

**KENTUCKY ELECTRIC STEEL
TERMS AND CONDITIONS OF SALE**

Seller's Conditions Govern All Transactions

1. The conditions of sale contained herein apply to all quotations made and acknowledgments entered into by Kentucky Electric Steel ("Seller" herein). The provisions hereof may in some instances conflict with some of the terms and conditions affixed to a form or order blank specified or supplied by the Buyer. Acceptance of Buyer's order is made on the express understanding that in the event of such conflict, Seller's terms and conditions shall govern, whether customer accepts these conditions by written acknowledgment, by implication or acceptance and payment for materials ordered hereunder. Seller's failure to object to any provision contained in any communication from Buyer shall not be deemed a waiver of these provisions. Any changes in the terms or conditions contained herein must be specifically agreed to in writing by The President of Seller.

Quotation Prices - Terms of Payment

2. Prices contained in Seller's quotations are subject to change without notice.

Transportation Charges - Risk of Loss

3. All transportation charges and risk of loss in transit are the responsibility of Buyer and any claims made by Buyer for in transit loss shall be made directly with the carrier. Payment or allowance of freight charges by Seller shall not alter or waive this provision.

Order Procedure

4. Orders may not be cancelled, reduced, changed or suspended except with Seller's prior written consent.

Excusable Delays

5. Seller shall not be liable for any delay in delivery due to fires, strikes, acts of war, riots, equipment failure, delays in transportation, inability to obtain necessary materials or any circumstances or condition beyond the reasonable control of the Seller. In the event of any such delay, the delivery or shipping date shall be deemed extended for a period equal to the delay.

Severability

6. Each shipment made against any of Buyer's orders shall constitute a separate contract subject to the terms and conditions contained herein. Upon the failure of Buyer to comply with any such terms or conditions, Seller may, without prejudice to other lawful remedies, defer further shipments until all terms and conditions are met.

Passage of Title – Notification of Errors

7. Title to all materials sold hereunder shall pass to Buyer upon delivery to carrier. Within 30 days after receipt of any material shipped hereunder, Seller must be notified in writing by Buyer of any claims for shortages, errors in shipment or errors in charges. If no such notice is received within such period by Seller, the shipment shall conclusively be deemed correct.

8. SUBJECT TO STANDARD MANUFACTURING VARIATIONS, SELLER WARRANTS THAT THE MATERIALS FURNISHED HEREUNDER SHALL CONFORM TO SPECIFICATIONS ORDERED BY BUYER. SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND SPECIFICALLY EXCLUDES ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Permissible Variations, Standards and Tolerances

All product is made to Seller's standard specifications for such product and is subject to generally accepted industry standards as to tolerances and mill variations concerning dimensions, weight, straightness, section, composition, surface and mechanical properties, deviations from tolerances and variations consistent with routine testing and inspection methods and regular mill practices concerning over and under shipments.

Warranty

9. No claim for damages for materials that do not conform to specifications will be allowed unless Seller is given immediate notice after delivery of materials to the first destination to which they are shipped and Seller is allowed a reasonable opportunity to inspect them. Materials for which damages are claimed require Seller's written consent before being returned, repaired or discarded.

BUYER'S EXCLUSIVE REMEDY AND SELLER'S SOLE LIABILITY, IRRESPECTIVE OF THE THEORY OF LIABILITY OF BUYER SHALL BE LIMITED TO SELLER'S REPLACING MATERIALS THAT DO NOT CONFORM TO SPECIFICATIONS, OR, AT SELLER'S OPTIONS, TO REFUNDING THE PURCHASE PRICE OF THE MATERIALS. IN NO EVENT SHALL SELLER HAVE ANY LIABILITY FOR DAMAGES IN CONNECTION WITH THE SALE OF MATERIALS IN AN AMOUNT EXCEEDING THE PURCHASE PRICE OF THE MATERIALS SOLD AND SELLER HAVE NO LIABILITY WHATSOEVER FOR CONSEQUENTIAL DAMAGES.

Indemnification

10. If Buyer is not the end-user of the materials sold hereunder, then Buyer, agrees that it shall incorporate in all confirmation of orders and sales documents with end-user the same limitations of liability as in conditions 9 and 12 hereof and that if Buyer provides new or different limitations of liability then it shall, if a claim is made against the Seller or if the Seller is sued or threatened with suit by end-user, then Buyer shall defend, indemnify and hold Seller harmless therefrom.

Seller's Lack of Knowledge of Buyers Purposes

11. Buyer acknowledges Seller has no knowledge of the metal working techniques to be employed by the user of the materials nor the purpose for which it is to be purchased. Seller recommends that Buyer satisfy itself as to the suitability of materials by performing all necessary or appropriate destructive or non-destructive tests thereon.

Taxes

12. Buyer shall be responsible for any taxes or charges which Seller may be required to pay or collect in connection with the sale, manufacture, transportation, storage, or use of any of the materials provided hereunder.

Limitations on Waiver

13. Seller's failure to insist on strict performance of any terms of conditions herein shall not be deemed a waiver of any rights or remedies that Seller may have and shall not be deemed a waiver in writing and signed by the Office of Seller.

Entire Agreement

14. The terms and conditions herein constitute the entire agreement of the parties with respect to materials to be supplied by Seller. These terms and conditions supersede any and all other agreements, understandings, statements or representations, either oral or in writing.

Credit Transactions

15. In the event that Seller has extended credit to Buyer, Seller reserves the right to suspend or cancel unfilled orders when in Seller's reasonable opinion such suspension or cancellation is warranted by the financial condition of Buyer or the status of Buyer's account.

Recovery Attorney Fees

16. In the event legal proceedings are necessary for enforcement of any of the terms and conditions hereof, the prevailing party in such proceedings shall be entitled to recover its reasonable attorney fees.

Governing Law

17. These terms and conditions shall be construed in accordance with and governed by the laws of the Commonwealth of Kentucky.

All communications concerning disputed debts, including an instrument tendered as full satisfaction of a debt, are to be sent to Cindy Ison at our KY facility.