

ROCKY MOUNTAIN STEEL MILLS

EVRAZ OREGON STEEL MILLS

TERMS & CONDITIONS

Customer may from time to time, order steel products and services ("**Products**") from CF&I Steel, L.P. doing business as Rocky Mountain Steel Mills, Inc., a division of Evraz Oregon Steel Mills, Inc. (collectively, "**RMSM**"), and RMSM may, in its sole discretion, agree to sell Products to Customer. If RMSM accepts Customer's order for Products, these Terms and Conditions shall constitute the terms of such sale and purchase for both parties. Customer's purchase order for any Products shall be deemed to be Customer's acceptance of these Terms and Conditions, notwithstanding the fact that Customer's purchase order may contain different terms from or additional to the terms contained herein; in such event, such different or additional Customer terms shall not be included with the parties' agreement. Once Customer's order has been accepted by RMSM, it may not be cancelled or modified without RMSM's written consent. RMSM reserves the right to modify, amend, or submit new Terms and Conditions, and if RMSM so elects, RMSM shall provide to Customer such modified, amended, or new Terms and Conditions. Thereafter, Customer's subsequent submittal to RMSM of a purchase order shall operate as Customer's acceptance in their entirety of any such modified, amended or new Terms and Conditions.

1. PRICING

- i) The price for Products shall be RMSM's price and charges in effect at time of RMSM's mill order acknowledgement and shall be specified on RMSM's invoice for the Products.
- ii) No prompt payment discounts are available for transportation charges or taxes.

2. TERMS OF PAYMENT

- i) The terms of payment set forth in a mill order acknowledgement prepared by RMSM will control. If no such acknowledgement was prepared or the acknowledgement does not contain terms of payment, then the terms of payment will be determined by RMSM's invoice. If RMSM's invoice does not contain such terms of payment, then the payment terms are:
 - a. pipe (Prime) – 2% 25, NET 60 days from date of invoice;
 - b. pipe (non-prime) – NET 30 days from date of invoice;
 - c. rod & bar (prime) – 1% 10, NET 30 days from date of invoice Truck or Customer Truck;
 - d. rod & bar (prime) – 1% 20, NET 40 days from date of invoice on Rail direct or Rail/Truck;
 - e. rail – ½% 10, NET 30 days; and NET 30 days;
 - f. for all other Products – NET 30 days.
- ii) Invoices shall be paid in U.S. funds at the RMSM address shown on the invoice. All Products sold are invoiced F.O.B. RMSM's mill. (should be FOB as listed on sales order)
- iii) A service charge on all past due accounts will accrue at the rate of 1 ½% per month or the maximum allowed by law, whichever is less.
- iv) All prices are subject to the addition of any present or future applicable sales, excise, use or other taxes or duties imposed by any governmental authority. All such taxes and duties, unless otherwise expressly stipulated, shall be added to and become a part of the price payable by the Customer to RMSM. All drawbacks of duties paid on materials entering into the manufacture of Products shall accrue to RMSM, and Customer agrees to furnish RMSM all documents necessary to obtain payment of such drawbacks and to cooperate with RMSM in obtaining such payment.
- v) If the purchase price for the Products includes transportation charges, any changes in such transportation charges shall be for the Customer's account and reflected on the invoice.

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3. SECURITY INTEREST

Customer hereby grants to RMSM and RMSM retains security interest in all Products sold to Customer by RMSM and all products, accounts and proceeds therefrom.

4. DEFAULT

- i) Customer shall be in default upon the occurrence of any of the following:
- ii) Customer fails to make any payment when due;
- iii) Customer fails to make, keep or perform any provision of the Terms and Conditions;
- iv) Customer makes or has made any false representation to RMSM;
- v) RMSM has reasonable grounds to conclude that Customer will be unable to perform its payment or other obligations to RMSM or RMSM reasonably deems itself or any of the Products are insecure.
- vi) Customer becomes insolvent, commits an act of bankruptcy, makes an assignment for the benefits of creditors, Customer's affairs or assets; or
- vii) Customer discontinues business, dissolves, sells or otherwise ceases doing business.

