

RICHARDS INDUSTRIES, INC.
TERMS AND CONDITIONS OF PURCHASE

These Terms and conditions govern that purchase and sale transactions between the seller identified on the face hereof (the "Seller") and Richards Industries, Inc., the basic terms of which appear on the face of this Purchase Order, of which these Terms and Conditions are an integral part. Any irreconcilable conflicts between these Terms and Conditions and the face of the Purchase Order shall be resolved in favor of the face of the Purchase Order.

1. Terms and acceptance: This Purchase Order becomes a binding contract (the "Contract"): (1) when an executed acknowledgement copy hereof is received by Richards Industries, Inc., or (2) when shipment according to schedule of all or any portion of the goods covered by this Purchase Order shall be made, or (3) when Richards Industries, Inc. gives Seller written approval of the price and delivery schedule of the goods as stated by Seller if Seller's written acknowledgement of this Purchase Order contains either: (a) a different price or delivery schedule or a different type of item, or (b) no price or no delivery schedule for the item or items to which Richards Industries, Inc.'s approval applies. Except as provided in the preceding sentence, it is an express condition of this Purchase Order and to Seller's obligation to perform hereunder that any provisions printed or otherwise contained in any acknowledgement hereof or in any other response hereto, inconsistent with or in addition to the terms and conditions herein stated, an any alteration in this Purchase Order, shall have no force or effect, and that Seller by such acknowledgement or response thereby agrees that any such provisions therein or any such alterations in this Purchase Order shall not constitute any part of the contract of purchase and sales created hereby. The Contract resulting from Seller's acceptance of this Purchase Order contains the entire agreement of the parties, and failure of either party to enforce any of its rights hereunder shall not constitute a waiver of such rights or of any other rights hereunder.
2. Inspection, Warranty: Goods delivered (whether paid for or not) are subject to inspection, testing, and approval by Richards Industries, Inc. before acceptance. Seller expressly warrants that all articles, materials, and work will conform to the applicable drawings, specifications, samples, or other descriptions given in all respects, and that the goods delivered hereunder will be of the highest quality, material, and workmanship, and will be merchantable and free from defects. This warranty shall survive any inspection, delivery, acceptance, or payment by Richards Industries, Inc. of the goods or services.
3. Nonconforming Goods: All goods not fully up to standard and not in compliance with the specifications hereof, or shipped contrary to instructions, or in excess of the quantities herein provided, or substituted for goods described, or not shipped in containers conforming to Richards Industries, Inc.'s specifications (or, in the absence of such specifications, in recognized containers), or allegedly violating any statute, ordinance, or administrative order, rule, or regulation, may be rejected by Richards Industries, Inc. and returned or held at Seller's expense and risk. Richards Industries, Inc. may charge to Seller all expense of inspecting, unpacking, examining, repacking, storing, and reshipping any goods rejected as aforesaid. The remedies hereinabove afforded to Richards Industries, Inc. shall not be exclusive, but Richards Industries, Inc. may hold Seller liable for any and all damages arising from any breach or default hereinabove set forth.
4. Price: Prices recorded in this Purchase Order are not subject to increase. No additional amounts shall be chargeable to Richards Industries, Inc. because of taxes or excises, presently or hereafter levied on Seller. If Seller's quoted prices for the goods covered by this Purchase Order are reduced (whether in the form of a price reduction, close-out, rebate, allowances, or additional discounts offered to anyone) at time of any shipment, Seller agrees that the price to Richards Industries, Inc. for such goods will be reduced accordingly, and that Richards Industries, Inc. will be billed at such reduced prices. If price is not recorded on the face of this Purchase Order, price shall be that of most recent prior order given by Richards Industries, Inc. to Seller, subject to the

provisions of this paragraph. If price includes taxes or excises, and if such taxes or excises or any part thereof are hereafter refunded to Seller, Seller shall immediately pay Richards Industries, Inc. the amount of such refund. Seller certifies that the prices herein are not higher than prices being charged to other organizations purchasing identical goods in smaller quantities at this particular time and do not discriminate against purchaser. The price herein specified is warranted against any decline that may be made by other Sellers of goods covered by this Purchase Order; if at any time during the term of this Contract, a price shall be offered by such competing Sellers which is lower than the Seller may agree to, the Seller shall notify Richards Industries, Inc. forthwith and allow Richards Industries, Inc. to buy the goods elsewhere and such quantity shall be deducted from the unshipped portion due Richards Industries, Inc. under the terms of this Contract.

