

**PURCHASE ORDER ACCEPTANCE ACKNOWLEDGMENT TERMS  
OF CONTRACTOR SERVICE & FABRICATION, INC. ("CSFCo")**

**ACCEPTANCE :** THE TERMS AND CONDITIONS AS HEREIN SET FORTH ARE INCORPORATED INTO CSFCo'S ACCEPTANCE. THIS IS AN EXACT COPY OF THE SUBJECT ORDER AS ACCEPTED BY CSFCo AND ENTERED FOR PROCESSING AT CSFCo'S PLANT. THIS ACCEPTANCE SHOULD BE CAREFULLY COMPARED WITH BUYER'S ORIGINAL ORDER AND CSFCo'S QUOTATION AND ANY TERMS NOT SPECIFICALLY SET FORTH HEREIN ARE DEEMED OBJECTED TO, NOT WITHSTANDING ANY DIFFERENT OR ADDITIONAL TERMS THAT MAY BE EMBODIED IN BUYER'S PURCHASE ORDER, BUYER'S PURCHASE ORDER IS ACCEPTED ONLY ON THE CONDITION THAT BUYER EXPRESSLY CONSENTS TO THE TERMS AND CONDITIONS CONTAINED IN THIS ACCEPTANCE UNLESS WRITTEN NOTICE OF OBJECTION TO ANY OF THE TERMS, CONDITIONS AND PROVISIONS OF THIS ACCEPTANCE, INCLUDING INCONSISTENCIES BETWEEN BUYER'S PURCHASE ORDER AND THIS ACCEPTANCE IS GIVEN BY BUYER TO CSFCo WITHIN THE EARLIER OF SEVEN (7) DAYS OF RECEIPT OF THIS ACKNOWLEDGMENT OR THE DATE CSFCo BEGINS WORK ON THE ORDER. BUYER SHALL BE DEEMED TO HAVE SO CONSENTED TO THE TERMS HEREIN IF THE NOTICE OF OBJECTION IS NOT RECEIVED BY THE EARLIER OF SAID SEVEN (7) DAYS OR THE DATE CSFCo BEGINS WORK ON THE ORDER. BUYER AGREES THAT THIS ACCEPTANCE, INCLUDING THE TERMS AND CONDITIONS HEREIN, SHALL CONSTITUTE THE COMPLETE, ENTIRE AND FINAL AGREEMENT BETWEEN CSFCo AND BUYER IN RESPECT OF THIS ORDER. NO WAIVER, ALTERATION OR MODIFICATION OF THE TERMS AND CONDITIONS CONTAINED HEREIN SHALL BE BINDING UNLESS SPECIFICALLY ACCEPTED BY CSFCo'S AUTHORIZED REPRESENTATIVE IN WRITING.

**TRANSPORTATION AND DELIVERY PRICE CHANGES:** Transportation and delivery prices are subject to change without notice. All orders are accepted subject to CSFCo's price in effect at time of shipment. All charges in freight rates or transportation charges used by CSFCo in computing prices and charges shown on this acceptance occurring after the date of this acknowledgment will be for Buyer's account. If Buyer should change the point at which the products are to be delivered F.O.B. the corresponding increase or decrease in freight transportation charges will be for Buyer's account. CSFCo shall not be liable for any transportation charges incurred at destination such as spotting, switching, drayage, demurrage, pier unloading charges, etc.

**PAYMENT:** Terms of payment on all shipments are subject to approval by CSFCo. ANY AMOUNTS NOT PAID BY DUE DATE AS INDICATED ON THE FACE OF CSFCo'S INVOICE TO BUYER SHALL BE SUBJECT TO A *FINANCE CHARGE* OF 1-1/2% PER MONTH UNTIL PAID. THE RATE OF SAID FINANCE CHARGE BEING EQUIVALENT TO AN ANNUAL PERCENTAGE RATE OF 18% PER ANNUM. In no event, however, shall the rate of the said finance charge exceed the highest rate permitted by law.

**TAXES:** CSFCo reserves the right to charge Buyer with the amount of any taxes which CSFCo may be required to pay or collect under any existing or future law upon or with respect to the sale, purchase, delivery, storage, processing, use, consumption, services or transportation of any of the products sold.

**MARKET PRICE CHANGES:** In the event of any market changes in the cost of raw materials beyond the control of CSFCo during the manufacturing process for any of the reasons set forth below the material prices shall be increased to account for the additional cost and CSFCo shall give notice of such to Buyer.

**DELIVERY:** Manufacture, shipment and delivery shall be subject to any prohibition or regulation imposed by the Federal or any state or local government or any subdivision or agency thereof. CSFCo shall not be liable for any delay or failure to perform in whole or in part, directly or indirectly resulting from or contributed to by acts of God, war, riot, embargoes, acts of civil or military authorities, national emergencies, insurrection, or riots, fires, floods, strikes, work stoppage, accidents, casualties, inability to procure supplies and raw materials, delays in transportation, shortage of cars, or other causes beyond CSFCo's control.

**INSPECTION BY BUYER:** Where inspection is made by Buyer at CSFCo's facilities, Buyer's inspector(s) shall be deemed the agent(s) of Buyer to accept products on Buyer's behalf with authority to waive specified tests or details of test procedure, and to accept products which may deviate from formal specifications.