5. COLLECTION, ATTORNEY FEES AND COST

- i) Customer shall be liable for all reasonable costs incurred by RMSM to enforce any provision of these Terms and Conditions, including but not limited to; taking possession, transportation, storage and disposition charges for any Products ordered by the Customer and for all attorney fees incurred at arbitration, trial, on appeal, review, or in Bankruptcy Court or incurred without action, suit or proceeding, together with all costs and expenses including collections.
- ii) If Customer defaults, RMSM shall have the right to accelerate all amounts owed by Customer to RMSM under this or any other agreement; shall have the right to repossess and realize upon RMSM's collateral; and shall have all the rights and remedies afforded a secured creditor under the Uniform Commercial Code and all other rights and remedies under Colorado law. RMSM shall be under no obligation to accept, process, ship or handle any of Customer's orders when a Customer is in default under these Terms and Conditions.

6. GOVERNING LAW AND ARBITRATION

- i) These terms and conditions shall be governed by the laws of the State of Oregon. Customer agrees that any action to enforce these Terms and Conditions shall be subject to binding, mandatory arbitration under the authority of the American Arbitration Association and any such arbitration shall be conducted in Pueblo, Colorado. Customer agrees that it shall be subject to jurisdiction in Oregon. In all cases, the parties waive any right to trial by jury.

7. DELAYS AND FORCE MAJEURE

- i) Any delay in shipment or delivery for any reason of any portion of the Products shall not relieve Customer of its obligations on any issued invoice. RMSM shall not be liable for any direct, indirect, third party or consequential claims or damages arising from any such delay. Delivery dates are estimates only and actual shipment and delivery dates may differ from delivery date estimates. RMSM shall not be deemed in default, nor shall RMSM be responsible or liable in any way to Customer, for any delay in performance, delay in delivery or for any loss or damage to Products from causes beyond RMSM's reasonable control, including without limitation, any fire, flood, strike, act or omission or any governmental authority, insurrection, labor trouble, terrorist act, or unavailability of materials, equipment or transportation.

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8. RISK OF LOSS

- i) Risk of loss of the Products shall be upon the Customer at all times after RMSM's delivery of the Products to a carrier at RMSM's plant. Customer shall procure all insurance for all Products at the time at which risk of loss passes to Customer.

9. SUBCONTRACTING

- i) RMSM may, in its sole discretion, elect to subcontract the engineering, manufacturing, fabrication, or testing of all or any part of the Products.

10. PERFORMANCE

- i) RMSM may deliver the Products in installments unless otherwise stated in the mill order acknowledgement prepared by RMSM, and may render separate invoices, which invoices shall be paid when due, without regard to subsequent deliveries. Delay in performance or delivery of any installment shall not relieve Customer of its obligation to accept and pay for prior or any remaining deliveries.

11. LIMITED WARRANTY; DISCLAIMER OF ALL OTHER WARRANTIES

- i) RMSM warrants that the Products shall meet applicable specifications and tolerances allowed by the American Society for Testing Materials ("ASTM"), latest published edition, or shall conform to such other specifications as stated in the mill order acknowledgement prepared by RMSM. Conformance with the foregoing tolerances and specifications shall be conclusively established by tests performed in RMSM's laboratory.
- ii) EXCEPT AS STATED IN PARAGRAPH 11. i), RMSM MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER, EXPRESSED OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, AND RMSM HEREBY EXPRESSLY DISCLAIMS AND EXCLUDES FROM A CONTRACT ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTY OF ANY KIND, INCLUDING AN IMPLIED WARRANTY THROUGH A COURSE OF DEALINGS OR USAGE OF TRADE.
- iii) WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, RMSM SHALL NOT BE LIABLE FOR ANY FAILURE OF ASTM OR SUCH OTHER SPECIFICATIONS TO MEET CUSTOMER'S REQUIREMENTS.
- iv) RMSM EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION CONCERNING THE EFFECTIVENESS, AS AN OXIDATION PREVENTATIVE OR FOR ANY OTHER USE OR PURPOSE OF ANY PAINT OR PRIMER COAT APPLIED.
- v) RMSM DOES NOT WARRANT THE PRODUCTS TO ANY THIRD PARTY FOR ANY PURPOSE OR USE WHATSOEVER.

