

GENERAL TERMS AND CONDITIONS

ENTIRE CONTRACT

The provisions herein contained constitute all of the terms and conditions of this Contract. No changes or additions hereto shall be binding upon VFPS unless in writing and signed by an authorized representative of VFPS.

PROPOSALS AND CONTRACT

VFPS' proposal, when accepted, and any resulting contract, are not subject to cancellation, suspension or reduction in amount, except with VFPS' written consent.

PRICES

In addition to the prices specified herein, Owner shall pay for all extra work requested by Owner or made necessary because of incompleteness of or inaccuracy in plans or other information submitted by Owner with respect to location, type of occupancy, or other details or work to be performed hereunder. If the work to be furnished hereunder constitutes an addition to Owner's existing facilities, prices and delivery and completion dates quoted herein are based on information, if any, with respect to layout of such facilities now contained in VFPS' engineering records. In the event the layout of Owner's facilities has been altered, or is altered by Owner prior to completion of this Contract, Owner shall advise VFPS of any such alterations, and prices, delivery and completion dates quoted herein shall be changed by VFPS as required because of such alterations. Unless prices are stated by VFPS in this or other documents forming a part of this Contract, the prices applicable to the extra work performed shall be VFPS' prices in effect at that time.

Owner shall make all payments under this Contract within ten (10) days from the date of invoice (net 10), with VFPS having the right to render invoices on a progress basis for work completed through the date of each such invoice. Owner agrees to pay each such invoice in full as provided above.

TITLE

Title to all parts and materials installed by VFPS in Owner's facilities, regardless of affixation or installation therein, shall not pass to Owner or any other person, firm or corporation, until VFPS receives full payment from Owner.

ESCALATION

If a change in the labor rate or cost of material(s) charged for this type of work occurs during the performance of this Contract, VFPS shall notify Owner in writing of such change and the new labor rate and/or new cost of material(s) shall be applicable to all work performed subsequent to the effective date specified in such notice.

PAYMENT

Owner agrees that payment to VFPS shall not be contingent upon settlement of any insurance claim of Owner. Owner shall be obligated to make the final payment to VFPS under this Contract within ten (10) days after the final billing. Owner shall also be obligated to pay a service charge of 18% per annum on any unpaid amounts from the date due and owing until paid (provided, however, if such rate is prohibited under applicable law, the rate hereunder on unpaid amounts shall be deemed converted to the maximum rate permitted under applicable law). Owner acknowledges that VFPS has all lien rights available to it under applicable laws for all work performed and for all obligations and liabilities arising under this Contract.

DELAYS

VFPS shall not be liable for any damage or penalty for delays in work due to acts of God, acts or omissions of the Owner, acts of civil or military authorities, government regulations or priorities, fires, floods, epidemics, quarantine

restrictions, war, riots, strikes, differences with workmen, accidents to machinery, raw material shortages, inability to obtain necessary labor, materials or manufacturing facilities, failure of, or delay in, transportation, defaults of VFPS' subcontractors, failure of, or delay in, furnishing correct or complete information by Owner with respect to location of, or other details or work to be performed hereunder, impossibility or impracticability of performance or any other cause or causes beyond the control of VFPS, whether or not similar to the foregoing. In the event of any delay caused as a result of any of the aforesaid, the completion date hereunder shall be extended on a day for day basis for a period equal to any such delay, and this Contract shall not be void or voidable as a result of such delay. In case work is temporarily discontinued by reason of any of the foregoing, all unpaid installments of the contract price, less an amount equal to the value of material and labor not furnished, shall be due and payable upon receipt by Owner of an invoice from VFPS.

UNFORESEEN OBSTRUCTIONS

If, as part of performing the Contract, VFPS encounters any unforeseen water, quick-sand, rocks, or other unforeseen conditions or if VFPS is required to do any shoring, Owner shall pay for such work as an extra to the contract price any additional work involved at VFPS' prices for such work then in effect.

SITE FACILITIES

Owner shall furnish to VFPS all facilities necessary for the proper performance by VFPS of its work hereunder, which shall include but not be limited to the following: adequate space for storage and handling of material; sufficient light, water and heat; local telephone service; watchman services; and crane and elevator service, if available. In addition, Owner shall obtain at its sole cost and expense all necessary permits. To the extent a wet pipe system is installed, Owner shall supply and maintain sufficient heat to prevent such system from freezing.