5. Price Discrimination: Seller represents that the prices and terms of purchase, and any allowances available shall be in full compliance with the Robinson Patman Act.
6. Payment: Terms of payment are as previously arranged, or if specified in this Purchase Order, then as so specified in this order. Drafts will not be honored under any circumstances.
7. Delivery Time of Essence: Richards Industries, Inc.'s schedules are based upon the agreement and understanding that the goods will be delivered to Richards Industries, Inc. by the dates specified on the face of the Purchase Order. Time is therefore of the essence and if goods are not delivered within the time specified hereon, Richards Industries, Inc. may reject such goods and cancel order. The acceptance of later or defective deliveries shall not be deemed a waiver by Richards Industries, Inc. of its right to cancel this Purchase Order, or to refuse to accept further deliveries.
8. Packing: Each package shall be numbered and labeled with Richards Industries, Inc.'s order number, stock number, contents, and weight, shall contain an itemized packing slip and shall be properly prepaid for shipment so as to secure lowest transportation and insurance rates and to meet carrier's requirements unless otherwise specified. No charges will be allowed Seller for packing, breaking, freight, express, or cartage unless stated herein.
9. Warranty Against Infringement: Seller warrants that the sale or use of goods of Seller's design or Seller's patents covered by this Purchase Order either alone, or in combination with other materials, will not infringe or contribute to the infringement of any patents or trademarks or copyrights either in the U.S.A. or foreign countries, and Seller shall defend every suit which shall be brought against Richards Industries, Inc. or any party selling or using Richards Industries, Inc.'s products for any alleged infringements of any patents, trademarks or copyrights, by reason of the sale or use of said materials either alone, or in combination with other materials and to pay all expenses and fees of counsel which shall be incurred in and about defending every such suit and all costs, damages, and profits recoverable in every such suit.
10. Trademark: If the goods specified within this Purchase Order are peculiar to Richards Industries, Inc.'s design or if the goods bear Richards Industries, Inc.'s Trademark or identifying mark they shall not bear Trademark or other designation of the maker or Seller and similar goods shall not be sold or otherwise disposed of to anyone other than Richards Industries, Inc. without the written consent of Richards Industries, Inc. The title to any and all drawings and blueprints, jigs, dies, patterns, tools, etc., used in connection with this Purchase Order shall at all times vest in Richards Industries, Inc. and shall upon completion of deliveries hereunder or upon termination of the Contract, be delivered to Richards Industries, Inc. upon request and Seller assumes all liability for loss thereof or for Seller's failure to return such property to Richards Industries, Inc. Unless authorized by Richards Industries, Inc. in writing, Richards Industries, Inc.'s name, trade name, or the name or trade name of any of Richards Industries, Inc.'s subsidiaries or affiliates, shall not be used in Seller's advertising.
11. Compliance With Law: The performance of any work pursuant to this Purchase Order is and shall be subject in all respects to and in compliance with all laws, rules, regulations, and ordinances, proclamations, demands, directives, executive orders, or other requirements of the municipal,

state, and federal governments and all subdivisions thereof which now govern or may hereafter govern the manufacture, sales, or delivery of the parts, supplies, and goods, contemplated by this Purchase Order, including, but not limited to the provisions of the Fair Labor Standards Act of 1938, the Walsh Healy Act, the Federal Food, Drug, and Cosmetics Act, and any other applicable laws.

12. Indemnification by Seller: Seller will indemnify, hold harmless, and defend Richards Industries, Inc. from and against any and all claims, demands, damages (including, without limitation, compensatory, general, special, consequential, and punitive damages), losses, liabilities, actions and causes of action arising out of any actual or threatened physical or economic injury to person or property or any loss relating to or in any way connected with (i) the performance of the Contract, (ii) a breach of any covenant made or warranty given by Seller in this Contract, and (iii) any defect of any kind in the goods which are the subject of this Purchase Order.
13. Taxes: Seller accepts liability for payment of all payroll and Social Security taxes and all other federal, state, or local taxes now or hereinafter imposed by any governmental authority.
14. Delegation, Assignment: Seller shall not delegate or assign any duties or claims under this Purchase Order without Richards Industries, Inc.'s prior written consent. Any such delegation or assignment attempted without Richards Industries, Inc.'s previous written consent shall effect, at Richards Industries, Inc.'s option, a cancellation of all Richards Industries, Inc.'s obligation hereunder. All claims for moneys due or to become due from Richards Industries, Inc. shall be subject to deduction by Richards Industries, Inc., for any setoff or counterclaim arising out of this Purchase Order or any other purchase orders issued by Richards Industries, Inc. to Seller, whether such setoff or counterclaim arose before or after any such assignment by Seller.
15. Modification: Richards Industries, Inc. shall have the right to make, from time to time, and without notice to any sureties or assignees, changes as to packing, testing, destination, specifications, designs, and delivery schedule. Seller shall immediately notify Richards Industries, Inc. of any increases or decreases in costs caused by such changes and an equitable adjustment of prices or other terms hereof shall be agreed upon in a written amendment to this Purchase Order.
16. Cancellation: Richards Industries, Inc. reserves the right at any time and from time to time without cause, to cancel all or any part of the undelivered portion of this Purchase Order by notice to Seller. In the event of such cancellation, Richards Industries, Inc. shall not be liable to Seller for loss of anticipatory profits. The provisions of this paragraph shall not limit or affect Richards Industries, Inc.'s right to terminate this Purchase Order for default of Seller.
17. Waiver of Liens: Seller hereby waives and relinquishes all liens and claims statutory or otherwise which Seller now has or may hereafter have as a result of labor done and materials furnished by Seller or Richards Industries, Inc. in performance of the within Purchase Order.
18. Default: Upon the happening of any one or more of the following events, Richards Industries, Inc. shall forthwith have the unrestricted right to cancel and terminate the within Contract without cost or liability to Richards Industries, Inc.: (1) Seller's insolvency or inability to meet obligations as they become due; (2) filing of voluntary or involuntary petition of bankruptcy by or against Seller; (3) institution of legal proceedings against Seller by creditors or stockholders; (4) appointment of a receiver for Seller by any court of competent jurisdiction. The acceptance of goods or performance after the occurrence of any of the events above enumerated shall not affect the right of Richards Industries, Inc. to cancel its additional obligations.