

**BLUE GRASS AIRPORT
PURCHASE ORDER TERMS AND CONDITIONS**

1. Acceptance

Seller has read and understands this Purchase Order (the "Order") and agrees that Seller's written acceptance or commencement of any work or service or supply of goods under this Order shall constitute Seller's acceptance of this Order and these terms and conditions only. All terms and conditions proposed by Seller which are different from or in addition to this Order are unacceptable to Buyer, are expressly rejected by Buyer, and shall not become a part of this Order. Any modifications to this Order shall be made in accordance with Paragraph 24. Acceptance of the goods or services delivered under this Order shall not constitute acceptance of Seller's terms and conditions.

2. Pricing

Pricing is inclusive of applicable taxes, freight, packaging, insurance, handling and all other charges, whether similar or dissimilar, unless otherwise indicated on the face of this Order. Federal Excise and other taxes, on which exemption is allowed government agencies, must not be included or added to the price of any item on this Order unless otherwise authorized on the face of this Order. Necessary exemption certificates will be supplied upon request if more than what is contained on the face of the Order is needed. Any taxes later found to have been included and paid by the Buyer shall be refunded by the Seller in the amount of the tax so paid.

Terms of payment shall be net 30 days from the Buyer's receipt of the goods/services or from the Buyer's receipt of the Seller's invoice, whichever shall be the longer period of time, unless:

- (a) Seller's term of payment are noted.
- (b) Trade discounts acceptable to the Buyer are offered on the supplier's invoice, or
- (c) Special payment conditions are contained in this Order.

Seller warrants that the prices herein specified are as low as any net prices now given by Seller to any other customer for goods or services of like grade and quality in like quantities, and Seller agrees that if at any time during the pendency of this Order lower net prices are quoted under similar conditions, said lower net prices shall be from that time substituted for the prices herein. Seller agrees that any price reductions made in the goods or services covered by this Order subsequent to its acceptance but prior to payment thereof will be applicable to this Order.

3. Delivery

Time is of the essence to delivery and any other performance required of Seller. If Seller's acts or omissions result in Seller's failure to meet Buyer's delivery requirements and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified by Buyer, Seller shall, at Buyer's option, (a) promptly reimburse Buyer the difference in cost between the more expeditious method and the original method; (b)

allow Buyer to reduce its payment of Seller's invoice by such difference; or (c) ship the goods as expeditiously as possible at Seller's expense and invoice Buyer for the amount which Buyer would have paid for normal shipment. Unless otherwise stipulated in this Order, all sales shall be shipped FOB DESTINATION, FREIGHT PREPAID, Seller pays freight, bears freight costs, owns goods in transit and files claims on carriers (if any). Seller pays all expenses and assumes all risks until actual delivery of the merchandise at the point agreed upon with the Buyer. All packing cases, bales, carton, pallets, etc. in which the articles or materials may be shipped shall become without charge the property of the Buyer upon receipt, unless otherwise stipulated in the Order. The Seller must provide a current Material Safety Data Sheet (MSDS) on chemicals, equipment or hazardous materials at the time of delivery.

4. Changes

Buyer reserves the right at any time to direct changes, or cause Seller to make changes, to drawings and specifications of the goods or to otherwise change the scope of the work covered by this Order, including work with respect to such matters as inspection, testing, place or time of delivery, or quality control, and Seller agrees to promptly make such changes; any difference in price or time for performance resulting from such changes shall be equitably adjusted by Buyer after receipt of documentation in such form and detail as Buyer may direct. Any changes in this Order shall be made in accordance with Paragraph 24.

5. Inspection and Rejection

Seller agrees that Buyer shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials and any property of Buyer covered by this Order. Buyer's inspection of the goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods. Buyer may inspect and reject all nonconforming goods and services within a reasonable period of time after delivery without regard to whether payment has been made. Buyer may choose, at Seller's risk and expense, to either hold nonconforming goods pending Seller's instructions or ship them to Seller's address shown on the face of this Order.