STRUCTURE AND SITE CONDITIONS

In performing its obligations hereunder, VFPS shall not be liable for any loss or damage resulting from or aggravated by the character, condition or use of foundations, walls or other structures or resulting from excavation in proximity thereto, nor for damage resulting from or aggravated by any concealed piping, wiring, fixtures or other equipment. In addition, VFPS shall not be liable for any loss or damage resulting from or aggravated by the water pressure present at Owner's facilities. Final responsibility for the condition of the system(s) and equipment and components is the responsibility of the Owner. Identification, management, and eradication of bacteria known to cause Microbiologically Influenced Corrosion (MIC) is the responsibility of the Owner. Unless otherwise specified in this Contract, Owner shall be solely responsible for all shoring or protection of foundations, walls, or other structures subject to being disturbed by any excavation required hereunder. Owner warrants to VFPS that the structure of its facility is sufficient to support the sprinkler system and its related equipment (including tanks). Owner agrees that it shall prepare and ready its facility for the performance by VFPS of its work hereunder, which shall include but not be limited to making all necessary preparations to other materials, the floor or suitable working base, as well as all necessary connections and facilities for erection at the time

VFPS' materials are delivered to Owner's facilities. To the extent Owner fails to so prepare and ready its facility as required herein, Owner shall reimburse VFPS for all costs and expenses incurred by VFPS as a result of such failure. Any failure by Owner to make all necessary areas available to VFPS to enable it to perform its work hereunder in accordance with the agreed-upon schedules shall be considered a failure by Owner of its obligation hereunder to prepare and ready its facility as required herein.

LIMITATIONS OF LIABILITY

VFPS' liability on any claim for loss or liability arising out of or connected with this Contract or any obligation resulting therefrom or from the manufacture, fabrication, sale, delivery, installation or use of any materials shall be limited. to that set forth in the paragraph entitled "WARRANTY".

WARRANTY

VFPS warrants its workmanship to conform to specifications, plans and drawings agreed in writing to be applicable and to be free from defects according to current industry standards. This warranty and the liability of VFPS hereunder shall be limited to correcting or repairing such portions of its labor and installation which are not in accordance with said specifications, plans or drawings. VFPS' responsibility under this warranty shall expire one (1) year after completion of the work. Owner's sole remedy hereunder is limited to those labor charges required for the adjustment, repair or corrective work, when authorized in writing by VFPS. The warranty provided by VFPS shall be rendered invalid and of no further force and effect to the extent (a) the Owner improperly uses and/or damages the system; and/or (b) Owner and/or any other party (other than VFPS) makes any repairs or adjustments of any kind to the system.

No warranty is given with respect to parts not manufactured by VFPS, however, VFPS will endeavor to obtain warranties from vendor or suppliers in favor of VFPS and its customers. In addition, VFPS does not warrant the operation of the system. Also, Owner assumes full responsibility for the condition of existing equipment and for water or other damage resulting directly or indirectly from such conditions or application of any testing or flushing pressures.

Warranty work will be performed on a straight-time basis during normal business hours. Owner shall reimburse any premium portion of overtime pay.

ALL OTHER WARRANTIES, GUARANTEES, OBLIGATIONS, LIABILITIES, RIGHTS AND REMEDIES, EXPRESSED OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY OBLIGATION OR LIABILITY OF VFPS, WITH RESPECT TO THE IMPLIED WARRANTY OR MERCHANTABILITY, ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE, AND ANY IMPLIED WARRANTY OF FITNESS AND ANY OBLIGATION OR LIABILITY OF VFPS ARISING IN TORT WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF VFPS ARE HEREBY EXCLUDED AND DISCLAIMED. ACTUAL OR IMPUTED LIABILITY FOR LOSS OF USE, REVENUE OR PROFIT WITH RESPECT TO THE WORK THEREON, ANY LIABILITY OF OWNER TO ANY THIRD PARTY OR ANY OTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARE HEREBY EXCLUDED AND DISCLAIMED. NO AGREEMENT

EXTENDING THIS WARRANTY SHALL BE BINDING UPON VFPS UNLESS IN WRITING AND SIGNED BY VFPS' DULY AUTHORIZED OFFICER OR REPRESENTATIVE.

THE ABOVE WARRANTY IS THE ONLY WARRANTY GIVEN UNLESS OTHER WARRANTIES ARE ATTACHED AND THEREBY MADE A PART HEREOF.

MODIFICATIONS AND SUBSTITUTIONS
VFPS reserves the right to modify materials of VFPS' design sold hereunder and/or the drawings and specifications relating thereto, or to substitute materials of later design to fulfill this Contract provided that the modifications or substitutions will not materially affect the performance of the material or lessen in any way the utility of the material to the Owner.

ASSIGNMENT

Owner shall not assign this Contract without VFPS' prior written consent. Any assignment in violation of this section shall be void. VFPS shall have the unrestricted right to assign this Contract to a related entity, subsidiary or affiliate.

CHANGES, ALTERATIONS AND ADDITIONS

Without the prior written approval of VFPS, Owner shall not be allowed to make any changes, alterations or additions to the work set forth herein or in any applicable plans, specifications or construction schedules for this Contract. Owner agrees that the contract price hereunder shall be adjusted accordingly to account for any such change approved by VFPS hereunder, with the parties agreeing to the new contract price and entering into an amendment to this Contract, prior to VFPS undertaking any such work.

