

**HANLON ELECTRIC COMPANY
PURCHASE ORDER TERMS AND CONDITIONS**

1. DEFINITIONS:

The materials and equipment specified on the face of this Purchase Order are referred to as “the materials”. The party to whom this Purchase Order is directed is referred to as the “Supplier”. Hanlon Electric Company is referred to as the “Purchaser”.

2. TERMS OF ACCEPTANCE:

This Purchase Order is effective on acceptance by the Supplier, subject to the rights of cancellation set forth in Paragraph 8. Acceptance of this Purchase Order can be effected in any form or manner or by any writing or act of Supplier and is hereby expressly limited to the terms set forth herein. Supplier is hereby notified in advance of Purchaser’s objection to any proposed additional or different terms and conditions. Any different terms or conditions in Supplier’s quotation or acknowledgement of this Purchase Order are not binding on Purchaser unless accepted in writing by Purchaser; and shipment of any materials or the rendering of any services shall be deemed to be an acceptance by Supplier of the terms and conditions of this Purchase Order.

3. COMPLETE AGREEMENT:

This Purchase Order represents the entire agreement between the parties hereto with respect to the matter covered herein. No other previous agreements, representations, proposals, bid warranties, or other matters, oral or written, shall be deemed to bind to parties hereto. No claim shall be made for extra work or materials unless Purchaser executes a signed, written statement which sets forth the nature of such extra work and materials and the costs thereof.

4. TERMINATION:

Purchaser shall have the right to terminate all or any part of this Purchase Order for convenience by providing Supplier with a written notice of termination, which shall be effective upon receipt by Supplier. If this Purchase Order is terminated for convenience Supplier shall be paid as its sole and exclusive remedy the amount representing costs which are due from the owner for Suppliers’ materials or work, completed as of the date of termination, conditioned upon and after payment therefore by the prime contractor to Purchaser. If Supplier shall fail to perform any obligations under this Purchase Order, Purchaser may terminate Supplier’s performance of all or any part of this Purchase Order for default. In the event of such termination, Purchaser may, in addition to all other rights and remedies, which shall continue unabated, purchase substitute items or service elsewhere and hold Supplier liable for any excess costs incurred. Should it be determined that a termination was improper, such termination shall be deemed a termination for convenience and Supplier’s sole and exclusive remedy shall be provided in the case of termination for convenience.

5. CONTRACT DOCUMENTS:

All provisions of the Contract Documents for the project referenced on the pages included which relate, in any fashion whatsoever, to this Purchase Order are incorporated herein by reference and made a part hereof, including without limitation the agreement between the Purchaser and the prime contractor or owner any specifications, submittal drawings, blueprints, operating and maintenance manuals, general conditions, special conditions, plans, addenda and data furnished to Supplier with this Purchase Order or referred to on the face hereof. With respect to the materials and work covered by this Purchase Order and in the performance hereof, Supplier shall assume all the obligations and risks which Purchaser had assumed toward the prime contractor and/or owner pursuant to the provisions of the above referenced Contract Documents.

6. SUBMITTALS & PERSONNEL:

- A. Unless otherwise stated on the face of this Purchase Order, Supplier shall furnish all available sets of drawings, blueprints, operating and maintenance manuals and other data pertaining to the materials to Purchaser within two (2) weeks from the date of this Purchase Order or within sufficient time so as not to delay performance of the Project, whichever is earliest. Purchaser's review of these and other submissions shall not relieve Supplier from responsibility for errors of any sort therein, or from the necessity of furnishing any work required by the Contract Documents.
- B. Supplier shall furnish qualified personnel, without additional cost, to provide on-site operating and maintenance instruction and supervision to representatives designated in the Contract Documents or, in the absence of such designation therein, to representatives designated by Purchaser.

7. MATERIAL AND WORKMANSHIP:

Supplier expressly warrants that all material and work covered by this Purchase Order will conform to the Contract Documents and that it will be merchantable, of good material and workmanship, free of patent or latent defects, and fit and sufficient for the purposes for which it is ordered by Purchaser. No deviation shall be permitted except with the prior written approval of Purchaser. In the event of a disapproved substitution, the Supplier shall be solely responsible to provide the specified materials/equipment in accordance with Purchaser's schedule. Warranties required by the Contract Documents will begin to run from the date specified in the Contract Documents. In addition to all other rights and remedies of Purchaser, Supplier shall, at Purchaser's request, immediately remove, replace and/or repair, at Supplier's expense and at the convenience and to the satisfaction of Purchaser and the owner or owner's representative, if applicable, any such nonconforming or defective materials or workmanship.