12. CLAIMS AND LIMITATION OF REMEDIES

- i) Customer shall promptly inspect the Products at the place of destination promptly upon arrival, or may inspect the Product at point of origin. Upon discovery of a potentially defective Product, Customer must provide written notice of Customer's claim to RMSM's Quality Department within 30 days of receipt of the Products, and prior to incurring any repair costs. If the material defect is such that it is not evident at the time of receipt, RMSM must be notified in writing within 30 days of the discovery of the defect.
- ii) Any claim by the Customer due to a breach of warranty will be waived unless Customer gives RMSM written notice thereof within 30 days after Customer's receipt of Product.
- iii) Customer's exclusive warranty claim remedies are limited to RMSM's choice of:

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- a. the repair of defects up to the cost of the Product with RMSM's consent prior to repairs are made,
 - b. the replacement of defective Products with conforming Products at the F.O.B. RMSM's mill,
 - c. the repayment of any portion of the piece received by RMSM, or
 - d. the granting of a reasonable allowance on account of such defects.
- iv) Repair or replacement of defective Products, or repayment of the purchase price will be made only upon the return of the defective Products, which shall not be returned until RMSM has consented thereto and has delivered to Customer written shipping instructions.
- v) Customer has no right to revoke acceptance of the Products. Customer may reject acceptance of Products only for defects substantially impairing their value and for no other reason. Customer's exclusive remedy for lesser defects shall be for breach of an express warranty contained herein.
- vi) RMSM shall be given reasonable opportunity to investigate all claims and to inspect allegedly defective Products.
- vii) *CUSTOMER HEREBY AGREES TO INDEMNIFY AND HOLD RMSM AND RMSM'S OFFICERS, EMPLOYEES, AGENTS, AND DIRECTORS HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, ACTIONS, OR SUITS BY THIRD PARTIES ARISING FROM THE SALE OR USE OF THE PRODUCTS, EXCEPTING ONLY THOSE LOSSES CAUSED SOLELY BY RMSM'S GROSS NEGLIGENCE.*
- viii) IN NO EVENT SHALL RMSM HAVE ANY LIABILITY TO CUSTOMER IN CONTRACT, TORT, OR OTHERWISE, FOR ANY OF CUSTOMER'S INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR CONTINGENT DAMAGES OF ANY TYPE WHATSOEVER, INCLUDING WITHOUT LIMITATION ANY OF CUSTOMER'S LOST REVENUES, PROFITS, CONTRACTS, OR BUSINESS.
- ix) Any action by Customer against RMSM for breach of warranty or for any other claim, whether in tort or contract, must be commenced within one year of the delivery of the Products.

13. NO VERBAL AGREEMENTS

- i) RMSM does not enter into verbal agreements. All agreements, contracts, terms, pricing, or any other instrument must be in writing and signed by authorized management of RMSM. Any promise, representation or inducement made by any agent or person in the RMSM's employ which is not embodied within this document or another written document executed and approved by duly appointed representative of RMSM is not binding.

14. MISCELLANEOUS

- i) Customer may not assign this agreement, except with the prior written consent of authorized RMSM management.
- ii) The entire agreement of the parties is contained in (1) these Terms and Conditions, (2) RMSM's invoice, (3) the mill order acknowledgement prepared by RMSM, and (4) Customer's purchase order but only for the limited purpose of establishing Customer's acceptance of these Terms and Conditions and the type and quantity of the Products purchased (collectively, the "**Documents**"). Any prior understandings, agreements and representations, oral or written, shall be deemed superseded by the Documents.
- iii) Stenographic, computer and clerical errors, whether mathematical computations or otherwise, made by RMSM on either an acknowledgement or an invoice issued to Customer shall be subject to correction and is not binding on RMSM.