

NEW PROCESS STEEL, L.P. (“NPS, L.P.”)

TERMS AND CONDITIONS OF PURCHASE

1. ACCEPTANCE OF AGREEMENT. All Purchases made by NPS, L.P., unless otherwise agreed to in writing by an executive officer of NPS, L.P., are made subject to each and all of the following terms and conditions. Seller’s commencement of work on the goods subject to the Purchase Order or shipment of such goods, whichever occurs first, shall be deemed an acceptance of NPS, L.P.’s, offer to purchase contained in the Purchase Order. The acceptance of the Purchase Order and the agreement between the Seller and NPS, L.P. is governed by the express terms of the offer contained in the Purchase Order and within this Terms and Conditions of Purchase document. Any proposal for additional or different terms or any attempt by Seller to vary in any degree any of the terms of the offer in Seller’s acceptance is hereby objected to and rejected, but such proposal shall not operate as a rejection of the offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods, which shall be deemed a material alteration thereof, and the offer shall be deemed accepted by the Seller without said additional or different terms. Additional or different terms or any attempt by Seller to vary in any degree any of the terms of the Purchase Order shall be deemed material and are objected to and rejected. However, the Purchaser Order shall not operate as a rejection of the Seller’s offer unless it contains variances in the terms of the description, quantity, price or delivery schedule of the goods.

2. TERMINATION. a. For Convenience of NPS, L.P.: NPS, L.P. reserves the right to terminate the order or any part thereof for its sole convenience. In such event, Seller shall

immediately stop all work thereunder, and shall immediately cause any or its supplier or subcontractors to cease such work. Seller shall not be paid for any work done after receipt of notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided. NPS, L.P. reserves the right to take delivery of and pay for any work done by Seller before NPS, L.P.'s notice of termination. In the event NPS, L.P. declines to purchase completed material, Seller shall have the obligation to mitigate all of its damages by attempting to locate another purchaser for the goods. In the event Seller fails to deliver the goods on time, NPS, L.P. shall have the right to terminate the order and recover from Seller cost of cover, which shall be equal to an amount by which NPS, L.P. can purchase the same or similar goods from any source, and liquidated damages in the amount of fifty (50%) percent of the order's total purchase price.

b. For Cause: NPS, L.P. may also terminate the order or any part thereof for cause in the event of any default by Seller or failure by Seller to comply with any of the terms and conditions of the offer. In the event of termination for cause, NPS, L.P. shall not be liable to Seller for any amount, and Seller shall be liable to NPS, L.P. for any and all damages sustained by reason of the default which gives rise to the termination. If it shall be determined that NPS, L.P. has improperly terminated the contract for cause, such as terminations shall be deemed to be for NPS, L.P.'s convenience.

3. WARRANTY. Seller expressly warrants that all goods or services furnished under this agreement shall conform to all specification and appropriate standards, will be new, and will be free from defects in material or workmanship. Seller warrants that all such goods or services will conform to any statements made on the containers or labels or

advertisement for such goods or services, and that any goods will be adequately contained, packaged, marked and labeled. Seller warrants that all goods for services furnished will be merchantable, and will be safe and appropriate for the purpose of which goods services of that kind are normally used. If Seller knows or has reason to know of the particular purpose for which NPS, L.P. intends to use the goods or services, Seller warrants that such goods or services will be fit for such particular purpose. Seller warrants that goods or services furnished will conform in all respects to samples. Inspection, test, acceptance or the use of the goods or services furnished shall not affect Seller's obligation under this warranty, and such warranty shall survive inspection, test, acceptance and use. Seller's warranty shall run to NPS, L.P., its successors, assigns and customers, and users of products sold by NPS, L.P., Seller agrees to replace or correct defect promptly, without expense to NPS, L.P., when notified of such non-conformity by NPS, L.P. provided NPS, L.P. elects to provide Seller with the opportunity to do so, in the event of failure of Seller to correct defects in or replace non-conforming goods or services promptly, NPS, L.P. after reasonable notice to Seller, may make such correction or replace such goods or services and charge Seller for the cost incurred by NPS, L.P. in doing so. Seller shall indemnify and save NPS, L.P. harmless from any breach of this warranty, and no limitations on NPS, L.P.'s remedy in Seller's documents shall operate to reduce this indemnification. This warranty is in addition to all warranties contained under the law.

4. PRICE AND PRICE WARRANTY. The price(s) payable to NPS, L.P. for the materials that are the subject of the Purchase Order shall be as stated in the Purchase Order. Seller warrants that the prices for the articles sold NPS, L.P. are not less favorable

than those currently extended to any other customer for the same or similar articles in similar quantities. In the event Seller reduces its price to NPS, L.P. or any third party for such articles during the term of the order, Seller agrees to reduce the prices thereof correspondingly. Seller warrants that prices shown on the Purchaser Order shall be complete, and no additional charges of any type shall be added without NPS, L.P.'s express written consent.

5. FORCE MAJEURE. NPS, L.P. may delay delivery of acceptance occasioned by caused beyond its control. Seller shall hold such goods under the direction of NPS, L.P. and shall deliver them when the cause affecting the delay has been removed. NPS, L.P. shall be responsible only for Seller's direct additional cost in holding the goods or delaying performance of this Agreement at NPS, L.P. request. Causes beyond NPS, L.P.'s control shall include, but not be limited to, fires, floods, or other acts of God, strikes, labor disputes or difficulties, acts or requirements of government or civil authority, or failure of the government to act where such action is required.

