EQ - THE ENVIRONMENTAL QUALITY COMPANY

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS. For purposes of this purchase order, including these general terms and conditions and all attachments, as well as any modifications adopted in accordance with Section 21 hereof (collectively, the "Purchase Agreement"), the term "Buyer" shall mean EQ-The Environmental Quality Company and the term "Seller" shall mean the individual, firm, corporation or other entity identified on this Purchase Agreement from whom the goods, materials or services have been ordered by Buyer.

2. APPLICABLE TERMS AND CONDITIONS. This Purchase Agreement constitutes an offer to Seller by Buyer to enter into a purchase agreement and upon acceptance by Seller shall be a complete and exclusive statement of the Purchase Agreement between Buyer and Seller. The terms and conditions of the Purchase Agreement shall be those terms and conditions that are set forth herein and in any attachments or documents specifically incorporated herein by reference. Any acknowledgment of this Purchase Agreement by Seller or any shipment or delivery of any materials, goods or services referred to in this Purchase Agreement shall constitute acceptance by Seller of the Purchase Agreement and assent to all of its terms and conditions. Any terms and conditions contained in Seller's solicitation of proposals, work orders, scope of work, purchase order acknowledgments or any other agreements that are inconsistent with terms and conditions contained in this Purchase Agreement are superseded and governed by this Purchase Agreement and shall not be effective or binding as to Buyer. This Purchase Agreement contains the entire understanding between the parties, and all prior or contemporaneous promises, representations, agreements and understandings are expressly merged herein and superseded hereby.

3. SHIPMENT; NO EXTRA CHARGES. A notice of shipment shall be sent to Buyer at the time of shipment which shall state the order number, quantity, part number(s), description of the goods or materials shipped, and the route by which the shipment is being made. All goods and materials shall be suitably packed, marked and shipped in accordance with shipping instructions specified in this Purchase Agreement and the requirements of common carriers in a manner to secure the lowest transportation cost. Seller shall be responsible for any difference in shipping charges arising from its failure to follow the shipping instructions specified in this Purchase Agreement or to properly describe the shipment. No additional charge shall be made to Buyer for packing, crating, shipping, delivery, freight or other costs unless specifically agreed to by Buyer in writing. Unless otherwise specified in this Purchase Agreement, the price stated herein includes all charges and expenses of Seller, including, but not limited to, packing, crating, cartage and any and all applicable federal, state and local taxes and duties. Seller agrees to accept in lieu of any tax that may be included in this Purchase Agreement a tax exemption certificate or other evidence acceptable to the federal, state and/or local taxing authority and to reduce the price stated herein by the amount of such exempt tax.

4. INVOICES; ASSIGNMENT OF PAYMENT. Invoices must show the EQ purchase order number, and the address of the locations where the goods or materials were shipped. Standard payment terms are net 45 days. All sales, use, duty, excise or other similar tax or charge, for which Buyer has not furnished or agreed to furnish an exemption certificate, which are specifically the responsibility of Buyer pursuant to this Purchase Agreement, must be stated separately in the invoice. It is a condition of this Purchase Agreement that payment is not assignable by Seller without prior written approval of Buyer. Requests for assignment approval must be made by an officer (if a corporation), an owner or partner (if a partnership) of Seller.

5. TRANSPORTATION. All goods and materials subject to this Purchase Agreement shall be transported F.O.B. destination. Seller shall be responsible for any and all loss or damage to the goods or materials until delivered to Buyer at the F.O.B. destination specified in this Purchase Agreement.

6. DELIVERY SCHEDULE. Delivery shall be made at the time(s) and in the quantities specified in this Purchase Agreement or in supplementary schedules furnished to Seller by Buyer. If no time is specified, shipments shall be made within a reasonable time. If Seller fails to make the deliveries or perform the services at the agreed times or in quantities specified in this Purchase Agreement, Seller shall be responsible for all costs incurred and damages suffered by Buyer, including, but not limited to, any excess transportation charges and other costs incurred to meet the specified delivery dates. Buyer shall have no liability for payment for materials or goods delivered that are in excess of quantities specified in this Purchase Agreement and Buyer's count shall be accepted as conclusive on all shipments not accompanied by a packing slip. Delivery shall not be deemed complete until materials or goods have been actually received and accepted by Buyer. Seller shall notify Buyer promptly of any delays and any actual or potential labor disputes or other circumstances that are delaying or threaten to delay the timely performance of this Purchase Agreement.

