

CONTRACT

BETWEEN

THE UNITED NATIONS DEVELOPMENT PROGRAMME

AND

H. TRACY HALL INCORPORATED

FOR

ESTABLISHMENT OF A PILOT AND DEMONSTRATION PLANT IN  
HYDROSTATIC EXTRUSION AND NATURAL SYNTHESIS AT THE  
NATIONAL PHYSICAL LABORATORY, NEW DELHI

This Contract entered into this day between the United Nations Development Programme (hereinafter referred to as the "UNDP") and H. Tracy Hall Incorporated (hereinafter referred to as the "Contractor") having their principal office at 1190 Columbia Lane, Provo, Utah 84601.

WITNESSETH

WHEREAS UNDP is engaged in a project to assist the Government of India in the establishment of a pilot and demonstration plant in material synthesis at the National Physical Laboratory (NPL) at New Delhi, India; and

WHEREAS the Contractor is the only fabricator of material synthesis press, is engaged in research and development in the field of material synthesis and has acquired certain assets, technical information and knowhow useful in the carrying on of such a project; and

WHEREAS UNDP desires to purchase, for installation at the NPL, one two hundred ton cubic press plus spare parts and the contractor is willing to supply the same upon the terms and conditions hereinafter set forth.

NOW THEREFORE, it is agreed between the parties as follows:

1. UNDP agrees to buy from the Contractor and the Contractor agrees to sell to the UNDP:

a) Main Equipment

- (i) One 200 ton cubic press including all hydraulic and electrical systems 3 sets of anvils (with 1/2 inch on

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edge square faces) and 2 sets of binding rings for these anvils and also including 100 each pyrophyllite sample cubes. The equipment is to operate on 440 volts, 50 c/s 3 phases electrical supply or 220 volts, 50 c/o single phase electric supply

\$68,500

(ii) Additional charge for motor operating on 440 volts, 50 c/s, 3 phases electric supply

\$ 600

b) Spares

Consisting of:

1 hydraulic pump	\$ 3,600
6 additional anvils	840
6 additional binding rings	2,700
250 additional pyrophyllite cubes	<u>500</u>

Total: \$76,740

2. The purchase price for said Machinery and Equipment shall be U.S.\$76,740.00. Terms of payment shall be as follows: Upon the signing of this agreement, UNDP shall pay to the Contractor 50 percent of the total purchase price. The other 50 percent to be paid upon receipt of bill of ladings (four copies). It is expressly understood and agreed that the contract price does not include any sales, use, excise, or similar tax, levy, or assessment by any instrumentality of government having jurisdiction, unless otherwise stated, and such sales, use, excise or similar tax levy or assessment may be quoted separately and shall be paid by UNDP or in lieu thereof UNDP shall provide the Contractor with applicable exemption certificates acceptable to the taxing authority.

3. Delivery of the Machinery and Equipment by the Contractor to UNDP shall be F.O.B. the Contractor's plant at Provo, Utah, with insurance and freight prepaid to destination designated by UNDP in New York, New York. Delivery shall take place within approximately one month from the date of this agreement.

4. The Contractor agrees that the shipment shall be tropical export packed, suitably boxed, crated and protected from damage in transit to India. Electrical equipment having insulated coils or electrical contacts shall be polyethylene wrapped prior to crating. All steel and iron parts shall be covered with a suitable rust preventative compound and all flanges shall be supplied with protectors. All openings shall be protected to prevent

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entrance of dirt and moisture during shipment, storage on site, and erection. Each package shall be stencilled in bold characters with indelible paint, protected with shellac, to indicate shipping marks, package numbers, dimensions and gross weight in pounds and kilograms.

5. The Contractor warrants that the machinery and equipment shall conform to the description set forth in the proposal, and the sale, delivery and transfer of title to said Equipment and Machinery. The Contractor shall carry out the repair on the press as agreed during Dr. Giardini's visit to Utah and as described in his report which is attached hereto as Annex I. The Contractor shall thereafter hold the Machinery and Equipment as UNDP's property pending carrier designation and other instructions as to its shipment. The Contractor's responsibility for components supplied by others shall be limited to enforcement of the requirements of the Contractor's contract with the suppliers thereof, and the Contractor's standards for acceptance of such components shall be those generally accepted in the trade for like or similar items. The Contractor agrees to transfer to UNDP whatever transferable warranties are applicable to such items. The Contractor agrees to repair or replace, at its option, any Contractor-designed components which prove to be defective in material or workmanship within one year after date of delivery, without expense to UNDP, provided that any claim for breach of warranty shall be deemed waived unless UNDP shall give written notice of such claim promptly and in no event later than twenty (20) days after discovery thereof and offer the Contractor a reasonable opportunity to investigate such claim and inspect the products and pay all freight, insurance and installation costs in connexion therewith. The Contractor shall not be obligated to repair or replace expendable components including seals, die stems, die stem guides, anvils, die jacket assembly and liners. Contractor shall not be liable for an amount greater than the purchase price payable hereunder nor, in any event for any special or consequential damages for breach of warranty expressed or implied. THE FOREGOING WARRANTIES ARE IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES OF PRODUCTS, FITNESS THEREOF FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY.

6. The Contractor shall not be liable for any failure or delay in performance or delivery which is caused in whole or in part by fires, floods, accidents, riots, war whether declared or not, operation of law, Government regulation or requirement, strikes or other labor difficulties, shortage of fuel, power, materials or supplies, delays in or lack of transportation or any similar or dissimilar causes beyond Contractor's control in which case the

time or times specified for performance shall be extended for a period equal to that lost by reason of the delays resulting from all the foregoing causes beyond the Contractor's reasonable control. The Contractor shall give UNDP notice of all such delays within one (1) week after their commencement, and anticipated duration to the extent such is known to the Contractor.

7. UNDP acknowledges that the Machinery and Equipment being sold hereunder and the use thereof embodies certain patented and proprietary technology of Contractors and agrees to use the Machinery and Equipment only for research, development, demonstration and pilot purposes. UNDP shall preserve and maintain, and take all reasonable steps to insure that its employees and contractors preserve and maintain the confidentiality of the designs, processes, drawings, and other technical and proprietary information of the Contractor disclosed to UNDP in the implementation of this Agreement which shall be deemed the trade secrets of the Contractor, and shall not use for its own benefit or disclose to or permit third parties to obtain or use such trade secrets for their own benefit except as provided herein.

8. This Agreement shall be deemed complete and comprehensive, shall supersede all prior or contemporaneous understandings or agreements oral or written relating to the subject matter hereof, and may be amended only by written instrument duly executed by both parties hereto.

9. The waiver by Contractor of any breach of any of the obligations to be performed by UNDP under this Agreement shall not be construed as a waiver of any additional breach of the same or any other obligations of UNDP hereunder.

10. Both parties hereto agree to comply with all applicable laws and regulations of all governmental instrumentalities having jurisdiction over the subject matter hereof. The UNDP shall be responsible for obtaining any permits, licenses, or approvals required by any governmental or other authority. This Agreement and the interpretation thereof shall be governed by the laws of the State of New York.

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IN WITNESS THEREOF, the parties hereto have executed this agreement  
the day and year first above written.

UNITED NATIONS DEVELOPMENT PROGRAMME

By John Buller Jr

H. TRACY HALL INCORPORATED

By H. Tracy Hall