

SOUTHERN ENVIRONMENTAL, INC.
GENERAL TERMS AND CONDITIONS

01. ACCEPTANCE/AGREEMENT

Buyer requests that Seller execute an acknowledgment copy of this purchase order (hereinafter "order") and return it to Buyer. However, Seller's commencement of work on the goods and services subject to this order, or shipment of such goods, whichever occurs first, shall be deemed an effective mode of acceptance of this order. Any acceptance of this order is limited to acceptance of the express terms contained on the face and back hereof. Any additional or different terms proposed by the Seller are rejected and are not binding unless expressly assented to in writing by the Buyer.

02. TERMINATION FOR CONVENIENCE

Buyer reserves the right to terminate this order, or any part thereof, for its sole convenience. In the event of such termination Seller shall immediately stop all work hereunder and shall immediately cause any of its suppliers, subcontractors, materialmen, vendors, etc. to cease such work. Seller will be paid termination charges consisting of the percentage of the order price reflecting the percentage of the work completed prior to the notice of termination plus actual, direct costs resulting from implementation of the notice of termination. Seller will not be paid for any work performed after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers and/or subcontractors which seller could reasonably have avoided.

03. TERMINATION FOR CAUSE

Buyer may terminate this order, or any part thereof, for cause in the event of any default by Seller or if Seller fails to comply with any of the terms and conditions of this order. Such termination could be caused by, but not limited to, late deliveries (TIME IS OF THE ESSENCE), delivery of products and/or services which are defective or which do not conform to this order, and failure of Seller to provide to Buyer upon request reasonable assurances of future performance in accordance with this order. Termination will be effective upon receipt by the Seller of Buyer's written termination notice. In the event of such termination for cause Buyer will not be liable to Seller for any amount and Seller shall be liable to Buyer for any and all damages sustained by reason of the default, which gave rise to the termination.

Buyer also reserves the right to cancel all or any part of this order which has not actually been shipped by the Seller in the event that Buyer's business is interrupted because of strikes, labor disturbances, lockout, riot, fire, act of God or the public enemy, or any other cause, whether like or unlike the foregoing, if beyond the reasonable efforts of the Buyer to control.

04. TERMINATION FOR BANKRUPTCY

In the event Seller shall become insolvent (however such insolvency might be evidenced), make a general assignment for benefit of creditors, have a petition or any proceeding under the bankruptcy laws filed by or against it, or under any law relating to debtor's relief, or if a receiver is appointed to take control of Seller's business, or any part thereof, or if any attachment or execution be levied against Seller or any of its assets, and not be released or discharged within ten (10) days, Buyer may, at its sole option, cancel this order.

05. PROPRIETARY INFORMATION/CONFIDENTIALITY

Seller shall consider all information furnished by Buyer to be confidential and will not disclose any such information to any other person or use such information itself for any purpose other than performing this order, unless Seller obtains the Buyer's express written consent to do so. This condition applies to all drawings, specifications, or other documents prepared by the Seller for the Buyer in connection with this order. Unless otherwise agreed to in writing, no commercial, financial, or technical information disclosed in any manner or at any time by Seller to Buyer, shall be deemed secret or confidential and Seller waives all rights against Buyer with respect thereto except such rights as may exist under patent laws.

06. ADVERTISING

Seller shall not advertise or publish the fact that Buyer has contracted to purchase goods or services from Seller, nor shall any information relating to the order be disclosed without Buyer's written permission.

07. WARRANTY

Seller expressly warrants that all goods and/or services supplied under this order will conform to Buyer's order and all specifications, drawings, and standards that are a part thereof; will be new and previously unused; will be free from defects in material and workmanship; will be merchantable; will be fit and sufficient for the purposes specified; will conform to any statements made on containers, labels, advertisements, and proposals for such goods and services; will be adequately contained, packaged, marked, and labeled; will conform in all respects to samples provided; and will be free from liens and patent infringement. Inspection, testing, acceptance, or use of the goods or services furnished here-under shall not affect the Seller's obligations under this warranty

and such warranties shall survive inspection, testing, acceptance, and use. Seller's warranty shall run to Buyer, its successors, assigns, customers, and users of the products and services sold to Buyer by the Seller. Seller agrees to replace or correct defects of any goods and/or services not conforming to the foregoing warranty promptly and without expense to the Buyer when notified of such nonconformity by Buyer, provided Buyer elects to provide Seller with the opportunity to do so. In the event of failure by the Seller to correct defects in or replace the nonconforming goods or services promptly, Buyer, after reasonable notice to Seller may make such corrections or replace such goods and services and may charge Seller for the cost incurred by Buyer in doing so. This warranty shall be in effect for twelve (12) months from the date of first use of products and services provided hereunder or twenty-four (24) months after completion of shipment, whichever occurs first. Any replacement products or services shall be warranted by the Seller under the same terms and conditions as the originals.