7. CHANGES IN SPECIFICATIONS. Buyer, by a writing signed by Buyer and sent to Seller, shall have the right at any time to make changes in the specifications of any goods, materials, and/or services covered by this Purchase Agreement, or the method of shipment or packing or the place of inspection, delivery or acceptance. Upon receipt of any such notice, Seller shall proceed promptly to make such changes in accordance with the terms of such notice. Seller shall deliver to Buyer, within ten (10) days of receipt of Buyer's change notice, a statement showing the effect of any such change in the cost of, and/or the time required for performance of this Purchase Agreement, and equitable adjustments shall be made in the contract price or delivery schedule, or both. If any such changes cause an increase or decrease in the time required for performance, an equitable adjustment shall be made and the order modified in writing accordingly. Buyer's failure to object to provisions contained in any communication from Seller shall not be deemed an acceptance of such provisions or a waiver of the provisions of this Purchase Agreement. Seller shall not make any change in the design, processing, packing, shipping or place of delivery of the materials, goods or services without Buyer's prior written approval.

8. WARRANTIES. Seller expressly represents and warrants that it has good and marketable title to the goods and materials covered by this Purchase Agreement and that such goods and materials will:

(a) conform to any and all specifications, instructions, samples and other descriptions, whether express of implied, furnished to Seller by Buyer, including, without limitation, any supplement(s) to this Purchase Agreement provided by Buyer;

(b) be fit and sufficient for the purpose(s) for which they were manufactured and sold, and if Seller knows or has reason to know of any other particular purpose(s) for which Buyer intends to use such goods or materials, the goods or materials will be fit for such particular purpose(s);

(c) be new and merchantable;

(d) be of good material and workmanship and free from defects, whether patent or latent; and

(e) be free and clear of all liens and encumbrances of any kind whatsoever.

Seller also represents and warrants that all services covered by this Purchase Agreement will conform to any and all specifications, instructions and other descriptions furnished to Seller by Buyer. These warranties shall survive any inspection, delivery, acceptance or payment by Buyer of any materials, goods or services subject to this Purchase Agreement. All warranties, express or implied, shall run to Buyer, its successors, and assigns and to all persons who purchase from Buyer or use such property, materials or parts, alone or in combination with other property, material or parts, and no limitation by Seller of its warranty liability shall be effective. Seller hereby extends any and all warranties received from its suppliers to Buyer.

Upon the request of Buyer, Seller agrees promptly to replace or correct defects in any goods, materials or services not conforming to the foregoing warranties without expense to Buyer when notified. In the event of Seller's failure to replace or correct such defective or nonconforming goods, materials or services, Buyer may, after reasonable notice to Seller, make such correction or replacement at Seller's expense and Seller hereby agrees to promptly reimburse Buyer for all expenses incurred by Buyer in making such correction or replacement.

The foregoing warranties and remedies shall be in addition to any warranties and remedies of additional scope made or provided by Seller to Buyer or provided by law. The remedies herein reserved shall be cumulative and additional to any other or further remedies provided by law or equity.

In addition to the foregoing, Seller shall indemnify and hold Buyer and its officers, directors, shareholders, agents, employees, successors, assigns, customers and users of its products harmless from and against any and all damages, claims, liabilities and expenses (including court costs and attorneys' fees and expenses) arising out of or relating to or resulting in any way from a breach of any warranty, whether express or implied, or from any act or omission of Seller, its officers, directors, shareholders, partners, agents, employees, subcontractors, successors and permitted assigns.

9. INSPECTION AND REJECTION. All goods and materials are subject to Buyer's right of inspection and rejection within a reasonable time after arrival at the ultimate destination. When goods or materials are made to instructions, specifications or other requirements furnished by Buyer, or prepared by Seller specifically for Buyer, Buyer may inspect such goods at Seller's plant and/or any other place of manufacture, during and after such production, without waiving its right subsequently to reject or revoke acceptance of such goods for undiscovered or latent defects. Seller, at its expense, shall furnish, or cause to be furnished, facilities and assistance reasonably necessary to ensure the safety and convenience of each inspection.

If upon inspection any goods or materials are found by Buyer to be unsatisfactory, defective or of inferior quality or workmanship or otherwise fail to meet the warranties provided in this Purchase Agreement, Buyer may, in addition to any other legal or equitable rights provided by law, reject or refuse to accept such goods or materials and may return such goods or materials to Seller at Seller's risk and expense. Payment for goods shall not be construed to be an acceptance thereof. Seller shall promptly reimburse Buyer for all expenses resulting from or associated with Buyer's rejection of goods or materials.

