel of three arbitrators. Each party shall appoint one arbitrator within fifteen (15) days of receipt of notice of the other party requesting arbitration and the arbitrators so selected shall then select a third arbitrator. Upon failure of a party(ies) to appoint an arbitrator (or of the arbitrators selected to appoint a third arbitrator) as contemplated in the foregoing sentence, AAA shall appoint an arbitrator.

14.3 If the matter in dispute is Two Hundred Fifty Thousand Dollars (\$250,000) or less, the matter shall be considered by a single arbitrator. The parties shall mutually agree to the single arbitrator, or if the parties are unable to so agree on an arbitrator within thirty (30) days following a request for arbitration by either party, the arbitrator shall be selected by AAA.

14.4 The decision of the arbitrator(s) (by majority vote if there are three arbitrators) shall be binding upon all parties and non-appealable. If there are three arbitrators, each party shall bear the cost of its arbitrator and cost of the third arbitrator shall be borne by the non-prevailing party. If there is a single arbitrator, the non-prevailing party shall bear the cost of the arbitrator. Each party shall bear all of its own witness fees and attorneys' fees.

14.5 The arbitration proceeding shall occur in Houston, Texas.

15. Jurisdiction; Venue.

15.1 For purposes of injunctive relief or should arbitration not be available, in any legal action relating to the provision of any Products or otherwise under the Terms, the Buyer irrevocably agrees and consents (i) to the exercise of personal jurisdiction over it by the State or superior courts of the State of Texas or by the United States District Court for the Southern District of Texas; and (ii) that if the Buyer brings an action, it shall

be instituted exclusively in one of the courts specified in Subsection (i) above.

15.2 Service of process provided to the Buyer in accordance with Section 18 below shall be effective and sufficient to establish jurisdiction and venue in such court in any such action.

15.3 Should arbitration not be available, Tecalemit may institute legal action in any appropriate jurisdiction.

16. Governing Law.

The Terms and all Orders shall be governed by and construed in accordance with the laws of the State of Texas, United States of America.

17. Severability.

If any provision of an Order, including these Terms, shall be judged by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such adjudication shall not affect or modify any other provision of the applicable Order, including these Terms, and the effect thereof shall be confined to the provision as to which such adjudication is made.

18. Notice.

18.1 Any notice or other communication required or permitted by these Terms must be given in writing and must be delivered by personal delivery (including personal delivery by overnight courier such as Federal Express, DHL, or similar overnight courier), air mail (registered or certified with return receipt requested), telecopy or e-mail (with a copy sent by personal delivery or air mail).

18.2 Notice will be deemed given when received or delivered.

19. Assignment.

The Buyer shall not have the power to delegate any duties or assign any rights under any Order without the prior written consent of Tecalemit. Any such attempted delegation or assignment shall be void.

20. Third Party Rights.

Nothing in any Order, PO or Acknowledgement of Acceptance is intended to confer any rights or remedies on any



persons other than the Buyer, Tecalemit, and their respective successors and permitted assigns.

21. Headings.

The headings contained in these Terms are included for mere convenience of reference and shall not affect the language included herein.

22. Amendment.

Tecalemit reserves the right to change, modify, add, or delete portions of these Terms from time to time without further notice.