

ADDITIONAL TERMS OF PURCHASE

1. ACCEPTANCE: Seller's written acknowledgment of this Purchase Order, commencement of work on the goods or services specified herein, or shipment of such goods, whichever first occurs, shall constitute Seller's acceptance of this Purchase Order. Acceptance of this Purchase Order is expressly limited to the terms contained on both sides hereof. Any proposal by Seller for additional or different terms, or any attempt by Seller to vary in any degree any of the terms of this Purchase Order in Seller's acceptance, is hereby objected to and rejected, but such proposals shall not operate as a rejection by Seller of the offer made in this Purchase Order unless such variances are in the Specification, quantity, price or delivery schedule for the goods or services, but shall be deemed a material alteration thereof, and this Purchase Order shall be deemed accepted by Seller without said additional or different terms. If this Purchase Order shall be deemed an acceptance by Buyer of a prior offer by Seller, such acceptance is expressly limited to the terms contained on both sides hereof. Additional or different terms in Seller's prior offer or any attempt by Seller to vary in any degree any of the terms of the Purchase Order shall be deemed material and are objected to and rejected, but this Purchase Order shall not operate as a rejection of the Seller's prior offer unless such offer contains variances in the Specification, quantity, price or delivery schedule for the goods or services. Buyer reserves the right to revoke its offer at any time before the Seller accepts. The terms of the Purchase Order are conclusively presumed from the Seller's failure to object in writing within seven (7) days of the receipt of the Purchase Order.

2. SPECIFICATION/CHANGES. The term "Specification" as used herein shall mean any drawing, part number or other description of the goods or services to be provided hereunder appearing or referred to on the face hereof or attached hereto and shall become part of the terms hereof. Buyer may at any time make changes in the Specification, time or place of delivery or performance, or method of transportation. Any difference in price or time for performance resulting from such changes shall be equitably adjusted by agreement of the parties and this Purchase Order shall be modified in writing accordingly.

3. BUYER'S COMMITMENT: Buyer is not committed to purchase any goods or services except in such quantity and at such price as may be set forth on the face hereof or on a separate release issued hereunder. Such releases shall reference this Purchase Order by number and, when issued, such releases, including all conditions on both sides thereof, shall become part hereof.

4. DELIVERY: Seller agrees that time is of the essence in this Purchase Order, and it is Seller's responsibility to cause timely shipment of the proper quantity for goods and timely providing of services as specified herein. Seller shall not make material or labor commitments or production arrangements in excess of the amount or in advance of the time necessary to comply with this Purchase Order. Goods shipped to Buyer in advance of the schedule or exceeding or otherwise varying from the quantities specified in this Purchase Order may, at Buyer's election, be returned to Seller at Seller's expense. All goods must be delivered in one lot unless Buyer requests delivery in portions. Risk of loss of the goods passes to the Buyer at the time the goods are actually received by the Buyer. If shipment other than as specified in the Purchase Order becomes necessary to fulfill the Buyer's delivery obligations, the Seller will be responsible for any excess charges that may be incurred.

5. TERMINATION FOR CONVENIENCE: Buyer may terminate this Purchase Order, or any part hereof, for its sole convenience by giving written notice of termination to Seller. Upon Seller's receipt of such notice, Seller shall, unless otherwise specified in such notice, immediately stop all work hereunder and give prompt written notice to and cause all of its suppliers or subcontractors to cease all related work. Seller shall be paid the price specified herein for goods completed, shipped and acceptable to Buyer, or for services provided and acceptable to Buyer, prior to Seller's receipt of such notice, plus reasonable direct costs actually resulting from such termination. Seller shall not be paid for any work done after receipt of such notice nor for any costs incurred by Seller's suppliers or subcontractors after their receipt of Seller's termination notice or for work which Seller could reasonably have avoided. If Buyer terminates for convenience, Buyer will not be liable to the Seller. Termination for convenience will not constitute an election of remedies under law or equity.

6. TERMINATION FOR CAUSE: By written notice to Seller, Buyer may terminate this Purchase Order, or any part thereof, for cause including Seller's failure to comply with any term of this Purchase Order, or if it should be alleged that goods or services to be provided hereunder infringe any patent, trademark, or copyright, or if Seller fails, upon request, to provide Buyer with reasonable assurances of future performance. If this Purchase Order is terminated under this paragraph, Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for any and all damages sustained by reason of such termination. If Buyer terminates for cause, Buyer will not be liable to the Seller. Termination for cause will not constitute an election of remedies under law or equity.

