

DANIEL MECHANICAL'S STANDARD PURCHASE ORDER TERMS AND CONDITIONS

Acceptance - Agreement: Seller's Commencement of work on the goods subject to this purchase order or shipment of such goods, whichever occurs first, shall be deemed an effective mode of acceptance of this purchase order. Any acceptance of this purchase order is limited to acceptance of the express terms contained herein and the attached purchase order. Any proposal for additional or different terms or an attempt by Seller to vary on any degree any of the terms of this offer in Seller's acceptance is hereby objected to and rejected, but such proposals shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price of delivery schedule of the goods, but shall be deemed a material alteration thereof, and this offer shall be deemed an acceptance of a prior offer by Seller, such acceptance is limited to the express terms contained herein and in the attached purchase order. Additional or different terms or any attempt by the Seller to vary in any degree any of the terms of this purchase order shall be deemed material and are objected to and rejected but this purchase order shall not operate as a rejection of the goods. Purchase order is contingent upon acceptance or product by owner. Payment shall not be made until submittals and Operation and Maintenance manual are submitted and fully approved and funds have been released, by Owner.

Termination for Convenience of Purchaser: Purchaser reserves the right to terminate this order or any part hereof for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any of its suppliers or subcontractors to cease such work. Seller shall not be paid for any work done after the receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors, which Sellers could reasonably have avoided.

Termination for Cause: Purchaser may also terminate this order or any part hereof for cause in the event of any default by the vendor of if the vendor fails to comply with any of the terms and conditions of this offer. Late deliveries, deliveries of products which are defective or which do not conform to this order, and failure to provide Purchaser, upon request of reasonable assurances of future performance, shall all be causes allowing Purchaser to terminate this order for cause. In the event of termination for cause, Purchaser shall not be liable for sustained by reason of the default which gave rise to the termination.

Proprietary Information – Confidentiality – Advertising: Seller shall consider all information furnished by purchaser to be confidential and shall not disclose any such information to any other person, or use such information itself for any purpose other than performing this contract, unless Seller obtains written permission from Purchaser to do so. This paragraph shall apply to drawings, specifications, or other documents prepared by Seller for Purchaser in connection with this order. Seller shall not advertise or publish the fact that Purchaser has contracted to purchase goods from Seller, nor shall any information relating to writing, no commercial, financial, or technical information is disclosed in any manner or at any time by Seller to Purchaser shall be deemed secret or confidential and Seller shall have no rights against Purchaser with respect thereto except such rights which may exist under patent laws.

Warranty: Seller expressly warrants that all goods or services furnished under this agreement shall conform to, all plans and specifications, including but not limited to, terms, general conditions and appropriate standard and will be new and will be free from defects in material and workmanship. Seller warrants all such goods and service will conform to any statements made on the containers or labels or advertisements for each such goods and services, and that any goods will be adequately contained, packaged, marked and labeled. Seller warrants that all goods and services furnished hereunder will be merchantable and will be safe and appropriate for the purpose for which the goods and service of the kind are normally used. If Seller knows or has reason to know the particular purpose for which the Purchaser intends to use the goods and services, Seller warrants that such goods and services will be fit for such particular purpose. Seller warrants that goods and services furnished will conform in all respects to samples, inspection, tests. Acceptance or use of the goods and service furnished hereunder shall not effect the Seller's obligation under this warranty and such warranties shall survive inspection test, acceptance, and use. Seller's warranty shall run to Purchaser, its successors, assigns and customers use of the products sold by the Purchaser. Seller agrees to replace or correct defects of any goods or services not conforming to the foregoing warranty promptly with out expense to Purchaser when notified of such nonconformity by Purchaser, provided purchaser elects to provide Seller with the opportunity to do so. In the event of failure of Seller to correct defects in or replace nonconforming goods and services promptly, Purchaser, after reasonable notice to Seller, may make such correction or replace such goods and services and charge Seller for the cost incurred by Purchaser in doing so, including but not limited to overhead and profit. **Price Warranty:** Seller warrants that the prices for the articles sold hereunder are no less favorable than those currently extended to any other customer for the same or similar articles in similar quantities. In the event Seller reduces its prices for such article during the term of this order, Seller agrees to reduce the prices hereof correspondingly. Seller warrants that prices shown on this purchase order shall be complete and no additional charges or any type shall be added without Purchaser's express written consent. Such additional charges include but are not limited to shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, crating. Seller's price will not increase for duration of contract.

Force Majeure: Purchaser may delay delivery or acceptance occasioned by cause beyond its control. Seller shall hold such purchaser and shall deliver goods at the direction or the them when the cause affecting the delay has been removed at not added cost to the Purchaser. Causes beyond Purchaser's control shall include government action or failure of the government to act where such action is required, strike, or other labor trouble, or unusually severe weather.

