

PRECISION STANDARD TERMS AND CONDITIONS OF SALE

All sales by Precision Machine, Inc. or Precision Maintenance, Inc. ("Precision") are subject to the following terms and conditions. All proposals, quotations or acknowledgments issued by Precision are an offer to sell products or services pursuant to these terms and conditions. Precision objects to any additional or different terms contained in any documentation submitted by Customer. Precision's acceptance of any order is contingent upon Customer's assent to these terms and conditions. No waiver or modification of these terms and conditions shall be binding on Precision unless authorized in writing by Precision. Acceptance of the products or services by Customer shall be deemed an acceptance of set forth below.

PRICES/TAXES. Prices are subject to escalation in the event of an increase in material related costs. The minimum charge for any order will be \$300. Unless otherwise stated or agreed, Precision's prices do not include freight charges or sales, use, or similar taxes.

PAYMENT TERMS.

(i) Standard payment terms are net 30 days for creditworthy customers. Progress payments may be required as specified in the quotation and depending on customer creditworthiness. Payments made by credit card shall be subject to an additional processing fee. Precision reserves the right to charge customers a shipping & handling fee (which includes internal handling and related costs) which will be applied at the time of order and reflected on the customer's invoice.

(ii) Invoices that are more than thirty (30) days past due are subject to a late charge of one percent (1%) per month on the amount of the past due balance. If Customer's account is past due and Precision has notified Customer verbally or in writing of the past due balance, Precision may, without advance notice, immediately stop work or cease providing any and all products or services to Customer. If the Customer's account, after default, is referred to an attorney or collection agency for collection, Customer shall pay all of Precision's expenses incurred in such collection efforts including, but not limited to, court costs and reasonable attorneys' fees.

LIMITED WARRANTY.

(i) Precision warrants the materials which were manufactured by Precision and the services which were provided by Precision against failure or deficiency for a period of ninety (90) days from the date of the completion of the work. In the event of the occurrence of any failure or deficiency within such period of time, Customer shall notify Precision of such failure or deficiency within three (3) days after such occurrence. Upon such notification, Precision shall cure and remedy such failure or deficiency by repair or replacement, as determined by Precision in its reasonable discretion. Precision shall have the option to provide cure and remedy in the field or at its facilities. Precision expressly disclaims any and all warranties and liabilities which relate to any failure or deficiency of any materials which were not manufactured by Precision or any services which were not performed by Precision.

(ii) THE ABOVE IS PRECISION'S SOLE WARRANTY WITH RESPECT TO MATERIALS AND SERVICES FURNISHED TO CUSTOMER. PRECISION MAKES NO OTHER WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PURPOSE, WARRANTY OF WORKMANLIKE SERVICE OR ANY SIMILAR WARRANTY AND ALL SUCH IMPLIED WARRANTIES ARE HEREBY EXCLUDED AND DISCLAIMED BY PRECISION. The above Limited Warranty shall not apply to (1) any Customer supplied part or material; (2) Customer parts which are inspected by Precision and returned without service or repair; or (3) any product that has been subjected to misuse, neglect, or accident.

LIMITATION OF LIABILITY. Precision's liability for a claim of any kind arising out of the manufacture, sale or use of any Precision product or service shall in no case exceed the purchase price paid by

Customer. In no event shall Precision be liable to Customer for any special, indirect, incidental, or consequential damages, however caused (including claims for loss of use, loss profits or income, or loss of opportunity), arising from the sale of products or services pursuant to this Agreement.

DELIVERY/FORCE MAJEURE. All sales are F.O.B. point of shipment (UCC) unless otherwise agreed in writing. Delivery dates are estimates and are predicated on conditions existing at the time made. Precision shall have no liability for shipment delays, breach of contract obligations, or damage to customer furnished material that result from an Act of God, war, riot, explosion, accident, act of government, work stoppage, default of subcontractor or supplier of materials, or any other cause beyond the reasonable control of Precision. Acceptance of goods upon delivery shall be a waiver by Customer of any claim for damages because delays in delivery or performance.

CANCELLATION, SUSPENSION, OR DELAY. Customer may cancel an order upon written notice to Precision and payment of an agreed upon cancellation charge, which shall include all costs incurred by Precision prior to the cancellation plus a reasonable profit. A purchase order may be suspended or delayed by Customer with Precision's prior written consent. If Precision agrees to a suspension or delay, Customer shall reimburse Precision for all costs incurred up to the date of such suspension or delay, plus a reasonable profit. All other costs related to and risks incidental to storage, disposition and resumption of work shall be borne by Customer.