7. INSPECTION/TESTING: Payment for goods or services provided hereunder or inspection of testing hereof by Buyer shall not constitute acceptance thereof or relieve Seller of its obligations hereunder. Buyer may inspect goods provided hereunder and reject any or all goods which are, in Buyer's judgment, defective, or otherwise do not conform with the Specifications or other requirements of this Purchase Order. Goods rejected may be returned to Seller at Seller's expense and, in addition to Buyer's other rights, Buyer may charge Seller all expenses relating to such inspection and return. If Buyer receives goods with a defect or nonconformity not reasonably apparent on inspection, Buyer reserves the right to require replacement thereof by Seller, as well as payment of damages. Buyer may require Seller to provide, or cause to be provided, to Buyer's satisfaction, any services previously rendered in a negligent, defective or unworkmanlike manner or which are not in compliance with the Specification or other requirements of this Purchase Order and to pay to Buyer any damages arising therefrom. Nothing contained in the Specification or this Purchase Order shall relieve Seller from its obligation of testing, inspection and quality control. Buyer's inspection or testing of the goods does not limit or impair its right to assert any legal or equitable remedies. To the extent Buyer rejects non-conforming goods, the quantity specified under the Purchase Order will automatically be reduced, and the Seller will not replace non-conforming goods without first receiving a new Purchase Order from Buyer. The risk of loss on non-conforming goods remains with the Seller.

8. GOODS AND SERVICES WARRANTY: Seller warrants that all goods and services provided hereunder shall conform to the Specification, and all applicable samples, models, drawings and standard, and shall be new, merchantable, safe and free from defect in design, material and workmanship. Seller warrants that all such goods and services shall conform to any statements made on the containers, labels, or advertisements therefor. Seller warrants that all such goods and services shall be designed, manufactured, labeled, tested, inspected, packaged, shipped and/or provided in compliance with all applicable laws, regulations, carrier, tariffs and classifications and with Buyer's requirements. If Seller knows or has reason to know of the particular purpose for which Buyer intends to use such goods or services, Seller warrants that such goods or the providing of such services shall be fit and sufficient for such particular purpose. Seller warrants that neither the manufacture, use or sale of such goods, nor the providing of such services, nor any marking or labeling associated therewith, shall infringe any patent, trademark, or copyright or constitute unfair competition. Buyer's inspection, test, acceptance or use of the goods or services provided hereunder shall not affect Seller's obligation under the aforesaid warranties, and such warranties shall survive such inspection, test, acceptance and use. All of Seller's warranties hereunder shall run to Buyer, Buyer's successors, assigns and customers and users of products sold by Buyer incorporating such goods or services.

9. PRICE WARRANTY: Seller warrants that prices specified in this Purchase Order are complete, and that no additional charges of any type shall be added without Buyer's prior written consent, including but not limited to charges for boxing, packaging, crating, labeling, storage, cartage, insurance, taxes, brokerage fees and customs duties. Buyer will have the advantage of a lower price if the Seller reduces the price prior to the shipping date.

10. INDEPENDENT CONTRACTOR SERVICES: Seller's obligations hereunder require or contemplate the providing of services by Seller's employees, or persons under contract to or the control of Seller, on Buyer's property, or on property of Buyer's customers. Seller shall provide such services only as an independent contractor, and the persons providing such services shall not be considered Buyer's employees or agents. Seller shall maintain policies of Comprehensive General Liability Insurance, Auto Liability Insurance, Worker's Compensation Insurance and Employer's Liability Insurance, in such

amounts and with such companies and containing such other provisions as shall be reasonable and satisfactory to Buyer, covering services provided hereunder, and Seller shall defend, indemnify and hold harmless Buyer from all claims and liabilities arising out of the services provided hereunder.

11. INDEMNIFICATION: Seller shall protect, defend and hold harmless and indemnify Buyer and Buyer's successors, assigns, agents and customers (including Buyer's distributors and dealers) from and against any and all claims, actions, liabilities, damages, losses, costs and expenses (including attorney's fees) arising out of any (1) actual or alleged infringements of any patent, trademark or copyright by reason of the manufacture, use or sale of any goods or the providing of any services hereunder, or any unfair competition involving such goods or services, (2) actual or alleged death of or injury to any person, damage to property, or any other damage or loss by whomsoever suffered including Buyer, resulting or claimed to result in whole or in part from any actual or alleged (a) defect in such goods, whether latent or patent, including actual or alleged improper construction or design of such goods or the failure of such goods to comply with the Specification or with any express or implied warranties of Seller, or (b) negligence or defective workmanship in the providing of such services or the failure of such services to comply with the Specification or with any express or implied warranties of Seller, or (3) actual or alleged violation by such goods or services, of their manufacture possession, providing use or sale of any law, statute or ordinance or any governmental administrative order, rule or regulation. Seller's obligations hereunder shall not be affected or limited in any way by Buyer's extension of express or implied warranties to its customers except to the extent that any such warranties of Buyer expressly extend beyond the scope of Seller's warranties, express or implied, to Buyer.

