

The Vendor as shown on the Purchase Order ("Vendor") and KHS&S Contractors, Inc. ("KHS&S") hereby agree to the following Terms and Conditions of all KHS&S Purchase Orders:

ARTICLE 1 - INDEMNITY

To the fullest extent permitted by law, the Vendor shall indemnify, defend, and hold harmless KHS&S, the Project owner, the Project general contractor and the Project architect (hereafter referred to as the "Indemnified Parties"), from and against claims, actions, administrative proceedings, awards, judgments, penalties, fines, costs, liabilities, damages, punitive damages, losses and expenses, including, but not limited to, attorneys' fees and expenses arising out of or relating to the performance of Vendor's labor, services, materials or equipment, the use or presence of Vendor's equipment or materials, or the acts or omissions of Vendor or its employees or agents, in connection with this Purchase Order.

ARTICLE 2 - INSURANCE

1. General Liability – The Vendor must carry general liability insurance as follows:

- a.) \$500,000 per occurrence; \$1,000,000 in aggregate.
- b.) Property Damage coverage; Premises and operations liability; and Contractual liability coverage.
- c.) Coverage is primary and non-contributory.

2. Automobile - The Vendor must carry automobile liability insurance:

- a.) \$1,000,000 combined Single Limit (If the Vendor will be involved in transporting its employees OR materials. If not, the Vendor is not required to provide KHS&S with proof of automobile coverage).

ARTICLE 3 – CHANGE OF TERMS AND CONDITIONS

The Terms and Conditions of this Purchase Order cannot be altered by any language contained on invoices, receiver tickets, extra work authorization sheets, time sheets, or any and all other items that may be produced in the course of business by the Vendor, even if they are signed by KHS&S in the normal course of business. The Terms and Conditions of this Purchase Order can only be altered by the issuance of a written Change Order to the Purchase Order signed by an officer of the Vendor and an officer of KHS&S. The undersigned below are qualified signers for both parties.

ARTICLE 4 - WARRANTY

The Vendor agrees and represents, covenants, guarantees, and warrants to the Indemnified Parties that materials and workmanship provided pursuant to this Agreement will be new, of good quality and free of defects. Vendor agrees to: (a) remedy any defects relating to its work, whether latent or patent; (b) remove, repair and/or replace, as KHS&S may require, without charge, any and all defective workmanship, materials, equipment, or other work of Vendor and/or any other work which may be damaged as a result thereof and (c) to pay any and all resulting and/or associated costs, expenses, and damages, including labor and including, without limitation, KHS&S attorneys' fees and costs to enforce the provisions of this Section 4 and all other provisions of this Purchase Order whether of not suit is filed. This warranty shall be in addition to all express warranties provided by the Vendor pursuant to this Purchase Order and all other warranties implied by law.