

TERMS AND CONDITIONS (hereinafter “Terms”)
For Sales of Natural Gas by RHDK Oil & Gas, LLC

1. Payment of Terms. Payment terms are net thirty (30) days from the date of invoice. Any payments not made within thirty (30) days of the date of invoice shall be subject to a late payment charge of 1.5% per month (compounded) on the unpaid balance of any amount then past due. Buyer shall pay \$35 for any dishonored check. Buyer shall have no right of set-off or withholding, and no deduction of any amounts due from Buyer to Seller shall be made without Seller’s prior, express written approval.

2. Taxes. The quoted purchase price may be increased to the extent that Seller’s cost of the Gas may be increased as a result of any federal, state, or municipal legislation. In addition to paying the quoted purchase price, Buyer is solely liable for any excises, levies, or taxes which Seller may be required to pay or collect (excluding income taxes), under any existing or future law, upon or with respect to the sale, purchase, delivery, storage, processing, use, consumption, or transportation of any of the Gas, and Buyer agrees to pay the amount thereof on the same terms as it shall pay the stated purchase price.

3. Warranty. Seller warrants that all gas, services, and work supplied by Seller (collectively referred to throughout as “Gas”) shall be of the type stated on the corresponding sales invoice issued by Seller, except as otherwise set forth in these Terms. THE FOREGOING WARRANTY IS SELLER’S SOLE WARRANTY WITH RESPECT TO THE GAS. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED. The failure to give notice of a warranty claim, not waived herein, within thirty (30) days from date of delivery shall constitute a waiver by Buyer of all claims in respect to such Gas.

4. Limitation of Liability. Seller’s liability to Buyer, whether in contract, in tort, under any warranty, in negligence, or otherwise, shall not exceed in any case the return of the amount of the purchase price paid by Buyer for the Gas. UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES. The price stated for the Gas is consideration for limiting Seller’s liability. The parties intend the exclusion of consequential damages as an independent agreement apart from the sole and exclusive remedy herein. Buyer’s sole remedy, whether in contract, tort, under any warranty, in negligence or otherwise, shall be a refund of the purchase price paid by Buyer or replacement of the Gas, at Seller’s election. This remedy is intended to be the sole and exclusive remedy of the Buyer under these Terms and for any breach of warranty. Should this sole and exclusive remedy fail of its essential purpose, however, the Seller will return the purchase price to the Buyer minus the reasonable value of the Buyer’s use of the Gas and Buyer’s return of the Gas. No action, regardless of form, arising out of this transaction, may be brought by Buyer more than one (1) year after the date of the Agreement.

5. Delivery. All Gas is delivered by Piedmont Gas Co. or another a public utility, pursuant to your agreement with said party. Buyer releases Seller from any obligation of performance under the Agreement due to Buyer’s failure to obtain or maintain delivery of the Gas or any failure by any other party to deliver the Gas.

6. Security Interest. Sales of Gas by Seller shall at all times be subject to the approval of and requirements of Seller’s credit department, and Seller reserves the right to deny, change, or limit the amount or duration of Buyer’s credit. Buyer grants to Seller a purchase money security interest in all Gas not paid for in full, notwithstanding that the Gas has been delivered to Buyer, and Buyer hereby authorizes Seller to execute and file financing statements describing the Gas.

7. Indemnification. In addition to the foregoing, Buyer agrees to release, defend, save, and hold Seller harmless from any claims, losses, demands, damages, injuries (including death) liabilities, costs, expenses, or judgments arising in whole or in part, directly or indirectly, to any person, entity or property, arising out of, or relating to the negligence or intentional misconduct of Buyer or Buyer’s customers, agents, employees, or invitees, except to the extent directly caused by Seller’s gross negligence or intentional misconduct. This indemnification shall include all costs, attorney’s fees, and other expenses paid or incurred by or imposed upon Seller in connection with the defense of any such claim. With respect to claims against Seller by Buyer’s employees, Buyer agrees to expressly waive its immunity, if any, as a complying employer under the workers’ compensation law, as immunity may effect this indemnification obligation. This waiver applies to Section 25, Article II of the Ohio Constitution and Ohio Revised Code Section 4123.74. Any indemnification of Seller or any limitation of Seller’s liability which is made or granted under these Terms shall to the same extent apply to any of Seller’s affiliated companies including any officers, directors, or agents thereof.

8. Insurance. Buyer agrees that at all times while located on or accessing Seller’s property, Buyer will maintain insurance in minimum amounts as follows: (1) Commercial general liability insurance with a minimum limit of \$1,000,000 per occurrence, covering bodily injury and harm to property; and (2) Comprehensive business automobile insurance covering all owned, hired, and non-owned vehicles with a minimum combined single limit for bodily injury and property damage liability of \$1,000,000 per accident or occurrence. Seller must be listed as an additional insured on any such insurance, and said insurance will be primary and Seller’s insurance will be non-contributory. Buyer, for itself and its insurer, waives all rights of subrogation against Seller.