10. CANCELLATION. Buyer by written notice to Seller, without waiving any other legal rights it may have, reserves the right to cancel the whole or any part of this Purchase Agreement without charge or to postpone delivery of any of the goods or materials, or postpone performance of any services, covered by this Purchase Agreement if:

(a) Seller fails to make any delivery within the time specified in this Purchase Agreement;

(b) Seller fails to perform or breaches any of the terms of this Purchase Agreement or so fails to make progress as to endanger performance of this Purchase Agreement in accordance with its terms;

(c) Seller becomes insolvent or the subject of voluntary or involuntary bankruptcy proceedings or the subject of any proceedings under any law relating to bankruptcy or the relief of debtors or the appointment of a receiver or trustee for Seller or the execution by Seller of an assignment for the benefit of creditors, and any such proceeding, appointment or assignment is not vacated or nullified within sixty (60) days; or

(d) Goods or materials purchased are not in accordance with approved sample specifications, instructions or requirements or are defective in workmanship or quality, or not otherwise satisfactory to Buyer.

Buyer shall not be responsible for any costs incurred by Seller due to Buyer's cancellation hereunder in accordance with (a)-(d) above, including, but not limited to, Seller's costs for goods or materials not accepted by Buyer or goods or material in process by Seller. In the event of any such cancellation, Buyer, without prejudice to any other legal or equitable remedies available to it by law or agreement, shall have the right to:

(a) refuse to accept delivery of any and all goods and materials covered by this Purchase Agreement and to return goods or materials to Seller at Seller's risk and expense;

(b) return to Seller any and all goods already delivered and accepted and to recover from Seller all payments made by Buyer for such returned goods;

(c) recover any payments made by Buyer to Seller for undelivered or returned goods or materials; and

(d) purchase goods or materials elsewhere and to charge Seller with any resultant losses, including, but not limited to, consequential and incidental damages.

In addition, Buyer may terminate all or part of this Purchase Agreement for its convenience and without cause upon written notice to Seller. In such event, Buyer shall pay to Seller the value of any goods or materials delivered and accepted by Buyer and/or services rendered by Seller to Buyer.

Seller by written notice to Buyer shall have the right to cancel the whole or any part of this Purchase Agreement without charge if Buyer becomes insolvent or the subject of voluntary or involuntary bankruptcy proceedings or the subject of any proceedings under any law relating to bankruptcy or the relief of debtors or the appointment of a receiver or trustee for Buyer or the execution by Buyer of an assignment for the benefit of creditors, and any such proceeding, appointment or assignment is not vacated or nullified within sixty (60) days.

11. UTILIZATION AND SUBCONTRACTING PLAN. Seller shall comply with 15 USC Section 637 (P.L. 95-507) and Executive Orders 12138 and 11625, as amended from time to time, and the rules and regulations promulgated thereunder and all necessary and applicable provisions of such rules and regulations are incorporated herein by reference.

12. DRAWINGS AND SPECIFICATIONS. If requested, Seller shall submit drawings and specifications to Buyer for approval. Seller shall not use or permit others to use such drawings and specifications for any other work.

13. COMPLIANCE WITH LAWS. In the performance of this Purchase Agreement, Seller shall comply with all applicable federal, state and local laws, rules, regulations and executive orders, including, but not limited to, those that prohibit discrimination in employment.

14. BUYER'S PREMISES. If Seller enters Buyer's premises, Seller shall:

(a) abide by all of Buyer's site policies, practices and rules;

(b) indemnify and hold harmless Buyer, its officers, directors, shareholders, agents, employees, successors and assigns from and against all liabilities and losses of any kind, including costs, expenses and attorneys' fees, due to injuries (including death) or damage to persons or property occurring to or caused by Seller, its officers, directors, shareholders, partners, agents, employees, subcontractors, successors or permitted assigns. This indemnity includes such injuries or damages caused by the joint or concurring negligence of Buyer but shall not include injuries or damages caused by the sole gross negligence or willful misconduct of Buyer;

(c) maintain the following minimum insurance: (i) Worker's Compensation -Statutory; (ii) Employer's Liability - $1,000,000 each occurrence; (iii) Comprehensive General Liability, including contractual, liability coverage, (Bodily Injury and Property Damage) - $1,000,000 each occurrence, combined single limit; (iv) Comprehensive Automobile (Bodily Injury and Property Damage) - $1,000,000 each occurrence, combined single limit. Seller shall furnish Buyer certificates confirming such coverage during the term of this Agreement and unitil 2 years after the completion of the services performed.