Patents: Seller agrees upon receipt of notification to promptly assume full responsibility for defense of any suit or proceeding which may be brought against Purchaser or its agents, customers, or other vendors for alleged patent infringement, as well as for any alleged unfair competition resulting from similarity in design, trademark or appearance of goods or services furnished hereunder, and Seller further agrees to indemnify Purchaser, its agents and customers against any and all expenses, losses, royalties, profits, and damages including court costs and attorney's fees resulting from any such suit or proceeding, including any settlement Purchaser may be represented by and actively participate through its own counsel in any such suit or proceeding if it so desires and the costs of such representation shall be paid for by Seller.

Insurance: In the event that Seller's objections hereunder require or contemplate performance of services by Seller's employees, or persons under contract to Seller to be done on Purchaser's property, or Purchaser's customer's, the Seller agrees that all such work shall be done as an independent contractor and that the persons doing such work shall not be considered employees of the Purchaser. Seller shall maintain all necessary insurance coverage's including public liability and Workman's Compensation insurance. Seller shall indemnify and save harmless and defend Purchaser from any and all claims or liabilities arising out of the work covered by this paragraph.

Indemnification: Seller shall defend, indemnify and hold harmless Purchaser against all damages, claims, or liabilities and expenses (including attorney's fees) arising out of or resulting in any way from any defect in the goods or services purchased hereunder, or from any act or omission of Seller, its agents, employees or subcontractors. This indemnification shall be in addition to the warranty obligations of Seller.

Changes: Purchaser shall have the right at any time to make changes in drawings, designs, specification, materials, packaging, time and place of delivery, and method of transportation. If any such changes cause a decrease in the cost, or the time required for the performance, an equitable adjustment shall be made and this agreement shall be modified in writing accordingly. Seller agrees to accept such changes subject to this paragraph.

Inspection/Testing: Payment for goods delivered hereunder shall not constitute acceptance thereof. Purchaser shall have the right to inspect such goods and to reject any or all of said goods which are in Purchaser's judgment defective and nonconforming. Goods rejected and goods supplied in excess of quantities called for herein may be returned to Seller at its expense. And in addition to the Purchaser's other rights, Purchaser may charge Seller all expenses of unpacking, examining, repacking, and reshipping such goods. In the event that Purchaser receives goods whose defects or nonconformity is not apparent on examination, purchaser reserves the right to require timely replacement as well as payment of damages. Nothing contained in this purchase order shall relieve in any way the Seller from the obligation of testing, inspection and quality control.

Entire Agreement: This purchase order and any documents referred to on the face hereof constitute the entire agreement between the parties.

Assignment and Subcontracting: No part of this order may be assigned or subcontracted without the prior written approval of Purchaser.

Setoff: All claims for money due or to become due from the Purchaser shall be subject to a deduction or setoff by the purchaser by reason of any counterclaim arising out of this or any other transaction with the Seller. In addition, an amount of ten percent of the total purchase order will be retained by purchaser and paid in full only after equipment or work has been accepted and subsequently paid for in full by owner.

Shipment: If in order to comply with Purchasers required delivery date it becomes necessary for Seller to ship by a more expensive way than specified in this purchase order, any increased transportation costs resulting therefrom shall be paid for by Seller unless the necessity for such rerouting or expedited handling has been caused by Purchaser. Provide written notice to Purchaser before shipping. Do not ship unless written authorization is given. Shipments sent without any authorization will be returned at Seller's sole expense.

Waiver: Purchaser's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege or Purchaser's waiver of any breach hereunder shall not thereafter waive any other terms, conditions or privileges, whether of the same or similar type.

Delivery: Time is of the essence of this contract and if delivery of items or rendering services is not completed by the time promised, Purchaser reserves the right without any liability in addition to its other right and remedies to terminate this contract by notice effective when received by Seller as to items not yet shipped or services not yet rendered and to purchase substitute items or services elsewhere and charge Seller with any loss incurred.

Limitation on Purchaser's Liability – Statute of Limitations: In no event shall Purchaser be liable for anticipated profits or for incidental or consequential damages. Purchaser's liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from this agreement or from the performance or breach thereof shall in no case exceed the price allocable to goods or services or unit hereof which gives rise to the claim. Purchaser shall not be liable for penalties of any description. Any action resulting from any breach on the part of Purchaser as to the goods or services delivered hereunder must be commenced within one year after the cause of action has occurred.

Governing Law: This purchase order and the right and duties of the parties hereunder shall be governed by the laws of the State of California with all lawsuits filed and heard in Los Angeles Municipal Court.

Buyer _____

Seller _____