

TERMS AND CONDITIONS

This purchase contract ("Contract") confirms the agreement Moraine Metals Corporation (Moraine) and the Seller as identified on the face page of the purchase contract ("Seller") with respect to the purchase and sale of the scrap metal ("Goods") at the prices and the quantities specified hereon and is made subject to the following terms and conditions:

1. ACCEPTANCE AND FINAL AGREEMENT.

A. Seller shall acknowledge acceptance of this Contract by signing and promptly returning to Moraine a copy of this Contract. If for any reason Seller should fail to sign and return a copy of this Contract to Moraine, the commencement of any work or performance of any terms or conditions contained herein shall constitute acceptance by Seller of this Contract and all of its terms and conditions. Seller expressly acknowledges and agrees that this Contract shall govern in all cases where Seller's sales contract or other document conflicts with the terms and conditions herein.

B. This Contract supersedes all previous communications, agreements, or contracts and is an exclusive statement of the terms and conditions of the final agreement between the parties. No course of prior dealings between the parties, no usage of trade, and no past practice is relevant to explain this Contract. No additions to or modifications of any of the terms and conditions of this Contract shall be effective unless made in writing and signed by both parties.

C. MORAINES RESERVES THE RIGHT TO CANCEL THIS CONTRACT WITHIN 48 HOURS OF SELLER'S ACCEPTANCE WITH NO RECOURSE TO SELLER.

2. INVOICE. Seller shall invoice Moraine upon final acceptance of Goods by Moraine. Seller shall separately state on all invoices any taxes imposed. No tax shall be included for which an exemption is available and in the event any tax included was not required, Seller shall promptly refund such amount to Moraine.

3. PAYMENT. All payments are made conditional upon final acceptance by Moraine of the Goods specified in this Contract. All claims for moneys due or to become due from Moraine shall be subject to deductions by Moraine for any set-off or counterclaim arising out of this or any other of Moraine's contracts, agreements or orders with Seller, whether such set-off or counterclaim arose before or after this Contract.

4. DELIVERY. Time is expressly made of the essence in regard to Seller's performance of this Contract. All excess freight charges, demurrage for delays and responsibilities for damage to persons or property resulting from Seller's failure or neglect to follow and meet any of the terms and conditions of this Contract shall be borne by Seller. Moraine reserves the right to deduct such charges from the final settlement.

5. PACKAGING AND LOADING. All Goods shall be boxed, crated, packaged, packed, segregated, and/or loaded in such a manner as to insure their proper protection and separation. Unless expressly stated otherwise in this Contract, Seller shall reimburse Moraine for the cost of unloading Goods shipped loose and mixed with other material, or Goods improperly packaged or loaded, or Goods shipped in closed trailers. Seller must provide a packing list referencing this Contract number and describing the Goods, the type of packaging, the gross, tare, and net weights of each individual lot shipped, and the gross, tare, and net weight of the entire shipment.

6. WARRANTY. Seller warrants that the Goods to be furnished under this Contract conform in all respects to the quality and quantity descriptions set forth herein, including, without limitation, the minimum or maximum percentage content of elements required to be contained in the Goods and that the Goods are fit for remelting purposes. Moraine shall have no obligation to analyze the Goods to verify the accuracy of this warranty although Moraine reserves the right to do so in its sole discretion. In the event Moraine shall analyze the Goods to verify this warranty, Moraine shall have no obligation to notify Seller of any variance detected in such analysis or to pay to Seller, in the form of rebate or otherwise, any consideration on account of such variance. In the event Moraine shall determine, based upon its analysis, that the Goods fail to conform to the quality or quantity descriptions set forth herein, Moraine shall have the right, in its sole discretion, in addition to any and all other rights available hereunder or at law, to adjust the purchase price of the Goods to a price reflective of their lesser value and to account and receive reasonable compensation for the cost of analysis. All Warranties of Seller shall survive inspection, analysis, settlement and resale by Moraine and extend to and include Moraine's customers.

