

**MICHAEL EDWARDS CUSTOM CABINETS & CLOSETS, INC.'S
ADDITIONAL TERMS AND CONDITIONS**

By accepting and executing MICHAEL EDWARDS CUSTOM CABINETS & CLOSETS, INC.'s Contract, Purchaser agrees to be bound by the following additional terms and conditions:

PAYMENT TERMS. Any invoices sent to Purchaser are due and payable in Michael Edwards Custom Cabinets & Closets, Inc. (hereinafter "MECC")'s office located at 6305 Camp Bullis Rd., San Antonio, Texas 78257. Payment of invoices are due in MECC's office within ten (10) days of the delivery of an invoice to Purchaser. Invoices not paid under these terms shall be considered past due, and are immediately subject to interest accruing at the rate of 1.5% per month.

MATERIALS. If the materials to be supplied under a Contract with Purchaser should become temporarily or permanently unavailable for reasons beyond the control and without the fault of MECC, then in the case of such a temporary unavailability, the time for performance of the work shall be extended to the extent thereof, and in the case of permanent unavailability, MECC shall (a) be excused from furnishing said materials, and (b) be reimbursed for the difference (if any) between the cost of the materials permanently unavailable and the cost of a reasonably available substitute therefore.

ESCALATION CLAUSE. If, during the performance of this Contract, the price of material significantly increases through no fault of MECC, the price shall be equitably adjusted an amount reasonably necessary to cover any such significant price increases by change order in accordance with the procedures of any Contract Documents. As used herein, a significant price increase shall mean any increase in price exceeding 5% between the date of this Contract and the actual start date of the applicable work. Such price increases shall be documented through quotes, invoices or receipts from suppliers or vendors.

WARRANTY. All work is to be completed in a good and workmanlike manner according to standard industry practices. MECC warrants cabinetry to be free of defects in material or workmanship for one (1) year on the Custom Line, and three (3) years on All Other Lines. In all cabinet lines, the warranty on cabinet finish is for one (1) year and excludes damages caused by liquid, chemical, fire damage, wear and tear, misuse, and non-residential use. THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. If Purchaser fails to pay all invoices in full, it is agreed that there shall be no warranties provided by MECC.

OPPORTUNITY TO CURE. Upon receipt of a written notice of defective work or warranty claim from Purchaser, MECC shall, within five (5) business days, commence curative action to resolve the defect, and such actions shall continue until matter is resolved.

LIMITATION OF LIABILITY. Purchaser agrees that MECC shall not be liable for any special, indirect or consequential damages, including loss of use, arising in any manner for the material furnished or the work performed pursuant to the Contract. MECC liability for damages under this Contract is limited to the amount paid by Purchaser to MECC under the Contract.

DELAYS. MECC shall not be liable for any delay damages in the performance of the work resulting from, including but not limited to, acts of God, labor disturbance, sabotage, failure of

suppliers of materials, inability to obtain materials, vandalism, act of the public enemy, war, invasion, insurrection, riot, fire, storms, floods, ice, earthquake, explosion, epidemic, pandemic, accident to machinery or equipment, loss of power, or any other cause or causes beyond MECC's reasonable control.

VENUE. In the event legal action is commenced to enforce the terms of this agreement or payment obligations, venue for such legal action is agreed to be in Bexar County, Texas. The Purchaser agrees to pay to MECC whatever sum the court determines to be reasonable attorney's fees, plus all expert witness fees, expenses and costs incurred.

DISPUTES. If a controversy or dispute arises out of this Contract, or the performance thereof, the parties shall first use their best efforts to settle the dispute, initiated by written notice of the dispute from one party to the other, followed by good faith discussions between the parties. If the dispute cannot be settled through such direct discussions within a reasonable time, upon written request for mediation from a party hereto, the parties agree to submit the matter to mediation with a mutually acceptable single mediator. Mediator fees shall be split between the parties. If mediation fails, or does not take place within 60 days of receipt of the written request, at Contractor's sole discretion, the controversy or dispute shall be resolved by either litigation, or binding arbitration under the American Arbitration Association ("AAA"), in accordance with its Construction Industry Rules. Mediation, litigation (or arbitration) shall be conducted in San Antonio, Bexar County, Texas. The parties are free to select a single arbitrator to hear the dispute who is not with the AAA, but the Construction Industry Rules shall still apply. This Agreement is subject to the Federal Arbitration Act. 9 USC §§1-16.

SURVIVAL. If any term, condition and/or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be deemed invalid or unenforceable, the remainder of the Contract terms or the application of such terms, other than those which are held to be invalid or unenforceable, shall not be affected thereby, and each term, condition and/or provision of this Contract shall survive be valid and be enforceable to the fullest extent allowed by law.

MERGER CLAUSE. This Contract constitutes the entire agreement between the parties hereto, and supersedes all prior agreements, whether written or oral, and no amendment or modification of this Contract shall be binding unless executed in writing by the parties hereto.