

confine its business activities to the State of South Carolina.

(4) Red Arrow agrees to accept delivery of manufactured products, within three (3) days of notification, at the manufacturing site of United, and assume responsibility for the immediate transportation of same, and to pay the purchase price therefor within thirty (30) days net.

(5) United assumes no further responsibility for said products after the expiration of three (3) days, after written notice of delivery, since at that time legal title to same shall pass to Red Arrow, and any loss by theft, fire, or other calamity shall be the loss of Red Arrow.

(6) Should the parties fail to agree upon the adjustment in prices during any quarter hereafter, then, the issue shall be submitted to arbitration, in which event each party shall appoint one arbitrator within ten (10) days after the dispute becomes evident, and within five (5) days thereafter, the two appointed arbitrators shall appoint a third, and they shall within ten (10) days thereafter render, in writing, a majority decision regarding same, which shall be binding upon both parties until the next price adjustment is due the following quarter in conformity herewith.

(7) It is acknowledged that this is the sole agreement between the parties, and that all former negotiations have merged herein, and further that this agreement may not be changed or altered by parol evidence, but only by a subsequent agreement reduced to writing, signed by both parties, properly witnessed and notarized.

(8) It is further agreed and understood that a copy of this agreement is being duly recorded in the R.M.C. Office for Greenville County, South Carolina, and shall serve to demonstrate the relationship of the parties, the duties, responsibilities and obligations of the parties hereto and shall be conclusive evidence with respect thereto.

(9) Each contracting party acknowledges receipt of an executed copy of this agreement.

IN WITNESS WHEREOF, the said United Machine Works,