6. Nonconforming Goods

To the extent Buyer rejects goods as nonconforming, Seller shall replace such goods with conforming goods. Buyer shall hold nonconforming goods for disposition in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions within ten (10) days, or such shorter period as may be commercially reasonable under the circumstances, after notice of nonconformity shall entitle Buyer, at Buyer's option, to charge Seller for storage and handling, or to dispose of the goods, without liability to Seller. Payment for nonconforming goods shall not constitute an acceptance thereof, limit or impair Buyer's right to assert any legal or equitable remedy or relieve Seller's responsibility for latent defects.

7. Invoices

Buyer shall have no obligation to pay for any item until a correct invoice for the item is received at the "bill to" address shown on the face of this Order. Payment terms commence upon receipt of a correct invoice subject to paragraph 2. Seller represents that the goods and/or

services covered hereby were produced in compliance with requirements of the Fair Labor Standards Act of 1938, as amended. Payment of invoices shall not constitute acceptance of the product and/or services and shall be subject to adjustment for errors, shortages, defects in the product and/or services, or other failure of Seller to meet the requirements of the Order. Buyer may at any time set off any amount owed by Buyer to Seller against any amount owed by Seller or any of its affiliated companies to Buyer.

8. Warranty

SELLER WARRANTS THAT ALL GOODS AND ALL WORK PERFORMED HEREUNDER OR PURSUANT HERETO WILL BE OF MERCHANTABLE QUALITY; FREE FROM ALL DEFECTS IN DESIGN, WORKMANSHIP AND MATERIALS. WHEN SELLER HAS KNOWLEDGE OF A PARTICULAR PURPOSE FOR WHICH THE GOODS ARE PURCHASED, THEY WILL BE FIT FOR SUCH PARTICULAR PURPOSE. THE GOODS ARE PROVIDED IN STRICT ACCORDANCE WITH THE SPECIFICATIONS AND/OR SAMPLES, DRAWINGS, DESIGNS OR OTHER REQUIREMENTS (INCLUDING PERFORMANCE SPECIFICATIONS) PROVIDED BY BUYER OR BUYER'S CUSTOMERS. THE WARRANTIES CONTAINED IN THIS SECTION SHALL BE IN ADDITION TO, AND SHALL NOT BE CONSTRUED AS RESTRICTING OR LIMITING ANY WARRANTIES OR REMEDIES OF BUYER, EXPRESS OR IMPLIED, WHICH ARE PROVIDED BY LAW. ANY ATTEMPT BY SELLER TO LIMIT, DISCLAIM OR RESTRICT ANY SUCH WARRANTIES OR REMEDIES OF BUYER, BY NOTICE OR ACKNOWLEDGEMENT IN ACCEPTING OR PERFORMING THIS ORDER SHALL BE VOID.

9. Insolvency

Buyer may immediately cancel this Order without liability to Seller in the event of the happening of any of the following or any other comparable event: (a) insolvency of the Seller; (b) filing of a voluntary petition in bankruptcy by Seller; (c) filing of any involuntary petition in bankruptcy against Seller; (d) appointment of a receiver or trustee for Seller; (e) or execution of an assignment for the benefit of creditors by Seller.

10. Cancellation for Breach

Buyer reserves the right to cancel all or any part of this Order, without liability to Seller, if Seller: (a) repudiates or breaches any of the terms of this Order, including Seller's warranties; (b) fails to perform services or deliver goods as specified by Buyer; or (c) fails to make progress so as to endanger timely and proper completion of services or delivery of goods, and does not correct such failure or breach within ten (10) days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying such failure or breach.

