

COMPOSITE EXHIBIT 5

From: JT Vaughn <jvaughn@industrialheat.co>
Sent: Monday, August 11, 2014 3:50 PM
To: Colette Sauer; hjohnson@hwjlaw.net
Cc: Tom Darden; ar.123@mail.com
Subject: Re: Term Agreement
Attachments: attachment-1.pdf; attachment-2.pdf

Henry and Colette,

I noticed that on both the term sheet and the OFAC representation agreement the incorrect entity name had been inserted for JM Chemical Products, Inc. (it appears on both documents as "JM Chemicals Inc."--I believe this was the fault of our attorney). Please see updated documents with your correct legal entity inserted. Please sign and return these and I will review the term sheet with Tom once I speak with him (he is currently attending an environmental conference in Iceland and so it has been difficult to get in touch with him).

At any rate, we'll be sure to respond by the end of the week.

Best,
JT

On Mon, Aug 11, 2014 at 3:19 PM, Colette Sauer <cksauer@hwjlaw.net> wrote:

Mr. Johnson is out of the office today but asked that I send you this email transmission in his absence.

Dear Sirs:

We need to receive a copy of the attached agreement by the end of this week.

Should we not receive the agreement signed by you within that term, please consider our proposal cancelled.

Sincerely,

Colette K. Sauer (for Attorney Henry W. Johnson)

Legal Assistant to Henry W. Johnson

Law Office Henry W. Johnson

7900 Glades Road, Suite 530

Boca Raton, FL 33434

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JT Vaughn

Industrial Heat

jvaughn@industrialheat.co

THIS ELECTRONIC TRANSMISSION IS DIRECTED TO ITS INTENDED RECIPIENT ONLY AND MAY CONTAIN INFORMATION THAT IS PROPRIETARY AND CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any use, disclosure, distribution or copying of this communication or any attachment is strictly prohibited. If you have received this electronic transmission in error, please delete it from your system without copying it, and notify the sender immediately by reply e-mail or by calling 919.743.5724. Thank you.

COMPLIANCE WITH OFAC

JM Chemical Products, Inc. ("JMC") hereby represents and warrants to Industrial Heat, LLC ("IH") that the following representations are true and correct as of the date hereof and agrees to immediately notify IH if any of the following representations cease to be true and correct:

JMC and its subsidiaries, and their respective directors, officers, agents, employees and affiliates, are in compliance with the requirements of Executive Order No. 13224, dated September 23, 2001, and other similar requirements contained in the rules and regulations of the Office of Foreign Asset Control, Department of the Treasury ("OFAC") and in any enabling legislation or other executive Orders in respect thereof (the "Orders").

Neither JMC nor any of its subsidiaries nor any director, officer, agent, employee, affiliate or any person acting on behalf of JMC or any of its subsidiaries or affiliates, is, or is directly or indirectly owned or controlled by, an individual or entity that is currently subject to any sanctions administered by OFAC, or listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC on its official website pursuant to the Orders or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders, or is a person who has been determined by competent authority to be subject to the prohibitions contained in the Orders, or is owned or controlled by, or acts for or on behalf of, any person on such lists or any other person who has been determined by competent authority to be subject to the prohibitions contained in the Orders.

JMC is owned by an entity formed in the United Kingdom, and none of Leonardo, Dr. Andrea Rossi, Henry W. Johnson nor any of their respective subsidiaries, directors, officers, agents, employees, affiliates, significant others, or relatives by blood or marriage has any ownership interest in JMC.

JM CHEMICAL PRODUCTS, INC.

By: _____

Name: _____

Title: _____

Term Sheet

The parties to this Term Sheet are Industrial Heat, LLC ("IH"); JM Chemical Products, Inc. ("JMC"), the operator of a Miami production facility; and Leonardo Corporation ("Leonardo").