8. TIME OF PERFORMANCE:

Supplier shall furnish materials within the scheduled time as called for on the face of this

Purchase Order or in the Contract Documents and any failure by Supplier to so furnish materials shall give Purchaser the right to cancel any undelivered balance of this Purchase Order without liability for damages or additional charge to Purchaser. TIME IS OF THE ESSENCE in the performance of this Purchase Order. Supplier shall give Purchaser 48 hours notice of all deliveries.

9. TITLE:

Supplier warrants that it is the sole owner of the materials; that there are no other interests - security or other or claims thereon; and that the materials are free and clear of all claims, interest, liens and encumbrances. Supplier agrees to pay, defend Purchaser against, and indemnify Purchaser from any and all actions, causes of actions, damages, judgments, liabilities, costs and expenses, including without limitation attorneys' fees, arising out of any breach of the warranties or other matters set forth in this Paragraph. Title passes to Purchaser, or if the Contract Documents so provide, the prime contractor or owner upon the earliest of (a) delivery, (b) payment, or (c) the time set forth in the Contract Documents.

10. SHIPMENT AND DELIVERY:

Supplier shall insure and be responsible for the items provided hereunder until such time as they have been delivered and unloaded at their destination and accepted by Purchaser. Each shipping crate, package or other shipping container shall be plainly addressed as shown on the "SHIP TO" section of this Purchase Order and marked with this Purchase Order number and shall have at least two (2) copies of the packing list enclosed therein in a securely attached weather-proof envelope. Delivery of each shipment shall be made when and as directed by Purchaser. With respect to delivery of the materials, time as directed by Purchaser shall be of the essence. Supplier shall ship all materials in a manner as to facilitate unloading. If difficulty is experienced in unloading, Purchaser shall be entitled to backcharge Supplier for expenses incurred.

11. RISK OF LOSS:

Delivery shall not be deemed to be complete until the materials have been actually received and accepted by Purchaser, notwithstanding any agreement on the part of Purchaser to pay freight, express or other transportation charges; and the risk of loss or damage in transit and until delivery is completed shall be upon Supplier. Supplier shall maintain insurance covering all damage to or loss of the materials incurred during shipment, and such insurance shall be for the benefit of Purchaser and Supplier, as their respective interests may appear.

12. INSPECTION & ACCEPTANCE:

- A. Supplier shall provide appropriate facilities at all reasonable times for inspection by Purchaser, prime contractor or owner of the work and materials provided under this Purchase Order, whether at the project site or at any place where such

work or materials may be in preparation, manufacture, storage, or installation. Supplier shall promptly replace or correct any work or materials which Purchaser, prime contractor or owner shall reject as failing to conform to the requirements of this Purchase Order whether or not Purchaser, prime contractor and/or the owner previously accepted the materials and/or the work. If within a reasonable time, Purchaser shall have the right to do so and Supplier shall be liable to Purchaser for the cost thereof. If, in the opinion of Purchaser, it is not expedient to correct or replace all or any part of rejected work or materials, then Purchaser, at its option, may deduct from the payments due, or to become due, to Supplier such amount as, in Purchaser's reasonable judgment, will represent (i) the difference between the fair value of the rejected work and materials and the value thereof if it complied with this Purchase Order or (ii) the cost of correction, including without limitation any and all labor or other costs, whichever Purchaser determines is more appropriate.

- B. Supplier's remedy for wrongful rejection of work pursuant to Section A above shall be limited to Purchaser's actual recovery under the Contract Documents if rejection is by the prime contractor or owner or by Purchaser at request of the prime contractor or owner. Purchaser shall be liable for Supplier's increased direct costs caused by wrongful rejection of materials or work, only if the prime contractor or owner was not involved in the rejection.
- C. The work shall be accepted according to the terms of the Contract Documents. Unless expressly agreed by Purchaser in writing, entrance and use by owner, prime contractor or Purchaser shall not constitute acceptance of the materials or work.