11. Force Majeure

Neither party shall be liable for delay in its performance of its obligations and responsibilities under this Order due to causes beyond its control, such as, but not limited to, war, embargo, national emergency, insurrection or riots, acts of public enemy, fire, flood, or other

natural disaster, provided that said party has taken reasonable measures to notify the other, in writing, of the delay. Failure of subcontractors and inability to obtain materials shall not be considered as an excusable delay. If due to such cause, Seller should be unable to meet all of its delivery commitments for items ordered hereunder as they become due, Seller shall not discriminate against Buyer or in favor of any other customer in making deliveries of such items. However, if Buyer believes that the delay or anticipated delay in Seller's deliveries may impair its ability to meet its production schedules or may otherwise interfere with its operation, Buyer may, at its option and without liability to Seller, cancel outstanding deliveries hereunder wholly or in part.

12. Termination

In addition to any other rights of Buyer to cancel or terminate this Order, Buyer may as its option immediately terminate all or any part of this Order, at any time and for any reason, by giving notice to Seller. Upon such termination, Buyer shall pay to Seller the Order price for all goods or services which have been completed in accordance with this Order and not previously paid for. Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, and general and administrative burden charges from termination of this Order. THE FOREGOING STATES BUYER'S ENTIRE LIABILITY FOR TERMINATION.

13. Intellectual Property Indemnification

Seller agrees: (a) to defend, hold harmless and indemnify Buyer, its successors and customers against all claims, demands, losses, suits, damages, liability and expenses (including reasonable attorney fees) arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, copyright or mask work right by reason of the manufacture, use or sale of the goods or services ordered, including infringement arising out of compliance with specifications furnished by Buyer, or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions; (b) to waive any claim against Buyer under the Uniform Commercial Code or otherwise, including any hold harmless or similar claim, in any way related to a claim asserted against Seller or Buyer for patent, trademark, copyright or mask work right infringement or the like, including claims arising out of compliance with specifications furnished by Buyer; (c) to grant to Buyer a worldwide, nonexclusive, royalty-free, irrevocable license to repair and have repaired, to reconstruct and have reconstructed the goods ordered hereunder; and (d) assign to Buyer all right, title and interest in and to all trademarks, copyrights and mask work rights in any material created for Buyer under this Order.

14. Technical Information Disclosed to Buyer

Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information which Seller shall have disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this Order.

15. Indemnification

IF SELLER PERFORMS ANY WORK ON BUYER'S PREMISES OR UTILIZES THE PROPERTY OF BUYER, WHETHER ON OR OFF BUYER'S PREMISES, SELLER SHALL INDEMNIFY AND HOLD BUYER, ITS OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, DEMANDS OR EXPENSES (INCLUDING ATTORNEYS' FEES) FOR DAMAGES TO THE PROPERTY OF OR INJURIES (INCLUDING DEATH) TO BUYER, ITS EMPLOYEES OR ANY OTHER PERSON ARISING FROM OR IN CONNECTION WITH SELLER'S PERFORMANCE OF WORK OR USE OF BUYER'S PROPERTY. SELLER SHALL INDEMNIFY AND HOLD BUYER, ITS OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, DAMAGES, LOSSES AND EXPENSES (INCLUDING ATTORNEYS' FEES) ON ACCOUNT OF DEATH OR INJURY TO ANY PERSON OR DAMAGE TO ANY PROPERTY ARISING FROM OR IN CONNECTION WITH ANY GOODS AND SERVICES SUPPLIED. THIS INDEMNITY SHALL APPLY WITHOUT REGARD TO WHETHER THE CLAIM, DAMAGE, LIABILITY OR EXPENSE IS BASED ON BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR OTHER TORT. THIS INDEMNITY SHALL SURVIVE DELIVERY AND ACCEPTANCE OF GOODS OR SERVICES.

