

Purchasing Terms & Conditions for Vendors

1. **Complete Agreement.**

Seller's acceptance is limited to the terms and conditions of this Purchase Order. Commencing performance or making deliveries or any acknowledgment of this Purchase Order by Seller shall constitute an acceptance of the terms and conditions of this Purchase Order by Seller. Buyer is to be bound only by the terms and conditions of this Purchase Order notwithstanding any proposals, terms or conditions additional to or different from those accompanying Seller's performance or acknowledgment. All terms and conditions of the materials and/or equipment to be furnished or actually furnished hereunder are incorporated herein by reference as though set forth in detail herein.

2. **Changes and Right to Terminate.**

Changes will be binding on Buyer only if in writing and signed by the Buyer. (a) Buyer, for its convenience, may by written change order make any change, including, without limitation, additions or deductions in quantities ordered, changes in the specifications or drawings, changes in the time of delivery, or termination. Buyer may terminate or suspend at its convenience all or any portion of this order not shipped as of the date of termination or suspension of the order. In the event of any change or termination, there shall be an equitable price adjustment by Buyer. If Seller maintains that Buyer's adjustment is not equitable, the price change shall be negotiated. In the event the parties cannot agree, the final determination shall be made in accordance with the dispute resolution provisions of this Purchase Order. However, if unit prices have been designated as to materials and/or equipment maintained in the normal course of Seller's business as standard stock, such unit prices shall control all price adjustments for quantity changes. No change or termination shall relieve Buyer or Seller of any of their obligations as to any materials and /or equipment shipped prior to Seller's receipt of the change, termination or suspension order. Any claim for adjustment by Seller hereunder must be asserted in writing within ten (10) days from the date the change or termination is ordered. (b) Should it be applicable, if Owner or Contractor shall order the Buyer to change, adjust, substitute, add to, delete from, suspend, or terminate the work included in this order, Seller shall comply with Owner's or Contractor's order and the price or time of performance hereunder shall only be adjusted as allowed by Owner or Contractor. If requested by Owner or Contractor, Seller agrees to be bound to and by the dispute resolution procedure required by any underlying Contract. (c) In the event of termination for default, buyer may, in addition to all other rights and remedies, purchase substitute items or services elsewhere and hold Seller liable for any and all excess costs incurred.

3. **Payment.**

The price herein specified shall, unless otherwise expressly stated within the terms of this Purchase Order, include all taxes and duties of any kind levied by federal, state, municipal, or other governmental authorities, which either party is required to pay with the respect to the

reduction, sale, use or shipment of the materials and/or equipment covered by the Purchase Order, and all charges for packing, loading, unloading and shipping. If transportation costs are designated as part of the cost to Buyer, only actual transportation costs shall be included. Damage to goods not packed to insure proper protection shall be charged to Seller. Seller's invoice shall set forth the items delivered, the date of delivery, the unit cost and total costs of the items invoiced. Absent a discount program, payment terms are 45 days from date of invoice.

4. Payment Not Acceptance.

Payment on account, in and of itself, does not constitute an approval and acceptance of the materials and/or equipment furnished, or any part thereof. No payment made by Buyer under this Purchase Order shall be construed to be an acceptance by Buyer of defective or improper materials and/or equipment.

5. Risk of Loss.

Notwithstanding the terms of shipment, the risk of loss shall pass to Buyer only after delivery to Buyer, and inspection of the materials and/or equipment.

6. Delivery.

Time is of the essence of this Purchase Order. If no date is specified on the face of this order, all deliveries of materials and/or equipment shall conform to the date or dates specified in writing from time to time by Buyer's representatives. Should delivery for any reason fail to be timely, Seller shall be liable for all damages suffered by Buyer as a result of failure, including, without limitation, any liquidated damages imposed upon Buyer. In no event shall Seller be entitled to an extension beyond that allowed to Buyer. No extension of time shall be granted unless Seller has provided written notice and a request for extension within forty-eight (48) hours of the event giving rise to the request.