12. INSURANCE: Seller agrees to obtain and maintain, at its expense, Product Liability Insurance with Seller's Endorsement naming Buyer, in such amounts and with such companies and containing such other provisions as shall be satisfactory to Buyer, covering goods sold to Buyer hereunder. Such insurance shall provide that inclusion of Seller's goods as a component part in Buyer's manufactured or assembled product will not exclude coverage pursuant to the Seller's Endorsement, unless the component is materially altered or damaged by the Buyer, and that the coverage thereunder shall not be terminated without at least thirty (30) days prior written notice to Buyer. Seller shall provide Buyer upon request with a Certificate of Insurance and a copy of such Seller's Endorsement.

13. CONSUMER PRODUCT SAFETY: Seller shall notify Buyer immediately if any goods or services provided hereunder (1) fail to comply with any applicable consumer product safety rule, including, but not limited to, those promulgated by the Consumer Product Safety Commission, or (2) contain a defect which could create a risk of injury to the public.

14. PURCHASE OF TOOLING/DIES: If Seller's obligation hereunder is, in whole or in part, to design, manufacture, install and/or make ready for use tools, dies, jigs, patterns, fixtures, stylemasters and/or other like equipment ("Tooling"), Seller shall, upon request and completion of the design, supply construction drawings and specification thereof for Buyer's prior review and comment, and Seller shall not commence manufacture of such Tooling until Buyer authorizes same based on such review. Payment for such Tooling will not be made by Buyer until Seller has installed, tested and demonstrated to Buyer's satisfaction that the Tooling (1) complies fully with all applicable specifications, and (2) produces goods acceptable to Buyer in compliance with the Specification for such goods. Seller shall furnish upon request reproducible copies of "as built" drawings and specifications and such manuals, instruction and the like as shall be required by Buyer, including without limitation those required to install, operate, maintain and repair the Tooling. The price specified to Tooling herein is completed and includes all consideration to be paid, Seller to design, manufacture, install and make the Tooling ready for production use and supply such written materials and instruction.

15. CONSIGNMENT OF TOOLING/DIES: All Tooling, all replacements thereof, and all unique equipment or material fixed or attached thereto or used for or in connection therewith ("Tooling, Replacement & Accessories") supplied or paid for by Buyer hereunder shall remain Buyer's property, and Seller shall promptly comply with all reasonable use, storage, disposal and shipping instructions furnished by Buyer in respect thereof. All Tooling, Replacement & Accessories and, whenever applicable, each individual item thereof, shall be plainly marked, labeled or otherwise permanently identified with Buyer's legally

incorporated name and fixed asset number in a manner reasonably acceptable to Buyer. Seller shall maintain and upon request furnish to Buyer a current written inventory identifying each item of Tooling, Replacement & Accessories in Seller's possession. Tooling, Replacement & Accessories shall not be used to produce goods for third persons without Buyer's prior written consent. Seller shall, at its expense, maintain all Tooling, Replacement & Accessories in good condition and repair and adequately insured and identify Buyer for all damage to or loss of Tooling, Replacement & Accessories.

16. FORCE MAJEURE: Buyer or Seller may delay the shipment of goods or providing of services hereunder occasioned by causes beyond its reasonable control, and each shall give the other prompt notice of any such possible delay. Under such circumstances, Seller shall hold such goods or delay the providing of such services at the direction of Buyer and shall ship or provide them when the cause affecting the delay has been removed. Buyer shall be responsible only for Seller's reasonable direct additional costs in holding the goods, delaying the providing of the services or otherwise delaying performance hereunder at Buyer's request. Causes beyond each party's reasonable control include, but are not limited to, government action or failure of the government to act where such action is required, strike, lock-out or other labor trouble, fire, or unusually severe weather.

17. PROPRIETARY INFORMATION/CONFIDENTIALITY ADVERTISING: Seller shall consider the Specification and all other information provided by Buyer hereunder to be confidential and the property of Buyer, and shall hold and use same for the sole benefit of Buyer. Seller shall not disclose the Specification or such other information to, nor use or reproduce it for, any third party, or perform any act adverse to the interests of Buyer with respect to the Specification or such other information without the prior written consent of Buyer. Such other information includes but is not limited to samples, models, drawings, data in machine readable form, descriptions of goods or services, prices and other documents prepared by Seller or Buyer for or in connection with this Purchase Order. Seller shall not advertise or publish the fact that Buyer has contracted to purchase goods or services from Seller, nor shall the Specification, any release or any other information relating to this Purchase Order be disclosed without Buyer's prior written approval. Unless otherwise agreed to in writing, Buyer shall have no obligation to treat as proprietary or confidential or as having been received under any confidential or fiduciary relationship, or to retain in confidence, any commercial, financial or technical information disclosed in any manner or at any time by Seller to Buyer, and Seller shall have no rights against Buyer with respect thereto except such rights as may be listed under patent, trademark or copyright laws.