16. Insurance

Seller shall maintain insurance coverage in amounts not less than the following: (a) Workers' Compensation - Statutory Limits for the state or states in which this Order is to be performed (or evidence of authority to self-insure); (b) Employer's Liability - \$250,000; (c) Comprehensive General Liability (including Products/Completed Operations and Blanket Contractual Liability) - \$1,000,000 per person, \$1,000,000 per occurrence Personal Injury, and \$1,000,000 per occurrence Property Damage, or \$1,000,000 per occurrence Personal Injury and Property Damage combined single limit; and (d) Automobile Liability (including owned, non-owned and hired vehicles) - \$1,000,000 per person, \$1,000,000 per occurrence Personal Injury and \$1,000,000 per occurrence Property Damage, or \$1,000,000 per occurrence Personal Injury and Property Damage combined single limit. At Buyer's request, Seller shall furnish to Buyer certificates of insurance setting forth the amount(s) of coverage, policy number(s) and date(s) of expiration for insurance maintained by Seller and, if further requested by Buyer, such certificates will provide that Buyer shall receive thirty (30) days' prior written notification from the insurer of any termination or reduction in the amount or scope of coverages. Seller's purchase of appropriate insurance coverage or the furnishing of certificates of insurance shall not release Seller of its obligations or liabilities under this Order. In the event of Seller's breach of this provision, Buyer shall have the right to cancel the undelivered portion of any goods or services covered by this Order and shall not be required to make further payments except for conforming goods delivered or services rendered prior to cancellation.

17. Good Title; Inventions

Seller warrants title to all goods sold and services supplied. All materials, and any inventions (whether or not patentable), works of authorship, trade secrets, ideas, concepts, trade

names and trade or service marks (collectively “Inventions”) created or prepared for Buyer, shall belong exclusively to Buyer. Seller hereby assigns all Inventions to Buyer and its assigns, except for any works for hire which do not require an assignment to vest ownership in Buyer. To the extent copyrights exist in any works of authorship, such works shall be deemed, to the extent legally permitted, to be works made for hire as that term is used in the Copyright Act of 1976. Buyer shall have the right, at Buyer’s option and expense, to seek protection by obtaining patents, copyright registrations, trademark registrations, and/or other recordation, registrations, and filings related to proprietary or intellectual property rights. Seller agrees at no charge to execute, and to cause its employees to execute, such documents including such further assignments, applications, and conveyances and to supply such information as Buyer shall request, in Order to permit Buyer to protect, perfect, register, record and maintain its rights in the Inventions and effective ownership of them throughout the world.

18. Remedies

The rights and remedies reserved to Buyer in this Order shall be cumulative, and additional to all other or further remedies provided in law or equity.

19. No Implied Waiver

The failure of either party at any time to require performance by the other party of any provision of this Order shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver of either party of a breach of any provision of this Order constitute a waiver of any succeeding breach of the same or any other provision.

20. Relationship of Parties

Seller and Buyer are independent contracting parties and nothing in this Order shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.

21. Applicable Law

This agreement shall be governed by the laws of the Commonwealth of Kentucky regardless of its conflict of laws principals. Each of the parties consents to the personal jurisdiction of the Circuit Court of Fayette County, Kentucky, and the United States District Court for the Eastern District of Kentucky in Lexington, waives any objection based upon forum non-convenience as to any action brought in such courts, and agrees that any action arising from or relating to this Order shall be brought in such courts. Seller hereby knowingly, voluntarily, and intentionally waives any right it may have to a trial by jury of any claim or controversy arising from or relating to this Order.

22. Confidential or Proprietary Information

Under Kentucky’s Open Records Act, the records submitted to the Buyer will be subject to inspection by the public, unless an exception to the Open Records Act applies. KRS 61.878(1)(c)(1) excludes from the Act’s disclosure requirements “records confidentially

disclosed to an agency...generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.” If records submitted to Buyer under this Order contain information Seller deems as confidential or proprietary, Seller shall clearly mark the records containing such information as “CONFIDENTIAL” or “PROPRIETARY.” Seller may not classify all records submitted in connection with this Order as proprietary or confidential, but rather must designate only that material that qualifies as such. Seller’s classifications of information as confidential or proprietary will not be binding upon the Buyer.

23. Severability

If any term of this Order is invalid or unenforceable under any statute, regulation, ordinance, executive Order or other rule of law, such term shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, Order or rule, and the remaining provisions of this Order shall remain in full force and effect.