CANCELLATION OF FIELD SERVICES. The availability and scheduling of field service personnel to perform field services is a critical aspect of Precision's business. Dates for performance of field services are approximate until the receipt by Precision from Customer of all information requested by Precision to perform the required manpower planning to ensure Precision may proceed with the filed services immediately and without interruption on the date requested by Customer (the "Commencement Date"). Once a Commencement Date has been finalized by the parties, a request for field services can be cancelled by Customer by giving Precision at least ten (10) days written notice of the cancellation prior to the Commencement Date. However, if the request for field services is not cancelled by that date, Precision reserves the right to invoice Customer for an equitable cancellation fee, along with reimbursement for any non-recoverable expenses incurred by Precision up through the date of cancellation. Every reasonable effort will be made to accommodate a request to reschedule the field service to a later date, but any non-recoverable additional expenses incurred by Precision as a direct result of the schedule change by Customer will be added to the Customer's invoice.

CHANGES. If Customer requests a change in a specification or design relating to any ordered product or any other modification or alteration to the order, the delivery schedules may be revised as necessary and an equitable adjustment may be made in the price if warranted.

CUSTOMER'S PROPERTY. Prices and delivery of products for which the Customer furnishes material, patterns or tools are based on these items being received within the agreed time and in the quantities

and conditions specified. Precision assumes no liability or responsibility for loss or damage, from any cause whatsoever, to Customer owned materials or parts delivered to Precision for processing.

PRECISION'S PROPERTY. Except as otherwise specifically set forth in the scope of work provided as part of the proposal or quotation, all documents, including drawings, specifications, computer files, electronic media, data, engineering calculations, notes, and other documents and instruments prepared or furnished by Precision (collectively the "Documentation") are the property of Precision. Precision shall retain all common law, statutory and other reserved rights, including copyright, applicable to the Documentation. The Documentation is not intended or represented to be suitable for use on any other project. Any reuse of the Documentation without written verification or adaptation by Precision for the specific purpose intended is prohibited and will be at Customer's sole risk and without liability or legal exposure to Precision. Customer agrees to defend, indemnify, and hold Precision harmless against all claims, damages, losses, and expenses (including reasonable attorneys' fees) arising from or in any way connected with the unauthorized use or modification of the Documentation by Customer or any person or entity that acquires or obtains the Documentation from or through Customer without the written authorization of Precision.

INDEMNITY. Precision will defend and indemnify Customer from any claims for bodily injury or death arising out of the use of the products or services provided by Precision under this Agreement that occur because of the sole negligence or willful misconduct of Precision. In no event shall Precision be liable under this provision for claims arising out of the negligence or willful misconduct of Customer or its employees or agents. Customer agrees to defend and indemnify Precision for any claims arising out of the noncompliance with applicable safety standards by Customer or its employees or agents.

PATENT INDEMNITY. Unless the design or specification for the product is being furnished by Customer, Precision will defend any suit or proceeding brought against Customer which alleges that Precision's products, when employed in the manner intended by Precision, constitutes an infringement of any previously issued US patent, if Precision is notified promptly in writing of the claim and given authority, information, and assistance for the defense of same. Precision shall pay all damages and costs awarded against Customer because of such claim. If the product is held to constitute an infringement and its use in the manner intended by Precision is enjoined, Precision shall, at its expense, procure the right to continue using the product; replace it with non-infringing product; modify it so it becomes non-infringing; or remove it and refund the purchase price. In no event will Precision be liable if the infringement is based on the use of the product for a purpose other than that for which it was sold by Precision or based on a combination of the product with other products.

COMPLIANCE WITH LAWS. Precision will comply with all applicable federal, state, or local laws regarding its performance under this Agreement.

ASSIGNMENT. Customer may not assign the contract between Precision and Customer without the prior written consent of Precision.

GOVERNING LAW. The relationship between Customer and Precision shall be governed by the laws of the Commonwealth of Kentucky (without resort to its conflict of law rules). In the event Customer asserts any claim, demand, or cause of action against Precision pursuant to this Agreement, such claim, demand, or cause of action shall be asserted in the McCracken Circuit Court in Paducah,

Kentucky. Customer hereby waives any right of trial by jury. The provisions of the Uniform Commercial Code as adopted by the Commonwealth of Kentucky, and not the United Nations Convention on Contracts for the International Sale of Goods, shall apply.

DISPUTE RESOLUTION. All claims or disputes of any kind arising out of the relationship between Customer and Precision shall be finally settled by arbitration in Paducah, Kentucky, under the Rules of the American Arbitration Association by one or more arbitrators appointed in accordance with said Rules applying these Terms and Conditions of Sale and consistent provisions of the laws (except conflict of law rules) of the Commonwealth of Kentucky. The prevailing party shall be entitled to recover its costs, including reasonable attorneys' fees.