7. RESPONSIBILITY AND INDEMNIFICATION. All Goods to be furnished and services to be rendered by Seller shall be furnished and rendered entirely at the risk of Seller and Seller shall defend, indemnify and hold harmless Moraine, its affiliates, or subsidiaries; their officers, agents, servants, representatives, and employees from and against any and all claims, demands, causes of actions, suits, losses, costs, liabilities, damages or expenses arising out of, in connection with, or occurring incident to any accident or other occurrence causing injury or death to any person whomsoever, or damage to any property whatsoever arising directly or indirectly out of, in connection with, or occurring incident to the furnishing of Goods or rendering of services by Seller. Without limiting the generality of the foregoing, Seller agrees to indemnify and hold Moraine harmless from and against all claims and liens of any and all persons based upon the furnishing of material and/or labor in connection with the Goods furnished and/or services rendered by Seller. Seller shall retain title to the Goods until final acceptance by Moraine.

8. INSPECTION. Moraine retains the right to inspect and analyze the Goods either at Seller's place of origin or destination or both. Notwithstanding prior payment and/or inspection by Moraine, all shipments of Goods shall be subject to inspection by and acceptance of Moraine after arrival of such Goods at the specified destination. Moraine retains the right to inspect and analyze after processing, crushing, baling, or reselling the Goods, and to revoke acceptance or to adjust the purchase price as set forth in Paragraph 6. Moraine weights shall govern and be final.

9. REJECTED SHIPMENT AND PURCHASER'S REMEDIES.

A. Moraine reserves the right to reject any Goods of Seller if Seller fails or neglects to comply with any of the terms, conditions, or specifications contained herein. After notifying Seller of the rejection, Moraine may:

1. determine the value of the Goods and adjust the purchase price accordingly which Seller may or may not accept, or,
2. return the rejected portion of the Goods to Seller at Seller's expense and:
 - a. demand strict performance of this Contract, or,
 - b. purchase like goods elsewhere and charge Seller for any direct or indirect loss or damage sustained by Moraine including, but not limited to, the difference between the price paid by Moraine for such like Goods and the price specified on the face hereof plus all costs of collecting the same including, but not limited to, attorney's fees and court costs, or,
 - c. cancel this Contract for any undelivered balances of Goods.

B. Moraine shall promptly be reimbursed for all costs and expenses of inspection, handling, and return of defective Goods. Seller expressly assumes all risk of loss or damage to Goods returned by Moraine while the same are in transit.

C. Moraine reserves the right to determine the value of Goods rejected and use the Goods in any manner whatsoever if Seller fails to make suitable arrangements for disposition of the rejected goods within seven (7) days of notice of rejection.

10. FORCE MAJEURE. If, by reason of fire, earthquake, flood, explosion, accident, difference with or inability to secure workmen, lack of material, lack of facilities, act of God, or of any public enemy, voluntary or involuntary compliance with any valid or invalid law order, regulation, request or recommendation of any governmental agency or authority, lack of transportation facilities, failure of source of supply or any cause which is beyond the immediate and direct control of Moraine, whether of a kind or nature herein specified or if a contingency the non-occurrence of which was the basic assumption on which this Contract was made, Moraine may be giving written notice to Seller, and without any liability to Seller:

- A. cancel this Contract in whole or in part as to any undelivered portion of such Goods; or,
- B. suspend, in whole or in part, deliveries of Goods during the continuance of and to the extent of such cause.

11. TERMINATION OR SUSPENSION FOR CONVENIENCE. Moraine may at any time without any cause terminate this Contract in whole or in part by written notice to Seller. Upon receipt of such notice from Moraine, Seller shall take such actions as Moraine may direct and the parties hereto agree to negotiate an equitable settlement for any such cancellation. If Moraine and Seller fail to agree upon the amount to be paid Seller for such termination within one (1) month after notice of same, Moraine's sole liability shall be for Goods purchased hereunder which have been delivered to Moraine as of the date of written notice of termination. The provisions of this paragraph shall not limit or affect the right of Moraine to terminate this Contract for breach by or default of Seller.

12. DEFAULT OF SELLER

A. Upon default of Seller, Moraine may terminate the whole or any part of this Contract:

1. if Seller fails to make delivery of the Goods within the time specified or any extension granted by Moraine; or,
2. if the Goods fail to conform to the specifications hereon; or
3. if Seller fails to perform or comply with any other provision of this Contract, or so fails to make progress or to prosecute the work as to endanger the timely performance of this Contract, and in either of these two circumstances does not cure or provide adequate assurance or due performance within a period of five (5) days after receipt of notice from Moraine specifying such failure; or,
4. if any petition in bankruptcy is filed by or against Seller, in the event Seller is ordered or adjudicated bankrupt; upon the insolvency or commencement of the liquidation of Seller, upon the appointment of a receiver for all or a substantial part of Seller's assets, upon the admission of Seller to the benefit of any procedure for the settlement of its debt; or upon the seizure or attachment of all or a substantial part of the assets of Seller by any judicial or governmental procedure.