24. Entire Agreement

THESE TERMS AND CONDITIONS SHALL SUPERSEDE ANY PROVISIONS, TERMS AND CONDITIONS CONTAINED ON ANY CONFIRMATION ORDER, OR OTHER WRITING SELLER MAY GIVE OR RECEIVE THAT IS NOT SIGNED BY BUYER, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED EXCLUSIVELY BY THE PROVISIONS, TERMS AND CONDITIONS HEREOF. BUYER MAKES NO REPRESENTATIONS OR WARRANTIES CONCERNING THIS ORDER EXCEPT SUCH AS ARE EXPRESSLY CONTAINED HEREIN, AND THIS ORDER MAY NOT BE CHANGED OR MODIFIED ORALLY.

25. Non-Assignment

Seller may not assign or delegate its obligations under this Order without Buyer’s prior written consent.

26. Legal Compliance

Seller warrants that all goods and services furnished shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances.

27. Nondiscrimination

During the performance of this Agreement, Seller, for itself, its assignees and successor interest, agrees as follows:

(a) Compliance with Regulations. Seller shall comply with regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereafter, the “DOT”) Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the “Regulations”), which are herein incorporated by reference and made a part of this Agreement.

(b) Nondiscrimination. Seller, with regard to the work performed by it during this Agreement, shall not discriminate on the grounds of race, color, national origin, sex or creed in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Seller shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the Agreement covers a program set forth in Appendix B of the Regulations.

(c) Solicitations for Subcontractors, including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiations made by Seller for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor supplier shall be notified by Seller of Seller's obligations under this Agreement and the Regulations relative to nondiscrimination on the grounds of race, color, national origin, sex or creed.

(d) Information and Reports. Seller shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Buyer or the Federal Aviation Administration (the "FAA") to be the pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of Seller is in exclusive possession of another who fails or refuses to furnish this information, Seller shall so certify to the Buyer or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

(e) Sanctions for Noncompliance. In the event of Seller's noncompliance with the nondiscrimination provisions of this Agreement, the Buyer shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- Withholding of payments to Seller under the Agreement until Seller complies, and/or
- Cancellation, termination, or suspension of the Agreement, in whole or in part.

(f) Incorporation of Provisions. Seller shall include the provisions of paragraphs (a) through (e) in every subcontract, including procurements of materials and leases or equipment, unless exempt by the Regulations or directives issued pursuant thereto. Seller shall take such action with respect to any subcontract or procurement as the Buyer or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event Seller becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, Seller may request the Buyer to enter into such litigation to protect the interests of the Buyer and, in addition, Seller may request the United States to enter into such litigation to protect the interests of the United States.

(g) General Civil Rights Provision. When Applicable Law requires, Seller shall comply with the following: Seller assures that it will comply with pertinent statutes, Executive Orders, and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates Seller or its

transferee for the period during which Federal assistance is extended to the airport program except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, this provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property used by the Buyer or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar Services or benefits; or (b) the period during which the Buyer or any transferee retains ownership or possession of the property. As applicable, this provision binds Seller from the proposal solicitation period through the completion of this Agreement. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

28. Disadvantaged Business Enterprises

The following applies only to federally funded Orders.

During the performance of this Agreement, Seller, for itself, its assignees and successor interest, agrees as follows:

Policy: It is the policy of the DOT that disadvantaged business enterprises (“DBE”) as defined in 49 CFR Part 26 (“Part 26”) shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of Part 26 apply to this Agreement.

Contract Assurance: Seller shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. Seller shall carry out applicable requirements of Part 26 in the award and administration of DOT assisted contracts. Failure by Seller to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the Buyer deems appropriate.

Prompt Payment: Seller agrees to pay each subcontractor under this Agreement for satisfactory performance of its contract no later than thirty (30) days from the receipt of each payment Seller receives from the Buyer. Seller agrees further to return retainage payments to each subcontractor within thirty (30) days after the subcontractor’s work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Buyer. This clause applies to both DBE and non-DBE subcontractors.