



ENERGY STEEL PRODUCTS LLC ("ESP")

GENERAL TERMS AND CONDITIONS OF SALE

Payment Terms

For customers with established credit, terms are net thirty (30) days from the date of the invoice. If the customer fails to make payment within the Payment Term, ESP has the right to withhold further shipments pending resolution. Customer agrees to pay interest at 1.5% per month and collection fees incurred in situation when ESP deems collection actions are necessary.

Title and Risk of Loss

Title and risk of loss pass to the Customer at ESP's warehouse at 7404 Railhead Lane, Houston, TX or at 1191 W. Hawthorne Lane, West Chicago, IL

Claims for Non-Compliance

If the buyer alleges that the goods or any part thereof are not in accordance with the contract or specifications, then the buyer shall give written notice stating all defects on which the Buyer proposes to rely to the Seller within thirty (30) days after shipment of the goods. Seller shall have the right to inspect the goods before the goods are used, processed, sold, or otherwise altered, and may require return of goods to the Seller's location; however, the Customer shall not return goods to the Seller's warehouse without written consent of the Seller. If the goods are proven to be not in accordance with the contract or specifications, then the Seller will accept rejection and upon the return of the product to ESP will credit the Customer for the goods and freight, where applicable.

Claims Against Freight Common Carriers

All goods are shipped from the ESP warehouse FOB Shipping Point by the common carrier designated by the Customer. Accordingly, any damage or failure to deliver goods by the common carrier once title has passed by signature at the ESP warehouse must be resolved by the Customer directly with the common carrier.

Force Majeure

Neither party shall be liable for delay in performing or failure to perform its obligations if the delay or failure results from any cause outside its reasonable control including war, terrorism, fire, explosion, flooding or other extreme weather, major machine break down, strikes, lockouts and other labor disputes, trade disputes, or refusals to grant licenses. Delay or failure by a party to perform its obligations due to Force Majeure shall not constitute a breach of contract with the effect that the affected party is relieved from liability and any other contractual remedy for breach of contract during the time the Force Majeure persists.

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Specifications

The Seller warrants that the goods sold hereunder will conform to the relevant ESP Specification. The Customer hereby acknowledges that said specification as been viewed on the company website (www.espsteel.com) . This express warranty is in lieu of and excludes all other warranties, express or implied, including but not limited to all warranties of fitness and the warranty of merchantability.

Packaging and Protection

Upon signature acknowledging receipt of goods at the ESP warehouse, Customer accepts the adequacy of packaging of the goods, and Seller shall not be held liable for any deterioration or damage of the goods during transit.

Adjustment of Volume

The quantity supplied to the Customer can be adjusted by ESP to deviate up to 10% (+ or -) from the agreed weight for each line item included in the shipment unless minimums or maximums are specifically requested on the order.

Delay in Delivery

Should the delivery be delayed substantially beyond customer requirement as originally expressed during the order entry process, the Customer's sole remedy is to cancel the purchase of the goods. Such cancellation shall be in writing.

General Limitation of Liability

Under no circumstances shall ESP be held liable for any special indirect, incidental, or consequential damages including, but not limited to, loss of profit, loss of production, discarded production, demurrage charges, lost sales, or claims from the Customer's customer, unless in the case of gross negligence or willful misconduct of ESP.

Governing Law

This transaction shall be governed by and construed exclusively in accordance with the laws of the State of Texas.