7. Defaults.

If Seller fails to perform any of its obligations hereunder, Buyer shall be entitled to all remedies provided by law. If Seller becomes insolvent or makes the assignment for the benefit of creditors, or files or becomes subject to receivership, reorganization or bankruptcy proceedings, becomes involved in labor difficulties, which in Buyer's opinion threaten Seller's ability to perform in a timely manner, or fails to make any delivery in a timely fashion or fails to comply with any provision of this Purchase Order and the failure is not corrected within forty-eight (48) hours of written request of Buyer, Buyer may, in addition to any other rights or remedies it may have hereunder or at law, terminate the Purchase Order upon written notice to Seller; such termination shall be deemed a termination for default. Buyer's failure to notify Seller of a rejection of nonconforming materials and/or equipment or to specify with particularity any defect in nonconforming materials and/or equipment after rejection or acceptance thereof will not bar Buyer from pursuing any remedies for breach which it may otherwise have.

8. Requested Corrections.

In the event Seller fails to comply with any of the provisions herein, Buyer may, without prejudice to any other right or remedy available to Buyer, give written request for correction by Seller of such failure. If the failure is not corrected by Seller within the time prescribed in such request, Buyer shall have the right to secure elsewhere the necessary materials and /or equipment to remedy the situation and to change Seller thereof.

9. Inspection.

Buyer shall have the right to inspect materials and/or equipment at Seller's plant anytime prior to shipment and to conduct additional inspections at any time after arrival. The making or failure to make any inspection of, or payment for or acceptance of, the materials and/or equipment shall not impair Buyer's right to later reject nonconforming materials and/or equipment, or to avail itself or any other remedy to which Buyer may be entitled, notwithstanding Buyer's knowledge of the nonconformity, its substantiality, or the ease of its discovery. Seller shall be liable for all inspection, reshipment and return costs on nonconforming materials and/or equipment. Seller shall not replace returned materials and/or equipment unless so directed by Buyer in writing.

10. Warranties.

Seller warrants to Buyer that it has fully and carefully reviewed the provisions, specifications, drawings, samples or other descriptions contained or referenced in the Purchase Order and in any underlying contract, if applicable. Seller warrants to Buyer that the materials and/or equipment shall conform to the provisions, specifications, performance, standards, drawings, samples or other descriptions contained or referenced herein or in any underlying contract. Seller further warrants that the materials and/or equipment will be complete in all respects necessary to make the materials and/or equipment fully functional if installed in accordance with the applicable drawings and specifications. All warranties implied by law or usage of trade are incorporated into this Purchase Order and shall apply to services and materials and/or equipment ordered. Seller guarantees to Buyer that the materials and/or equipment rendered shall be free of any and all defects in workmanship and materials and/or equipment which may develop. Seller's warranty shall in all respects meet the terms of the warranty requirements of any underlying contract for the materials and/or equipment and services ordered. The materials and/or equipment are ordered by Buyer in reliance on each and all of the warranties and guarantees specified herein and implied by law or usage of trade. Buyer's remedies pursuant to this paragraph are in addition to, and not a limitation on, all other remedies allowed by law.

11. Infringement.

Seller shall pay all royalties and licensing fees arising in connection with the sale or use of materials and/or equipment hereunder. Seller further undertakes and agrees to defend, at Seller's expense, all suits, actions or proceedings in which Buyer, its successors, assigns, customers or users of its customer's products are made defendants for actual alleged

infringement of any U.S. or foreign letters patent, copyrights or trademarks resulting from the use or purchase of any materials and/or equipment furnished under this Purchase Order, and Seller agrees to pay or discharge any and all judgments or decrees which may be rendered in any such suit, action or proceeding against such defendants therein.

12. Compliance.

Seller's performance shall in all ways strictly conform with all applicable laws, regulations, safety orders, labor agreements and working conditions to which it is subject, including, but not limited to, all state, federal and local nondiscrimination in employment provisions, and all applicable provisions required by any underlying contract and by Buyer's own internal safety program, and all local regulations and building codes. Seller shall execute and deliver all documents as may be required to effect or evidence compliance.