1. Industrial Heat, LLC, directly or through its affiliates, owns a 1 MW E-Cat steam plant (the "1 MW Plant") built by affiliates of Leonardo in Italy in 2013.
2. JMC operates a production facility in Miami, FL, which requires low temperature steam.
3. Leonardo has technical knowledge about the operation and maintenance of the 1 MW Plant.
4. IH intends to make available to JMC the 1 MW plant for a period of 2 years.
5. Leonardo will assist in the installation of the 1 MW Plant at the Miami JMC facility, at no cost to JMC or IH.
6. JMC will pay rent of \$1000 per day to IH or its designee, monthly in arrears, once the 1 MW plant is installed in their facility and operating at a capacity of 1 MW. However, if the plant provides less than 1 MW of thermal energy, the rental rate will be reduced proportionally. If the plant produces more than 1 MW, there will be no increase in the rental rate.
7. IH will provide all maintenance on the 1 MW Plant during the 2 year rental period.
8. Dr. Andrea Rossi of Leonardo Corp will be responsible for the operation of the 1 MW Plant, assisted by Eng. Fulvio Fabiani and any others designated by IH. There will be no additional cost to JMC or IH for these services.
9. The personnel of JMC will not have access to the inside of the 1 MW Plant or to information about how the 1 MW Plant operates, which are trade secrets of Leonardo and IH.
10. If the 1 MW Plant fails to operate, rent will be reduced proportional to the time that the 1 MW Plant fails to operate, unless the failure is caused by some other party or reason besides IH or Leonardo. If the 1 MW Plant fails to operate for reasons which are not controlled by IH or Leonardo, rent will not be reduced. By way of example, if electrical power is not furnished to the plant, and as a result it fails to operate, rent will be owed nonetheless.
11. If the 1 MW Plant fails to operate for any reason, JMC will not be paid any consequential damages or costs and IH will have the option to terminate the rental agreement and pick up the 1mW Plant.
12. JMC will provide reasonable insurance covering the cost of any damage caused by the 1 MW Plant, naming IH and Leonardo as additional insureds.
13. IH will be allowed to visit the 1 MW Plant at any time, with customers or with IH personnel.
14. IH will continue to own the 1 MW Plant and JMC will not have any right to buy or retain the plant. Upon expiration of the rental period, or earlier termination if there is a default under the rental agreement, IH may pick up the 1 MW Plant.
15. JMC will not encumber the 1 MW Plant with any lien or obligation to any third party.

16. IH or Leonardo will furnish to JMC a letter from the Healthcare Office of Miami allowing the operation of the 1 MW Plant.
17. IH and Leonardo will be responsible for their personnel inside the factory of JMC, and JMC will be responsible for their personnel inside their factory.
18. JMC will keep records of the operation of the 1mW Plant as reasonably requested by Leonardo or IH and will provide copies of such records to Leonardo and IH upon request.
19. Definitive documentation for the transaction will include appropriate confidentiality provisions. JMC agrees that it will not make any public announcements regarding the 1 MW Plant unless first approved by IH.

Except for JMC's binding agreement set forth in paragraph 19 above, this term sheet is a non-binding expression of the current intentions of IH, Leonardo and JMC. If the parties agree with the terms above, they will undertake to negotiate a final agreement which would become binding only upon execution by the parties.

INDUSTRIAL HEAT, LLC

By: _____

Name: _____

Title: _____

LEONARDO CORPORATION

By: _____

Name: _____

Title: _____

JM CHEMICAL PRODUCTS, INC.

By: _____

Name: _____

Title: _____

From: JT Vaughn <jvaughn@industrialheat.co>
Sent: Wednesday, August 06, 2014 7:44 PM
To: Kight, April
Cc: Tom Darden; John Mazzarino
Subject: Re: IH - JM Chemicals OFAC rep.DOCX

Redacted - Privileged

On Wednesday, August 6, 2014, Kight, April <akight@schellbray.com> wrote:

Redacted - Privileged

Sent from my iPhone

On Aug 6, 2014, at 6:59 PM, "JT Vaughn" <jvaughn@industrialheat.co> wrote:

Redacted - Privileged

----- Forwarded message -----

From: Andrea Rossi <ar.123@mail.com>
Date: Wed, Aug 6, 2014 at 6:56 PM
Subject: Re: Fwd: IH - JM Chemicals OFAC rep.DOCX
To: JT Vaughn <jvaughn@industrialheat.co>
Cc: John Mazzarino <jmazzarino@industrialheat.co>, Tom Darden <tdarden@industrialheat.co>

OK tomorrow you will receive this signed.
Please limit the correction of the agreement between IH, JMC and me to the abolition of par 13 since the text had been already reviewed ny Tom and your attorney and accepted by JMC
Warmest regards and thank you
Andrea

Sent using the free mail.com iPhone App

On 8/6/14 at 5:50 PM, JT Vaughn wrote:

- > Andrea: see attached per our discussion. I still need to review term sheet
- >
- > w Tom and John, as our counsel had minor clean up edits. I hope to send it
- >
- > tomorrow.
- >
- >
- >
- > Best,
- >
- > JT