18. BUYER'S IDENTIFICATION: Seller shall comply with Buyer's direction to mark or otherwise label goods or services provided hereunder with a part number or other code or a trademark or trademark of, or other reference to Buyer ("Buyer's Identification"). Buyer's direction to so mark or otherwise label such goods or services is expressly limited to goods or services provided hereunder, and Seller agrees not to sell or otherwise dispose of any such goods or services bearing Buyer's identification to any other person or to use Buyer's Identification in Seller's advertising or to otherwise promote Seller's sales, without first removing Buyer's Identification or obtaining Buyer's express written consent.

19. ENTIRE AGREEMENT: The terms on both sides hereof and any releases, specification, and other documents incorporated into such terms by Buyer's reference shall constitute the terms of the Purchase Order and the entire agreement between Buyer and Seller. The agreement between the parties cannot be modified except by a written agreement signed by an authorized representative to the Buyer.

20. APPLICABLE LAW: The entire agreement between the parties shall be deemed to be made and entered into pursuant to, and in the event of any dispute hereunder such entire agreement shall be governed by and construed in accordance with, laws of the State of Tennessee "without regard to its rules on the conflicts of the law". All litigation arising out of the Purchase Order will be brought in the courts of Davidson County, Tennessee.

21. ASSIGNMENT AND SUBCONTRACTING: No part of the Purchase Order may be assigned or subcontracted without the prior written approval of Buyer. Buyer has the express right to assign the Purchase Order.

22. SETOFF: All claims by Seller for money due or to become due from Buyer shall be subject to deduction or setoff by Buyer by reason of any counterclaim arising out of this or any other transaction between Buyer and Seller.

22. WAIVER: Neither Buyer's delay in exercising or Buyer's failure to exercise any of these rights hereunder nor Buyer's acquiescence in or waiver of Seller's breach of any term, provision or condition of this Purchase Order, shall be deemed or construed to operate as Buyer's continuing waiver of any such rights or Buyer's continuing waiver of or acquiescence in such breaches.

23. LIMITATION ON BUYER'S LIABILITY/STATE OF LIMITATIONS: ANY LEGAL ACTION AGAINST BUYER BASED ON BUYER'S ALLEGED BREACH OF ITS OBLIGATIONS HEREUNDER MUST BE COMMENCED WITHIN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED. IN NO EVENT SHALL BUYER BE LIABLE FOR ANTICIPATED PROFITS OR FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES RELATING TO SUCH BREACH. BUYER'S LIABILITY FOR ANY SUCH BREACH SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE GOODS OR SERVICES. BUYER SHALL NOT BE LIABLE FOR PENALTIES OF ANY DESCRIPTION.

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25. COMPLIANCE: The Seller's invoice will certify that goods or services provided to Buyer will be in compliance with various laws and regulations such as the Fair Labor Standards Act and the Hazardous Materials Transportation Act.

26. INSOLVENCY: Buyer may cancel the order and take any other action permitted by law without any liability to Buyer upon happening of certain events, such as (i) the insolvency of the Seller, the filing of a voluntary petition in bankruptcy by the Seller, (ii) the filing of an involuntary petition in bankruptcy against the Seller, (iii) the appointment of a receiver or trustee for the Seller, or (iv) the execution of an assignment for the benefit of creditors of the Seller.

27. INTELLECTUAL PROPERTY: The Seller waives any intellectual property claim against Buyer under the UCC or otherwise and assigns to Buyer all right, title and interest to all trademarks, copyrights and mask work rights and any material created for Buyer under the Purchase Order.

28. CONTRACT ELECTRONICALLY: The Seller hereby agrees to contract electronically with Buyer. Buyer may modify these terms and conditions by posting such modifications on its website located at www.milestonetiles.com, or at any other related internet address (the "Site"). Buyer may modify these terms and conditions at any time, at its discretion, and modifications are effective upon being posted on the Site. Seller is responsible for reviewing the Site to ensure that Seller is aware of any changes made to these terms and conditions.

29. CONTACT INFORMATION: All Seller inquiries related to the Site, this Purchase Order, the Specifications the goods or services should be directed to:

Florim USA, Inc.
Customer Service Dept.
300 International Blvd.
Clarksville, TN 37040
Phone: 1-877-Florim1 (356-7461)
Fax: 931-647-5974

Web Email: www.milestonetiles.com/en/contacts/