Notwithstanding the foregoing, if, in an effort to avoid delays, VFPS elects to continue performance of the work prior to the parties reaching agreement as to the new contract price, then Owner shall be deemed to have accepted the new contract price as reasonably estimated by VFPS' Estimating Department. To the extent the price under this

Contract is affected by any such amendment, Owner shall be solely responsible for any price increases. Owner acknowledges that the prices under this Contract are based on straight time labor costs and, to the extent any change hereunder requested by Owner requires overtime labor, Owner shall be solely responsible for any such expense

SPECIAL CONDITIONS

This Contract does not include any appropriation for possible repairs to the existing wet pipe system in order that it may be tight at the required air pressure. In addition, this Contract does not include any labor or material necessary for rearrangement of lines to insure proper drainage thereof. Owner agrees that any labor or material necessary to make this system tight under the required air pressure and/or to change the drainage on any lines will be charged as an extra to the contract price.

OSHA AND ASBESTOS

Owner agrees to indemnify and hold harmless VFPS from and against any claims, demands or damages resulting from the enforcement of the Occupational Safety Health Act (Public Law 91-596) at Owner's facility, unless said claims, demands or damages are a direct result of causes within the exclusive control of VFPS. In the event that VFPS' employees or others are or may be exposed to asbestos fibers during the performance of this Contract, all additional costs necessary to protect such individuals, including but not limited to all costs for "Qualified Laboratory Sample Tests" of any work area for asbestos exposure concentrations, shall be paid by Owner and Owner agrees to indemnify VFPS against all claims, demands, injury or damages arising from such exposure.

SPRINKLER TESTING

VFPS will only test new work under high pressure conditions. Any such high pressure tests required on the existing sprinkler system(s) will be done as an extra to the contract price. All work required to make the existing sprinkler system(s) tight or to insure proper drainage of such system(s) will be done as an extra to the contract price. The Owner assumes full responsibility for the condition of the existing sprinkler system(s) and for water or other damage resulting directly or indirectly from such condition or the application of tests of flushing pressures.

APPLICABLE LAW

This Contract shall be interpreted in accordance with the laws of the State of Illinois. If any provision of this Contract is determined to be invalid or unenforceable in any respect, the validity and enforceability of the remaining provisions of the Contract shall not be affected.

WAIVER

Failure by VFPS to assert all or any of its rights upon any breach of this Contract shall not be deemed a waiver of such rights either with respect to such breach or any subsequent breach, nor shall any waiver be implied from the acceptance of any payment or service. No written waiver of any right shall extend to or affect any other right VFPS may possess, nor shall such written waiver extend to any subsequent, similar or dissimilar breach.

PROPRIETARY DATA

Owner agrees that all data provided by VFPS including all information contained in drawings and specifications submitted in connection with this Contract shall be deemed proprietary and that it shall not disclose to others such data and information nor allow such data and information to be used for any purpose except in connection with this Contract, without in each instance the express written consent of VFPS.

TERMS AND CONDITIONS/TECHNICAL SPECIFICATIONS

The terms and conditions specified herein shall be in addition to those set out in VFPS' technical specifications and any inconsistencies shall be resolved by VFPS' authorized representative.

OVERTIME

Unless otherwise specified by Owner, VFPS shall perform all installation work during regular working

hours. If Owner shall require any overtime labor, Owner agrees to reimburse VFPS for VFPS' then prevailing overtime premium for such labor. If overtime labor is required on an emergency basis, Owner agrees to reimburse VFPS for VFPS' then prevailing overtime premium for such labor.

INCIDENTAL LOSSES

Owner shall be solely responsible for any and all loss or damage from any cause (not the sole fault of the VFPS) to VFPS' materials, tools, equipment, work or workmen while in or about the Owner's facilities.

DEFAULT

In case of any default by Owner, VFPS may declare the contract price or all unpaid installments thereof to be immediately due and payable (whether or not said work shall have been completed). In addition, to the extent permitted under applicable law, VFPS may enter Owner's facilities and shut off the water from said system or remove all or any portion of the system. All such remedies of VFPS are cumulative and not exclusive.

Owner agrees to pay all costs and expenses, including reasonable attorneys' fees incurred by VFPS in any action to enforce VFPS' rights hereunder.

Owner shall be deemed to be in default hereunder if (a) Owner fails to pay when due any installment of the contract price (Owner having expressly waived any further requirement of demand for payment); (b) Owner commits any act or omission which prevents VFPS from completing the work hereunder; (c) Any insolvency, bankruptcy or receivership proceedings is commenced against Owner or an assignment for the benefit of creditors is made with respect to Owner; or (d) Owner's facilities (or solely the work hereunder) shall be attached, lien or seized by process of law and such attachment, lien or seizure is not vacated or terminated within ten (10) days.

ENTIRE AGREEMENT

Upon acceptance of this Contract by Owner, the provisions hereof (including the pertinent documents, drawings and specifications applicable hereto) shall constitute the entire Contract between the parties and supercede all prior prices, offers, negotiations and agreements relating to the subject matter hereof.