08. PRICING/PRICE WARRANTY

Seller warrants that prices for products and/or services supplied hereunder are not less favorable than those currently extended to any other customer for the same or similar items in similar quantities. In the event Seller reduces its prices for such articles during the term of this order, Seller agrees to reduce the prices hereof correspondingly.

09. INVOICING/PAYMENT

Unless otherwise specified on the face of this order, the order and all its provisions must be fully performed and complied with before payment is due. Seller will submit his invoice to Buyer per the specific instructions of this order accompanied by original railroad bill of lading, motor freight carrier bill of lading, air freight carrier bill of lading, express receipt, and/or parcel post receipt as appropriate. If purchase order terms are F.O.B. destination and shipped prepaid, copies of the bill of lading or express receipt may be furnished in lieu of the original. The due date for payment of correctly submitted invoices will be net sixty (60) days after receipt. Payment for the goods and/or services provided hereunder shall not constitute acceptance thereof.

10. FORCE MAJEURE

Buyer may delay delivery and/or acceptance of products and services occasioned by causes beyond Buyer's control. Seller will hold such goods at the direction of the Buyer and shall then deliver them when the cause affecting the delay has been removed. Causes beyond buyer's control shall include, but not be limited to governmental acts, orders, or injunctions; governmental failure to act; unusual or unusually severe weather; fires; flood; earthquakes; quarantine; blockade; strikes or labor disputes; war; insurrection or civil strife; sabotage; or explosions. Seller will not be entitled to additional compensation as a result of delays beyond the Buyers control.

11. PATENTS

The Seller covenants and agrees to hold harmless and indemnify the Buyer, or Buyer's agents, customers, or other vendors against all claims, suits, actions, or proceedings by reason of alleged infringement of patents or for patent royalties involved in consequence of the purchase and use of good and services covered hereby. The Buyer shall give prompt notice to the Seller of any suits brought or proceedings begun against it, and shall permit the Seller and Seller's counsel to defend such suits and shall give such information as it may possess to reasonably enable the Seller to succeed in such defense. Buyer and Buyer's counsel may actively participate in any such defense if so desired and the costs of such participation shall be reimbursed to Buyer by the Seller.

12. INSURANCE

In the event that Seller's performance hereunder requires or contemplates performance of services by Seller's employees or other persons under contract to the Seller, to be performed on Buyer's property, or the property of Buyer's customer, Seller agrees that all such work shall be done as an independent contractor and that persons doing such work shall not be considered employees of the Buyer. Prior to commencement of any such work hereunder seller will forward to Buyer certificate(s) of insurance evidencing zero dollar (\$0.00) self insured retention and first dollar coverage and also evidencing that Seller carries Comprehensive General Liability, Automobile Liability, and Workmen's Compensation insurance. The insurance certificate submitted shall name Buyer as an additional insured party thereunder and shall be endorsed to show the contractual liability assumed hereunder. Seller shall indemnify and hold harmless and defend Buyer from any and all claims and/or liabilities arising out of the work covered herein.

13. INDEMNIFICATION

If it becomes necessary for the Seller, either as principal or by agent or employee, to enter upon the premises or property of the Buyer or Buyer's customer in order to construct, erect, inspect, or deliver hereunder, the Seller covenants and agrees to take, use, provide, and make all proper, necessary, and

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sufficient precautions, safeguards, and protections against the occurrence or happening of any accident, injuries, or damages to any person or property during the process of the work covered herein. Seller shall defend, indemnify, and hold harmless the Buyer, Buyer's affiliated companies, successors, assigns, customers, and users of its products from and against all damages, claims, liabilities, and/or expenses (including attorney's fees) arising out of or resulting in any way from any defect in the goods and/or services purchased hereunder, or from any act or omission of Seller, seller's agents, employees, or subcontractors. This indemnification shall be in addition to the warranty obligations of the Seller.

14. CHANGES

Buyer shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery, and method of transportation. If such changes cause an increase or decrease in the cost of, or time required to, performance of this order an equitable adjustment shall be made and this order will be modified in writing accordingly.

15. INSPECTION/TESTING

Buyer shall have the right to inspect goods and services to be provided by the Seller hereunder and to reject any such goods and services which are, in Buyer's judgment defective or nonconforming. In the event Buyer receives goods or services from the Seller whose defects or nonconformity is not apparent upon inspection, Buyer reserves the right to require replacement and/or payment of any resulting damages. Nothing in this order shall relieve Seller in any way from the obligation of testing, inspection, quality control, and/or the responsibility of furnishing goods and services strictly in accordance with this order.

