

GENERAL TERMS AND CONDITIONS

Acceptance of Offer: Acceptance of this purchase order by Seller on the terms and conditions hereof shall be evidenced by either Seller's written acceptance hereof or commencement of performance. These terms and conditions are in lieu of any and all other terms contained in any document, and shall take precedence over any other terms and conditions. These terms, along with this purchase order represents the entire agreement between the parties thereto, and cannot be changed by the Seller without a duly authorized change executed and signed by the Buyer.

Packing and Shipment: Deliveries shall be made as specified without charge for boxing, crating, cartage or storage, unless otherwise specified. Materials shall be suitably packed to secure lowest transportation costs, assure delivery of items in common carriers and any applicable specifications. Buyer's order numbers and symbols must be plainly marked on all invoices, packages, bills of lading and shipping orders. Bills of lading should accompany each invoice. Buyer's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

Delivery: Delivery shall be strictly in accordance with the schedule of this order. Unless otherwise provided, deliveries are to be FOB Destination. If Seller's deliveries fail to meet the schedule, the Buyer may elect to a) call upon the seller for expedited shipments whereby Seller will be required to pay the difference between the method of shipping specified in the original agreement and premium transportation rates; b) cancel the entire Order pursuant to Cancellation clause at no expense to Buyer; c) acquire items from such sources as may be necessary and Seller will be responsible for any cost incurred above and beyond the prices for same items as contracted herein. No deliveries in excess or advance of the scheduled delivery date shall be made without Buyer's prior written consent. Seller shall inform Buyer in writing within seven (7) days of any anticipated delays in deliveries or any unauthorized deviations from the delivery schedule.

Inspection & Acceptance: a) All material and work will be subject to final inspection and approval by Buyer, on Buyer's property unless otherwise agreed to in writing. It is mutually agreed that payment will not constitute final acceptance. Buyer, at its sole option, may reject any material or work not in conformity with the requirements or may rework the same at the Seller's expense or may accept nonconforming goods at a mutually agreed to reduction in price. No replacement of defective material or work shall be made unless specified by Buyer. The cost of replacement material or work and any handling and transportation charges shall be paid by Seller. All building materials and supplies must be asbestos free.

Responsibility and Title: Buyer has the risk of loss after delivery to the agreed FOB point, including the responsibility of filing claims against carriers. Title to supplies shall pass to Buyer upon formal inspection and acceptance, regardless of when or where Buyer takes physical possession.

Prices: Prices of the merchandise covered by this order shall not exceed Seller's lowest prices in effect the date of shipment for comparable articles in comparable quantities unless otherwise agreed to in writing.

Taxes: Seller agrees that, unless otherwise indicated in this order a) the prices herein do not include any state or local sales, use or other tax from which exemption is available for purposes of this order and b) the prices herein include all other applicable federal, state and local taxes in effect on the date of this order. Seller agrees to accept and use tax exemption certificates when supplied by Buyer if applicable. In case it shall ever be determined that any tax included in the prices herein was not required to be paid by Seller, Seller agrees to notify Buyer and to make prompt application for the refund thereof, to take all steps to procure the same and, when received, to promptly pay the refund and any interest to Buyer.

Warranty: Seller expressly warrants that all articles furnished hereunder will be merchantable, free from defect in material and workmanship, and will conform strictly to applicable specifications. If Seller is responsible for design of the articles Seller warrants that the articles will be fit and sufficient for the purposes intended. Seller's liability for breach of any warranty shall be remedied by the timely repair or replacement, at Buyer's election of all defective/nonconforming items, and for payment for all costs attributable to the repair or replacement of defective/nonconforming items, including incidental and consequential damages due to down time or loss of use of the goods. If Seller fails or refuses to correct or replace nonconforming items within ten (10) days after receipt of notice from Buyer, Buyer may correct or replace them with similar supplies and charge the costs to Seller. This warranty shall survive any inspection, delivery, acceptance or payment by Buyer of the articles.