6. CHANGES. NPS, L.P. shall have the right at any time to make changes in drawings, specifications, quantities, materials, packaging, time and place of delivery and method of transportation.

7. CONFIDENTIALITY. Seller shall consider all information furnished by NPS, L.P. to be confidential and shall not disclose any such information to any other person, or use such information itself or any purpose other than performing the contract, unless Seller obtains written permission from NPS, L.P. to do so. This paragraph shall also apply to drawings, specifications, or other documents prepared by Seller for NPS, L.P. in connection with the order. Seller shall not advertise or publish the fact NPS, L.P. has

contracted to purchase goods from Seller, nor shall any information relating to the order be disclosed without NPS, L.P. written permission. Unless otherwise agreed to in writing, no commercial, financial or technical information disclosed in any manner or at any time be Seller to NPS, L.P. shall be deemed secret or confidential and Seller shall have no rights against, NPS, L.P. with respect thereto except such rights as may exist under patent laws.

8. PATENTS. Seller agrees, upon receipt of notification to promptly assume full responsibility for defense of any suite or proceeding which may be brought against NPS, L.P. or its agents, customers or to the vendors for alleged patent infringement, as well as for any alleged unfair competition resulting from similarity in design, trademark, or appearance of goods or services furnished hereunder, and Seller further agrees to indemnify NPS, L.P., its agent and customers against any and all expenses, losses, royalties, profits and damages, including court cost and attorney's fees resulting from any such suite or proceeding, including any settlement, NPS, L.P. may be represented by and actually participate through its own counsel in any such suite or proceeding if it so desires, and the costs of such representation shall be paid by Seller.

9. INSURANCE. If the order requires or contemplates performance of services by Seller's employees, or persons under contract to Seller, to be done on NPS, L.P.'s property, or property of NPS, L.P.'s customers, Seller agrees that all such work shall be done as an independent contractor and that the person doing such work shall not be considered employees of NPS, L.P., Seller agrees to observe the highest safety standards, to maintain all necessary insurance coverages, including public liability and worker's compensation insurance, and to furnish evidence of such insurance at NPS, L.P.'s

request. Seller shall indemnify and save harmless and defend NPS, L.P. from any and all claims arising out of the work covered by this paragraph.

10. INDEMNIFICATION. Seller shall defend, indemnify and hold harmless NPS, L.P. against all damages, claims or liabilities and expenses (including attorney's fees) arising out of resulting in any way from any defect in the goods or services purchased, or from any act or omission of Seller, its agents, employees or subcontractors. This indemnification shall be in addition to the warranty obligations of Seller.

11. INSPECTION AND TESTING. Payment for the goods delivered shall not constitute acceptance thereof. NPS, L.P. shall have the right to inspect such goods and to reject any or all such goods which are in NPS, L.P.'s judgment defective or non-conforming. Goods rejected and goods supplied in excess of quantities called for may be returned to Seller at its expense and, in addition to NPS, L.P.'s other rights, NPS, L.P. may charge Seller all expenses of unpacking, examining, reworking and reshaping such goods. In the event NPS, L.P. receives goods whose defects or non-conformity is not apparent upon examination, NPS, L.P. reserves the right to revoke acceptance or require replacement, as well as payment of damages. Nothing contained in the Purchase Order, including failure of NPS, L.P. to inspect or test, shall relieve Seller, in any way, from the obligation of testing, inspection and quality control.

12. SHIPMENT AND DELIVERY. If in order to comply with NPS, L.P.'s required delivery date, it becomes necessary for Seller to ship by a more expensive way than specified in the Purchase Order, any increased transportation cost resulting therefrom shall be paid for by Seller unless the necessity for such rerouting or expedited handling has been ceased or requested by NPS, L.P. Time is of the essence of the contract, and if

delivery of items or rendering of services is not complete by the time promised, NPS, L.P. reserves the right without liability in addition to its other rights and remedies to terminate the contract by notice effective when received by Seller as to items not yet shipped or services not yet rendered and to purchase substitute items or services elsewhere and charge Seller with any loss incurred.

13. ENTIRE AGREEMENT; ASSIGNMENTS; SETOFF. The Purchase Order, and any documents referred to on the face thereof, constitute the entire agreement between the parties and may be modified only by a written agreement signed by duly authorized representatives of both parties. No part of the order may be assigned or subcontracted without the prior written approval of NPS, L.P. All claims for money due or to become due from NPS, L.P. shall be subject to deduction set off by NPS, L.P. by reason of any counterclaim arising out of this or any other transaction with Seller.

14. WAIVER. NPS, L.P. failure to insist upon performance of any other terms or conditions herein or to exercise any right or privilege or NPS, L.P.'s waiver of any breach hereunder shall not thereafter waive any other terms, conditions, or privileges, whether of the same or similar type.

15. LIMITATION ON PURCHASER'S LIABILITY - STATUTE OF LIMITATIONS. In no event shall NPS, L.P. be liable for anticipated profits or for incidental or consequential damages. NPS, L.P.'s liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from this Agreement or from the performance or breach thereof shall in no case exceed the price allocable to the goods or services or unit thereof which give rise to the claim. NPS, L.P. shall not be liable for penalties of any description. Any action resulting from any breach on the part of

NPS, L.P. as to the goods or services delivered hereunder must be commenced within one (1) year after the cause of action has occurred.

16. APPLICABLE LAW AND VENUE. The rights, duties and obligations of the parties hereunder shall be governed and construed in accordance with the laws of the State of Texas and all disputes hereunder shall be subject to litigation in the courts of Harris County, Texas.