15. PRICE COMPETITIVENESS. Seller warrants that prices specified in this Purchase Agreement are not higher than those charged other customers for the same type of goods or materials in similar quantities or the same type of services. Seller further agrees that the prices charged for the goods, materials or services covered by this Purchase Agreement are not in violation of any government price regulation. Buyer may inform Seller if it can purchase goods or materials of like quality at a lower delivered cost or similar services at a lower cost than under this Purchase Agreement. Seller shall have fifteen (15) days to inform Buyer if it will meet such lower cost for an equal quantity of goods, materials or services. If it does not, Buyer may purchase such goods, materials or services from the other source and such quantity of goods or materials or such services shall be deducted from Buyer's obligation hereunder, but this Purchase Agreement otherwise shall remain unaffected.

16. PATENT PROTECTION. It is understood and agreed that by accepting this Purchase Agreement, Seller guarantees that the goods or materials or use of the goods or materials described herein will not infringe or contribute to the infringement of any patent or other proprietary right of others, and Seller covenants, at its sole cost and expense, to defend, protect and save harmless Buyer and its officers, directors, shareholders, agents, employees, successors, assigns, customers and users of its products against all actions and suits for any alleged infringement pertaining thereto, except for actions or suits arising out of a design or pattern furnished by Buyer to Seller.

17. PATENT COVERAGE. When this Purchase Agreement covers engineering and/or designing of devices or methods or systems to Buyer's instructions or requirements, Seller agrees, by accepting this Purchase Agreement, that all designs and inventions made in the performance of the work done pursuant to this Purchase Agreement shall promptly be disclosed to and become the sole property of Buyer, and further agrees with respect to said designs and inventions, but without cost or expense to Seller, to execute, or obtain the execution of such papers, including patent applications and assignments, and to perform such acts as may be necessary to perfect ownership thereof in Buyer. Seller waives all claims against Buyer and its customers for liability with respect to rights, patent or otherwise, which Seller may have or obtain, by reason of any use which may be made of the designs, machines and processes furnished or developed hereunder.

18. ASSIGNABILITY. This Purchase Agreement shall not be assigned or transferred by Seller in whole or in part without the prior written consent of Buyer. Any such assignment or transfer by Seller without such consent shall be void. Buyer may assign this Purchase Agreement.

19. SETOFF. Buyer shall be entitled at all times to set-off any amount owing at any time from Seller to Buyer against any amount payable at any time by Buyer under this Purchase Agreement. In addition to any right of set off or recoupment provided by law, all amount due Seller shall be considered net indebtedness of Seller and its affiliates/subsidiaries; and Buyer shall have the right to setoff against or to recoup from any amounts due Seller and its affiliates/subsidiaries from Buyers and its affiliates/subsidiaries.

20. WAIVER. The failure of Buyer at any time or from time to time to promptly enforce any of the provisions of this Purchase Agreement shall not be construed as a waiver of such provision with respect to Seller's act or failure to act to which such failure to enforce related, or to any subsequent act or failure to act, and Buyer shall have a right to enforce each and every such provision at any time.

21. MODIFICATION. Except as otherwise provided in this Purchase Agreement, this Purchase Agreement shall not be modified or amended except in writing signed by the Seller and Buyer.

22. ELECTRONIC DOCUMENTS. This agreement is to create an obligation between the parties using e commerce and it ensures that:

(a) Use of any electronic documents (transactions) referenced or exchanged under this agreement shall be deemed an acceptable practice in the ordinary course of business.

(b) Such transactions shall be admissible as evidence on the same basis as customary paper documents.

22. AUTHORIZED SIGNATURES. The signature of the individual signing documents related to this Purchase Agreement on behalf of the Seller is considered to be a certification that the signatory is an owner or officer of the Seller or an employee who has been authorized, in writing, to act as agent, on behalf of the Seller. Only the purchasing manager or an officer of the Buyer shall be authorized to sign this Purchase Agreement and any change orders or amendments or modifications on behalf of Buyer.

23. SELLER'S ACCEPTANCE AND ACKNOWLEDGEMENT. Seller acknowledges and accepts EQ's general terms and conditions as stated in this document for all purchase orders awarded to the Seller by EQ.

Signature	*Company*	*Date*
Printed Name	*Title*	

The payment terms stated herein shall be accepted and acknowledged by the supplier's Credit/Billing Department.

Signature of Credit/Billing Department	*Title*	*Date*
Printed Name		