16. ASSIGNMENTS/SUBCONTRACTING

No part of this order may be assigned or subcontracted without the prior written approval of the Buyer.

17. LIENS

All goods and services supplied by Seller hereunder shall be free of all liens and encumbrances. Seller will be required to provide Buyer with Releases of Lien at the time of and in the amount of all invoices submitted for payment hereunder, including a Final Release of Lien on presentation of the Seller's final invoice. The Seller agrees to take any and all action to settle, satisfy, or otherwise discharge any lien that may be filed against Buyer, Buyer's customer, or their property by Seller's employees, agents, subcontractors, vendors, suppliers, or materialmen at no cost to Buyer.

18. SETOFFS/RETENTION

All claims for money due or to become due from Buyer shall be subject to deduction or setoff by the Buyer by reason of any claim or counterclaim arising out of this transaction. Retention may also be deducted from Buyer's payments to Seller hereunder if called for on the face of this order.

19. SHIPMENT

If, in order to comply with the order required delivery date, it becomes necessary for seller to ship by a more expensive means than specified in this order, any increased transportation costs resulting therefrom shall be paid for by the Seller unless the necessity for such rerouting or expedited handling has been caused by the Buyer.

20. WAIVER/SEPARABILITY

Buyer's failure to insist on performance of any of the terms and conditions of this order or to exercise any right or privilege, or buyer's waiver for any breach hereunder shall not thereafter waive any other terms, conditions, or privileges, whether of the same or similar type.

21. DELIVERY

Covered in 07 "WARRANTY" above.

22. LIMITATION OF BUYER'S LIABILITY

In no event shall Buyer be liable for anticipated profits or for incidental or consequential damages. Buyer's liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from this order, or from the performance or breach thereof, shall in no case exceed the price allocable to the goods or services, or unit thereof, which gives rise to the claim. Buyer shall not be liable for penalties of any description.

23. STATUTE OF LIMITATIONS

Any action resulting from any breach on the part of the Buyer as to the goods and services delivered hereunder must be commenced within one (1) year after the cause of action has accrued.

24. COMPLIANCE WITH LAW

Seller represents that all goods and services supplied hereunder will be and have been manufactured and furnished in compliance with all federal, State, and Local laws, regulations, orders, and ordinances applicable thereto including, without limitation, those applying to goods and services sold to the U. S. Government or for shipment in interstate commerce.

25. RIGHT TO AUDIT

If Seller is to furnish goods and services on a time basis, a time and material basis, cost-plus basis, or any other basis where the price is not fixed at the date hereof, Seller shall permit employees or other authorized representatives of the Buyer to examine, copy, and generally audit all accounts, books, documents, files, or other records relating to seller's fulfillment of its obligations hereunder.

26. REMEDIES CUMULATIVE

Buyer's remedies shall be cumulative and any remedies herein specified do not exclude any remedies allowed by law or equity. Waiver of any breach shall not constitute waiver of any other breach of the same or any other provision. Acceptance of any item or payment therefore shall not waive any breach.

27. ENTIRE AGREEMENT

This order and any documents referred to on the face hereof constitute the entire agreement between the Seller and Buyer.

28. UNIFORM COMMERCIAL CODE

The provisions of this purchase order shall be construed in accordance with the Uniform Commercial Code as enacted and/or interpreted in the State of Florida.

29. PACKING LISTS

Packing lists must be furnished by the Seller with each shipment inside the container in which shipment is made.

30. MARKINGS

Buyer's purchase order number must appear on all invoices, packages, shipping cases, shipping documents, and correspondence associated with this purchase order.

31. EXTRA CHARGES

No extra charges will be allowed for packing, crating, reels, cartage, labeling, custom duties, taxes, tariffs, storage, or insurance unless so specified on the face of this purchase order

32. TRANSPORTATION CHARGES

Unless otherwise stated on the face of this purchase order:

- (a) Freight or express charges must be prepaid by the Seller when price is F.O.B. destination.
- (b) The Seller must pay transportation charges both ways on rejected material both for specification material and wrong or defective material.
- (c) Parcel Post shipments are at the risk of the Seller unless insured by him.

33. DISPUTES

Buyer and Seller agree that any dispute arising out- of or relating to, this Purchase Order shall be determined by binding arbitration pursuant to the terms of the Florida Arbitration Code, Chapter 682, Florida Statutes. Buyer and Seller further agree that any such arbitration shall be held in Pensacola, Florida. In conjunction with any such arbitration, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, the amount of such fees and costs to be determined by a court of competent jurisdiction as part of the confirmation of any arbitration award.