13. ON-SITE WORK:

If Supplier's workers will be at the jobsite at anytime, Supplier agrees to adhere to the requirements of Purchaser's safety policy and to provide adequate proof of Workers' Compensation Insurance.

14. PRICE AND TERMS OF PAYMENT:

Payment of invoices shall be according to the terms as stated on the face of this Purchase Order. The payment period shall be calculated from the last day of the month in which the invoice has been received, but in no event shall invoice dates be prior to delivery dates. As a condition of payment by Purchaser, all invoices must carry a certification that, with respect to production of the materials ordered, Supplier has fully complied with Section 12 (a) of the Fair Labor Standards Act of 1938, as amended, and all other applicable federal, state, and local governmental rules and regulations.

15. WITHHOLDING PAYMENT:

Purchaser may withhold amounts otherwise due under this Purchase Order, or under any other agreement between the parties, to cover Purchaser's reasonable estimate of any

costs, liquidated damages or liability Purchaser has incurred or may incur for which Supplier may be responsible under this Purchase Order, under any other arrangement between the parties, or by law. Notwithstanding any other provision of this Purchase Order, payment to Supplier is expressly conditioned upon receipt by Purchaser of payment from the prime contractor and/or owner for the materials and/or work provided by Supplier pursuant to this Purchase Order.

16. TAXES:

Except as may be otherwise specified in this Purchase Order, the contract price includes all federal, state, local or foreign taxes or other governmental charges (including without limitation sales and use taxes) upon the manufacture, sale or transportation of the goods described herein, and Supplier agrees to pay and comply with and hold Purchaser harmless against the payment of all Federal, State and local contributions, taxes, duties or premiums, arising out of this Purchase Order, including without limitation use or other duties or taxes of whatever nature levied or assessed against the owner, prime contractor, Purchaser or Supplier arising out of this Purchase Order, including without limitation interest and penalties.

17. SPECIAL DAMAGES:

By accepting this Purchase Order, Supplier acknowledges that the materials covered by this Purchase Order are intended for resale and use by third parties and any failure or breach on the part of Supplier hereunder may result in special damages to Purchaser. Acceptance of all or any part of the materials shall not be deemed to be a waiver of Purchaser's right either to cancel or to return all or any portion of the materials because of failure to conform to order, or by reason of defects, latent or patent, or other breach of warranty, or to make any claim for damages, including without limitation loss of profits or other special and consequential damages resulting to Purchaser.

18. INDEMNIFICATION:

Supplier shall be liable to Purchaser and shall indemnify and defend Purchaser for any added costs (including without limitation court costs and attorneys' fees) Purchaser incurs as a result of, arising out of, or in connection with the performance of this Purchase Order or due to Supplier's failure for whatever reason, to perform any of its obligations under this Purchase Order, in whole or in part, in accordance with its terms. This indemnity applies regardless of any active and/or passive negligent act or omission of Purchaser or its agents or employees.

19. INFRINGEMENT:

Supplier further warrants that the use and sale of the materials purchased hereunder does not and will not infringe upon the valid claims of any patent, trademark or copyright. Supplier shall pay, defend Purchaser against, and indemnify and save Purchaser harmless against liability for damages and any loss and expenses, including without limitation

court costs and attorneys' fees, sustained by reason of patent, trademark, or copyright infringement claims with respect to anything furnished under this Purchase Order, and Supplier shall indemnify and defend any such infringement action brought against Purchaser.

20. GOVERNMENT COMPLIANCE:

- A. Supplier hereby warrants that Supplier has fully complied with all applicable federal, state and municipal laws, rules and regulations, including without limitation the Federal Occupational Health and Safety Act.
- B. In the event the materials and services furnished hereunder are subject to the Equal Opportunity Clause in Section 202 of Executive Order Number 11246 (as amended), Executive Order 11625 (as amended), the laws and regulations relating to the Employment of Veterans and Handicapped Persons, the Equal Opportunity Clause, Sections (1) through (7), 41CFR 60-1.4(a), the certification of nonsegregated facilities, 41CFR 60-1.8, and such implementing Rules and Regulations as may now or hereafter be issued, all such requirements are incorporated herein by reference. On all materials purchased which can be defined as hazardous chemicals by OSHA, a Material Safety Data Sheet (MSDS) must be furnished by Supplier. Labeling, tagging or marking is required to comply with OSHA Regulations 29CFR 1910.1200 - Hazard Communication.