**PERMISSIBLE VARIATIONS:** Unless otherwise agreed upon in writing, all material shall be furnished to CSFCo standard manufacturing variations and practices and within limits and sizes CSFCo produces. Materials purchased are subject to customary quantity variations recognized by trade practice.

**CANCELLATIONS:** The Contract resulting from this acknowledgment and acceptance of Buyer's order cannot be cancelled, terminated or modified by Buyer in whole or in part, nor shall releases be held up by Buyer after raw material is in process, except with CSFCo's consent in writing and then only upon terms and conditions to be agreed upon which shall include protection of CSFCo against all loss direct and consequential.

**LOSS OR DAMAGE IN TRANSIT:** In case of loss or damage in transit or failure to receive shipment within a reasonable time, the consignee must immediately notify in writing the carrier's agent at destination and CSFCo. This action is necessary

in order to preserve the right to recover damage from the carrier and to substantiate formal claim when presented. Title and risk of loss pass to Buyer upon delivery of products to Buyer or to carrier at shipping point. CSFCo shall not be liable for any damage, loss or expense resulting from anything occurring during, or attributable to transportation.

**CLAIMS/WARRANTIES:** CSFCo will not allow any allowances, deductions or return of products except by written permission of CSFCo. CSFCo shall not be liable to, nor indemnify, Buyer or any third parties for any claims, losses, labor, expenses or damages, direct or consequential, resulting directly or indirectly from the performance of this order or the use of, or in ability to use the products sold hereunder, including, without limitation, loss of profits because of increase operating costs, loss of production or shutdown of operation or otherwise and liabilities, claims and damages because of personal injury, death or property damage. Notwithstanding the foregoing, products proving defective in material and/or workmanship per CSFCo's Standard One Year Limited Warranty will be repaired or replaced, or, at CSFCo's option, credit will be allowed for the original price thereof, provided written claim in respect of such products is made by Buyer with reasonable promptness after delivery thereof and use of such products is promptly discontinued by Buyer after discovery of defect. THE FOREGOING IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND OF ANY OTHER OBLIGATIONS OR LIABILITY ON THE PART OF CSFCo.

**REMEDIES:** (a) CSFCo shall have all remedies allowed by law, including the Uniform Commercial Code. Buyer's sole remedy shall be limited to the repair or replacement of defective products or, at CSFCo's option, credit for the original price as set forth above. (b) In case Buyer shall fail to make payments in accordance with the terms as set forth in this acknowledgment, CSFCo, in addition to its rights and remedies under the law may at its option defer further shipments on this and any other open orders until such payments are made, or may terminate this order and any other open orders, and Buyer shall not have any cause of action or be entitled to any off-set, counter-claim or recoupment against CSFCo by reason of any such action. (c) If the Buyer shall fail to make payments in accordance with the terms as set forth in this acknowledgment, CSFCo shall be entitled to reimbursement for all collection and related legal costs from the buyer in order to secure the payments due. (d) No failure of CSFCo to insist upon strict compliance by Buyer with the terms and conditions of this acknowledgment or to exercise any right accruing from any default of Buyer shall impair CSFCo's rights in case Buyer's default continues or in case of any subsequent default by Buyer.

**WAIVER:** Waiver by either CSFCo or Buyer of a breach by the other of any provisions herein shall not be deemed a waiver of future compliance therewith; any such provisions shall remain in full force and effect.

**GOVERNING LAW:** This order shall be deemed made and performed in the State of Alabama. The construction, interpretation and performance of this Order and all transactions hereunder shall be governed by the law of the State of Alabama, including Alabama's version of the Uniform Commercial Code. Buyer agrees and consents to the exclusive jurisdiction and venue of the Circuit Court of Morgan County, Alabama in connection with any action between the parties and waives any objection based upon forum non conveniens.

**INDEMNIFICATION FOR INFRINGEMENT:** If the goods to be manufactured are per the Buyer's specifications and or plans, Buyer shall indemnify, defend and hold CSFCo harmless from any third party claim of infringement or non-compliance of any nature with any applicable laws or regulations.

**COMPLIANCE WITH EXECUTIVE ORDER:** Unless otherwise exempt by rules, regulations, or orders of the Department of Labor, Office of Federal Contract Compliance Programs, and other Federal Government Agencies, Executive Order 11246, Section 503 of the Rehabilitation Act of 1974, as amended, and the Vietnam Era Veterans Readjustment Assistance Act of 1974 and other regulations (contained in 41 Code of Federal Regulations and relating to equal employment) are hereby made a part of the terms and conditions of this order as to both CSFCo and Buyer.

**FAIR LABOR STANDARDS:** CSFCo hereby certifies that the goods hereunder were produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act as amended and of regulations and orders of the United States Department of Labor issued under section 14 thereof.

**SIGNATURES AND BINDING EFFECT:** The parties acknowledge that signature, if required, may be in the form of facsimile and such shall satisfy the requirement of both a writing and signature to be binding otherwise this shall be binding in accordance with the terms set forth herein without signature.

**NOTICES:** Notices shall be sent by nationally recognized overnight courier at the addresses shown on the reverse side and shall be effective the date of actual delivery.

**RELATIONSHIP OF PARTIES:** The relationship herein is solely as buyer and seller and not to be construed as creating any agency, joint venture or employment relationship.

**ENTIRE AGREEMENT:** This agreement constitutes the entire agreement between the parties and supersedes any oral or prior agreements or understandings. In the event any provision hereunder is deemed to be invalid or unenforceable the remainder shall not be affected.