



FEDERAL STEEL SUPPLY

PO TERMS AND CONDITIONS

1. Acceptance. This purchase order shall constitute the entire agreement between Buyer and Seller and may not be modified in any way except in writing signed by both parties. It is expressly understood and agreed that the terms hereof on the related purchase order and below, shall prevail insofar as the same may in any manner conflict with the terms and conditions in Seller's invoice or Seller's quotation.

2. Documents and Payment. Seller shall prepare separate invoices for each shipment. Buyer's purchase order number must be shown on all invoices, containers and packing lists. Transportation papers must show proper description and weights of material, complete routing, rates and car number. When the transportation is prepaid for Buyer's account, the original transportation receipt must be attached to the invoice.

3. Delivery and Delay. Seller shall strictly comply with all delivery schedules. Failure of Seller to comply with these requirements shall entitle buyer, in addition to any other rights and remedies, to cancel this order and be relieved of all liability for any undelivered portion. Any failure of Buyer to exercise its remedies with respect to any installment shall not be deemed to constitute a waiver with respect to subsequent installments.

4. Shipping. Seller shall be responsible for all shipping including packing, marking and shipment in accordance with Buyer's instructions on the related purchase order. Buyer shall have the right to route all shipments. Seller shall be responsible for any losses or damages incurred from deviation from Buyer's routing instructions. Risk of loss shall be upon Seller until conforming goods are delivered to and have been inspected and accepted by Buyer. Payment prior to acceptance of goods will not be deemed to be acceptance, which can only be done after inspection.

5. Warranties. Seller warrants that all materials delivered hereunder will be free from defect of material or workmanship, will be able to be used for the purpose for which purchased, and to conform strictly to the specifications, drawings or a sample specified or furnished. All items to be constructed or fabricated by Seller shall be done with first class material and first class workmanship. This warranty shall survive any inspection, delivery, acceptance or payment by buyer for the materials or services. Costs incurred in inspection, storage and return shall be borne by Seller if any delivery is rejected in whole or in part.

6. Federal and State Regulations. Seller further warrants that all goods and services described in this purchase order have been manufactured, sold and delivered in accordance with all federal and state statutes, rules and regulations. In addition to the generality of the foregoing, Seller will comply with Executive Order 11246 and all rules and regulations issued thereunder and all other rules and regulations of the federal government relating to employment practices and antidiscrimination laws. Seller further certifies it is in compliance with the Occupational Safety & Health Standards Act of 1970.

7. Taxes. Except as may be otherwise provided in the purchase order, the price includes all applicable federal, state and local taxes.

8. Assignment. Seller shall not delegate any duties nor assign any rights or claims under this purchase order, or for any breach thereof, without prior written consent of the Buyer and any such attempt of delegation or assignment shall be void. Seller shall not subcontract any work to be done hereunder except to subcontractors known to and approved in writing by Buyer.

9. Set-Off and Counterclaim. All claims for money due or to become due from the Buyer shall be subject to deduction by the Buyer for any set-off or counterclaim arising out of this or any other of Buyer's purchase orders with the Seller, whether such set-off or counterclaim arose before or after any assignment by the Seller.

10. Changes. Buyer shall have the right to make, from time to time, changes as to packing, testing, quantity, destinations, specifications, designs and delivery schedules. Seller shall immediately notify Buyer of any increases or decreases in costs caused by such changes and an equitable adjustment in price or other terms hereof shall be agreed upon in writing. Buyer shall likewise have the right to cancel this order without cause, and Buyer's liability for cancellation shall be limited to Seller's actual cost for work and material applicable solely to this order which shall have been expended at the time notice of cancellation shall be received by Seller.

11. Bankruptcy. In the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency, under federal or state laws, Buyer against the Seller or in the event of the appointment with or without the Seller's consent of an assignee for the benefit of creditors or of a receiver for the Seller, then the Buyer shall be entitled to cancel any unfilled part of this purchase order without any liability whatsoever.

12. Proof of Shipment. Seller shall forward to the Buyer with the invoice the express receipt or bill of lading signed by the carrier, evidencing the fact that shipment has been made.

13. Supplementary Information. Any specifications, drawings, notes, instructions, engineering notices or technical data referred to in this purchase order shall be deemed to be incorporated herein by reference as if fully set forth. In the case of any discrepancies or questions the Seller shall refer to the Buyer for decisions or instructions or interpretation. All specifications, working drawings, notes and instructions prepared by Seller for use in making, constructing or fabricating the items purchased by this purchase order shall belong to Buyer and shall be delivered to it along with the invoice.

14. Patents. Seller shall defend and hold harmless Buyer and anybody claiming under or through Buyer, with respect to any and all claims that the products or materials furnished by the Seller under this purchase order infringe on any United States letters patent, and with respect to any and all suits, controversies, demands, and liabilities arising out of any such claim.

15. Time of the Essence. Time is of the essence of this contract. Seller shall be liable for any consequential damages incurred by Buyer due to late deliveries.

16. Law Governing. This order shall be interpreted in and be governed by the laws of the State of Missouri.