B. In the event that Moraine terminates this Contract in whole or in part for Seller's default, and whether or not Moraine has in fact terminated all or only part of this Contract; Moraine, in addition to recovering so much of the price as has been paid, may procure Goods similar to those specified in this Contract upon such terms and in such manner as Moraine may deem appropriate, and Seller shall pay Moraine any and all costs in excess of the purchase price stated hereon. In any event the Seller shall continue the performance of this Contract to the extent not terminated under the provisions of this paragraph. Notwithstanding anything herein, Moraine shall have all other rights and remedies available at law.

13. NOTICE OF LABOR DISPUTES. Whenever an actual or potential labor dispute delays or threatens to delay the performance of this Contract, Seller shall immediately give written notice to Moraine. Upon receipt of notice, Moraine may terminate the whole of this contract, extend the time of performance by Seller, or proceed in the same manner as specified in paragraph 12 (B).

14. ASSIGNMENTS AND SUBCONTRACTS. Seller shall not delegate or assign any duties or rights under this Contract without Moraine's prior written consent. Moraine may cancel this Contract and any obligations hereunder if any such delegation or assignment is attempted without the prior written approval of Moraine.

15. ADVERTISING; PROPRIETARY INFORMATION; GOVERNMENT CONTRACTS

A. Seller shall not, without first obtaining the written consent of Moraine, in any manner advertise or publish the fact that Seller has contracted to sell Moraine the Goods purchased hereunder.

B. Seller hereby agrees that any and all technical information contained in documents, schedules and the like received from Moraine for the performance of this Contract is received in confidence and shall remain the proprietary property of Moraine. Seller agrees that such information will not be transmitted, reproduced, issued or disclosed to any person or organization by Seller including any as may be necessary for the performance of this Contract without the prior written approval of Moraine.

16. COMPLIANCE WITH LAWS AND REGULATIONS. Seller warrants that it will comply with all Federal, State and Local laws and regulations, and all orders and regulations of the Executive and other department agencies, or instrumentalities of the United States Government applicable to the Goods to be furnished. Award of this Contract is specifically subject to Seller's compliance with (a) Section 12 of the Fair Labor Standards Act, as amended; (b) Section 202 of the Executive Order No. 1246, as amended; (c) the Occupational Safety and Health Act of 1970; (d) The Robinson-Patman Act of 1936, as amended; 15 U.S.C. Section 13.

17. DISPUTES. This Contract shall be construed and all disputes hereunder shall be settled in accordance with the laws of the State of Illinois.

18. WAIVER. No failure of Moraine to insist upon strict compliance by Seller with, or authorization by Moraine permitting Seller to deviate from, any terms or conditions set forth in this Contract shall be construed as a waiver of Moraine's rights to require future strict performance of the same or any other term or condition.

19. SEVERABILITY. All of the terms and conditions of this Contract are separate and severable. If any term or condition is held invalid or unenforceable by any court of competent jurisdiction, such invalidity or unenforceability shall not effect the validity or enforceability of the other terms and conditions contained herein.

20. SHIPMENTS OF HAZARDOUS WASTES OR SUBSTANCES. Seller warrants and represents to Moraine that the Goods shipped or to be shipped by Seller to Moraine pursuant to this Contract are as specified hereon and are not and do not contain "Hazardous Waste" as said term is defined by Federal, State, and Local law or regulation. Seller also warrants and represents that the Goods do not contain "Hazardous Substances" including, but not limited to, waste or clogging oils, antifreeze or coolants, radioactive material, or any corrosive, explosive, flammable, poisonous, toxic, or other substance that would render the Goods unsafe for handling or unfit for remelting purposes. In the event of a breach of said warranties and representations, Seller shall retain title to such Hazardous Waste or Substances and shall indemnify Moraine against any direct and/or indirect costs, expenses, fines levied by governmental authority, or damages of any nature caused by Moraine's possession or handling of Seller's Hazardous Waste or Substances.

21. ERRORS. Moraine retains the right to correct stenographic and clerical errors without notice to Seller.