13. Indemnity.

Seller assumes all risk in furnishing the materials and/or equipment ordered hereunder, and will indemnify, hold harmless and defend Buyer and Owner and Contractor, if applicable, and their directors, officers, agents, servants, and employees, against any and all losses, damages, liabilities and claims of any kind whatsoever, including actual attorneys' fees and experts' or consultants' fees, which arise directly or indirectly out of the performance or nonperformance of this Purchase Order including, but not limited to, losses of any materials and/or equipment ordered hereunder and injuries to property and to persons, including death. This indemnity applies regardless of any active and/or passive negligent act or omission of Buyer or Owner or Contractor or their agents or employees. Seller, however, shall not be obligated under this Purchase Order to indemnify Buyer or Owner or Contractor for the sole negligence or willful misconduct of Buyer or Owner or Contractor or their agents or employees. The indemnity set forth in this paragraph shall not be limited by the insurance requirements set forth in Paragraph 16. Such indemnity obligation includes, without limitation, each of the following: (a) claims of infringement or violation of any copyrights, patent rights, or similar rights; (b) claims of injury or damage to property or persons, including death; (c) claims based on acts or omissions by Seller, or any of Seller's officers, agents, employees or servants; (d) claims arising from defects, actual or alleged, in materials and/or equipment, products or services furnished or supplied by Seller; (e) attachments, executions, and liens by the creditors of Seller, or others claiming to have acquired rights of or against Seller; and (f) any liens, stop notices or bond claims asserted by anyone claiming the right to payment for work, labor, equipment or materials and/or equipment supplied to or at the request of Seller.

14. Assignments, Setoff.

Any delegation, subletting or assignment by operation of law or otherwise, of all or any portion of the obligations to be performed by Seller without the prior written consent of Buyer shall be void. In the event of any transfer, hypothecation or assignment by Seller, without Buyer's consent, of the right to receive all or any part of any payments due or to become due hereunder, Buyer may, at any time thereafter withhold any or all monies or payments due or to become due hereunder until final payment is due and all conditions precedent to such

payment are satisfied. Buyer may, at its option, setoff any amounts otherwise due from Buyer or its commonly controlled affiliates from Seller.

15. Applicable Law – Definitions.

The definitions of terms used, interpretation of this Purchase Order and the rights of all parties hereunder, shall be constructed under and governed by the laws of the State of Nevada. Any Legal action commenced to enforce, or arising out of, this Purchase Order shall be brought only in an appropriate court, State of Federal, located within Washoe County, State of Nevada. Whenever Buyer is not the ultimate consumer of the materials and/or equipment, all rights, benefits and remedies conferred upon Buyer hereunder shall accrue and be available to and are for the express benefit of any successors in interest to the materials and/or equipment, including the ultimate consumer of the materials and/or equipment. The materials and/or equipment means the supplies, drawings, data and other property and all services, including design, delivery, installation, inspection and testing specified or required to furnish the materials and/or equipment of services ordered.

16. Insurance and Claims.

Seller shall maintain Professional Liability coverage in the amount of \$1,00,000.00 per claim and in the aggregate (note- for engineering and professional services only). Seller agrees to carry (i) Comprehensive General Liability (CGL) Insurance covering personal injuries (including death) and property damage in the amount \$1,000,000.00 per occurrence/\$1,000,000.00 annual aggregate, and (ii) automobile liability insurance covering bodily injuries (including death) and property damage with a \$1,000,000.00 combined single limit of liability. Seller further agrees to provide and maintain Workers' Compensation Insurance in conformity with the laws of the state in which such premises or Project is located and Employer's Liability Insurance in the amount of \$1,000,000.00 per occurrence. If requested by Buyer, Seller shall submit written proof of such insurance to Buyer prior to entrance on Buyer's premises or the Project. If any underlying contract between Buyer and its clients requires additional types of insurance or higher limits, those requirements are incorporated herein and Seller shall comply with them. Prior to entering Buyer's premises or using Buyer's equipment, Seller is responsible for following the Hifond INC Contractor Pre-Work Procedure.

17. Disputes.

Buyer may, at its sole option, elect to arbitrate any dispute, the value of which is less than \$50,000, arising out of or related to this Purchase Order or the breach thereof, in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. The existence of a dispute between Buyer and Seller shall not relieve Seller of its obligation to perform under the Purchase Order. Disputes not arbitrated pursuant to this provision shall be litigated.