9. Governing Law. The parties agree that the validity, interpretation, and performance of any agreement arising out of any of their transactions shall be governed by the laws

of the State of Ohio without regard to conflicts of interest laws. Buyer and Seller hereby submit to the exclusive jurisdiction for the resolution of any disputes hereunder, to Tuscarawas County, Ohio or, if permitted, the Federal District Court for the Northern District of Ohio. This shall be the sole and exclusive jurisdiction and venue for the purpose of adjudication of any rights and liabilities hereunder.

10. Default. In the case of default or breach by Buyer in the performance of any or all of the provisions of the Agreement, Seller shall have all remedies afforded by the Uniform Commercial Code as enacted in Ohio, the Agreement or any other applicable law. Buyer shall in addition, be liable for Seller’s expenses incurred in exercising any remedies available to it, including reasonable attorney’s fees and legal expenses. No default or breach of Seller shall occur unless Buyer has given 30 days advanced written notice of any default or breach of the Agreement to Seller and Seller fails to cure such breach or default within said 30-day period.

11. Force Majeure. Seller shall not be in breach of the Agreement to the extent that any delay or default in performance is due to causes beyond the reasonable control of Seller. Seller shall advise Buyer of any force majeure conditions, describing the force majeure conditions, its effect on deliveries, and expected duration.

12. Confidentiality. Buyer and its respective affiliates shall keep confidential any price quotations, except those readily obtainable from public information, required by a regulatory commission, or otherwise required by law to be disclosed.

13. Equipment. Buyer is responsible to furnish at its cost all equipment and materials necessary to take Gas from the location where Buyer may access gas to Buyer’s point of use in a safe manner, which may include without limitation pipeline regulators, positive shut-off drop and pop off valves, relief valves, meters, connections, lines, pipelines, , or any other equipment and including associated labor (collectively “Equipment”).

14. Qualified Contractor. Buyer must maintain regular inspections of its Equipment by a qualified third-party contractor whom Buyer selects (“Contractor”). Buyer is responsible to maintain all Equipment in a safe manner and according to applicable federal, state, and local laws. Buyer must keep its Equipment in good repair and free of all gas leaks. Buyer shall periodically check its lines for leaks or have its Contractor check for leaks if it is not qualified to do so.

15. Leaks. If Buyer suspects a gas leak or other safety problem, it should immediately shut off the gas supply, vacate the premises, and contact its Contractor. Additionally, Buyer should contact Seller and inform it of the leak and/or other safety problem as soon as Buyer can do so safely. Seller can be reached at 1-800-501-0002, ext. 2346 between the hours of 8:00 a.m. and 4:00 p.m. Natural gas is potentially dangerous and Buyer should take all leaks or other safety problems seriously.

16. Call Before You Dig. Gas lines may be on Buyer’s property and Buyer must have all lines marked before digging. State law requires Buyer provide 48 hours advanced notice before digging by calling 811. The Ohio811.org is a website with additional information. Pipelines and other gas equipment may be damaged by construction, farming, or other projects.

17. Non Public Utility/Danger of Dirty Gas. Seller is not a public utility, and Buyer acknowledges that the quality of gas may differ from that available from regulated public utilities. By continuing to take Gas, Buyer acknowledges: (a) natural gas taken and/or purchased may be direct from the well without treatment and may be “dirty” natural gas and may contain oil, water, and other impurities, all of which could cause serious problems with Buyer’s Equipment; (b) Buyer is aware of the risks inherent in the taking and/or purchasing of gas (fire/explosion/carbon monoxide etc...); and (c) it is Buyer’s responsibility to provide notice of the pertinent safety information to all occupants of the structure taking gas and all person working potentially exposed to or affected by the natural gas or Buyer’s Equipment.

18. Acceptance. These Terms are an offer and expressly limit acceptance to the Terms herein. Notification of objection is hereby given to any term in any response that does not exactly match these Terms. Seller’s acceptance of any offer by Buyer to purchase the Gas is expressly conditioned upon the Buyer’s assent to all the Terms herein. Buyer’s assent to the Terms contained in the Agreement shall be conclusively presumed from Buyer’s acceptance of all or any part of the Gas or from payment by Buyer for all or any part of the Gas. None of the Terms may be added to, modified, superseded, or otherwise altered, except by a written instrument signed by an authorized executive of Seller. Failure of Seller to object to any terms or conditions which may be contained in any agreement or form of Buyer shall not be construed as a waiver of these conditions, nor as an acceptance of any such terms and conditions.

19. Miscellaneous. The Agreement is the sole and exclusive statement of the parties’ understanding and agreement with respect to the transactions contemplated by this sale, notwithstanding any other terms that might be contained in any purchase order or other agreement received from Buyer or submitted to Seller. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used herein. The Agreement can only be modified or changed in writing and signed by authorized representatives of both parties. No waiver shall be deemed to occur as a result of the failure to enforce any term or condition of the Agreement. If any clause or portion hereof shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining clauses and portions thereof shall remain in full force and effect. The term “the Agreement” used throughout refers to the sales invoice issued by Seller to Buyer, any contract signed by both parties and these Terms, which together constitute the agreement of the Parties. “Seller” used throughout shall refer to RHDK Oil & Gas, LLC, and “Buyer” shall refer to the party(ies) purchasing or using the Gas.