Changes: Buyer may, at any time, by written order, make changes within the general scope of the order in any one or more of the following a) design or specifications, b) shipment or packaging method, c) delivery schedule. If such change causes an increase or decrease in the cost of or the time required to deliver this order, an equitable adjustment will be made in the price or delivery schedule and will be modified in writing. Despite any disagreement as to an equitable adjustment, Seller will continue performance.

Cancellation: Buyer may, by written notice to the Seller, cancel the whole or any part of this agreement if the a) Seller fails to deliver supplies or satisfactorily perform services within the prescribed time; b) Seller fails to perform any of the other provisions hereunder; c) Seller becomes insolvent or unable to meet its obligations as they become due; d) a voluntary or involuntary petition of bankruptcy is filed by or against seller or; e) there is an appointment of a receiver for seller by any court of competent jurisdiction. In the event Buyer cancels this order as provided herein, Buyer shall be liable only for payment for completed supplies delivered to and accepted by Buyer at the order price. Additionally, Buyer may procure supplies or services similar to those canceled and Seller shall be liable for any excess costs to Buyer for such similar supplies or services. These rights and remedies shall not be exclusive and are in addition to any other rights provided to Buyer by the law or under this order. If it is determined that the Seller's failure to perform is due to unforeseeable causes without the fault or negligence of Seller, including acts of God, fire, flood, freight embargoes, inclement weather or that cancellation is erroneous, Buyer may terminate this order under the provisions of the "Termination" paragraph.

Termination: The performance of this order may be terminated without cause in whole or in part by Buyer by written notice to the Seller specifying the extent to which performance of work under this order is terminated and the date upon which such termination becomes effective. After receipt of notice of termination, the Seller shall immediately a) stop work, b) place no further orders for materials or services except as necessary to complete the portion of the order not terminated, c) terminate all related orders, d) await Buyer disposition of work in process, completed work and supplies and materials produced or acquired for terminated work, e) complete performance of work not terminated, f) take any action necessary, or that Buyer may direct, for protection and preservation of property related to this order that is in the possession of Seller and in which Buyer has or may acquire an interest. After termination, the Seller shall submit a final termination settlement proposal to Buyer, within twenty (20) days from receipt of the termination notice. Failure of Seller to submit its termination claim with 20 days, unless extended by Buyer in writing, shall constitute a waiver of any claims for the termination of this order.

Assignment: Seller may not delegate any duties hereunder or assign this order, or any sums due or to become due hereunder or any portion thereof without the prior written consent of Buyer, nor shall Seller subcontract for completed or substantially completed material called for by this order without the prior written consent of Buyer.

Governing Law: The validity, performance, construction, interpretation and effect of this order shall be governed by the laws of the State of Kentucky. Buyer operates within Kentucky Model Procurement Code Chapter 45A which applies to this order. Buyer and Seller hereby agree to submit themselves to the exclusive jurisdiction of the courts located within Kenton County, State of Kentucky in connection with any cause of action arising under this order.

Patents: Seller guarantees that the sale or use of the Seller's products will not infringe any U.S. or foreign patent. Seller shall defend, at Seller's sole expense, the Buyer with respect to any and all claims that the products or materials furnished by the Seller under this order infringe any U.S. or foreign patent, and with respect to any and all suits, controversies, demands and liabilities arising out of any such claims.

Set Offs and Counterclaims: All claims for moneys due or to become due from the Buyer shall be subject to deduction by the Buyer for any set off or counter-claim arising out of this or any other of the Buyer's orders with Seller, whether such set off or counterclaim arose before or after any such assignment by Seller.

Hold Harmless: Seller agrees to indemnify and save Buyer harmless from claims for death or injury to Seller's personnel arising while such personnel are on premises owned or controlled by Buyer in connection with the performance of this order, and Seller shall maintain Workman's Compensation Insurance and Employees Liability Insurance in the minimum amount of one hundred thousand (\$100,000) dollars covering all such personnel while on Buyer's premises.