21. REMEDIES:

Where remedies and rights are specified for Purchaser hereunder, they shall not be deemed exclusive but cumulative to all other remedies and rights of Purchaser, whether arising under common law, case law or statute, including without limitation the Pennsylvania Uniform Commercial Code.

22. NON-WAIVER PROVISION:

Failure of Purchaser to insist on strict performance by Supplier of any term or condition of this Purchase Order at any time shall not be construed as a waiver by Purchaser of such performance in the future or of the waiver of any other term or condition contained herein.

23. ASSIGNMENT:

Supplier shall not assign this Purchase Order or any part thereof nor subcontract the work or any part thereof without the prior written consent of Purchaser, and any such attempted assignment or subcontract shall be null and void.

24. WAIVER OF LIENS:

Supplier agrees to furnish, prior to any payments hereunder, evidence satisfactory to

Purchaser, the prime contractor, the owner or any of them that payment had been made for all labor and materials used in filling the Purchase Order. To the fullest extent permitted by law, Supplier shall furnish all necessary lien or bond waivers, affidavits, or other documents to release Supplier's right or rights to liens or bonds or claims arising out of the furnishing of the materials or work and right to file a lien or claim against the contractor, principal contractor or owner or the owner's property. In the event liens or claims of any kind are filed by anyone in relation to this Purchase Order, Supplier shall have the lien or claim discharged, within three (3) days of receipt of written notice by posting a bond or other security, and if not so discharged, Purchaser may discharge the lien or claim and hold Supplier responsible for all costs in connection therewith, including without limitation attorneys' fees.

25. INSOLVENCY:

In the event that Supplier shall become bankrupt, Supplier shall have a receiver appointed for its property or shall make an assignment for the benefit of its creditors, Purchaser shall have the right to forthwith cancel this Purchase Order or so much thereof as has not been completed without further liability.

26. CHANGES:

Purchaser may, at any time, unilaterally or by agreement with Supplier, without notice to the sureties, make changes in the materials or work covered by the Purchase Order. Payment on account of such changes in any way relating to or arising from any act or omission of the prime contractor or owner or involving the Contract Documents shall only be made if, when and to the extent Purchaser receives payment from the prime contractor on account of the change, receipt of such payment by Purchaser being a condition precedent to Supplier's entitlement to payment. Changes directed by Purchaser shall be in writing and independent of the prime contractor or owner and the Contract Documents shall be paid for in accordance with the payment terms set forth herein. Supplier agrees to provide any certifications reasonably required by Purchaser and/or the Contract Documents, including without limitation certification of claims, and to indemnify and defend Purchaser for any and all liability arising from any false or misleading certifications submitted by Supplier.

27. SEVERABILITY:

It is understood and agreed that if any provision of this Purchase Order shall be held invalid, illegal, or unconstitutional, said provision shall not affect the validity or enforcement of the remaining provisions hereof.

28. GOVERNING LAW:

The contract formed pursuant to the terms, conditions, and specifications of this Purchase Order and the obligations thereby imposed on Supplier and Purchaser shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania. Any controversy or claim arising out of or related to this Purchase Order or a breach thereof

shall be likewise determined by recourse only to the courts of the Commonwealth of Pennsylvania in Pittsburgh, Pennsylvania, or in the federal district court in Pittsburgh, Pennsylvania, and Supplier hereby acknowledges the jurisdiction of said courts to decide said issues. Notwithstanding the foregoing sentence, in the event Purchaser is sued or subjected to any other action, suit, arbitration or other proceeding in any other state or forum, Purchaser shall have the right to join Supplier and prosecute its claims, or anyone or more of them, against Supplier in such other action, suit, arbitration or proceeding.

29. PARAGRAPH HEADINGS:

The subject headings and/or title to paragraphs of the Purchase Order contained herein are to facilitate reference only, do not form a part of this Purchase Order and shall not in any way affect the interpretations hereof.