

ENGINEERED (CUSTOM) EQUIPMENT PURCHASE ORDER TERMS & CONDITIONS

1.0 DEFINITIONS

Bidder: A firm to whom the RFQ/RFP/RFB has been sent, soliciting a Quotation, Proposal or Bid respectively.

Seller/Vendor: The successful Bidder, shall be the firm selected to furnish the requested equipment and services by the Purchaser.

Engineer/Purchaser: TAI Engineering

Owner: The end user of the purchased items.

Contract/Agreement: The Contract/Agreement shall mean and include the Purchase Order, these Terms and Conditions, the Prime Contract between Purchaser and the Owner or Client (if Purchaser is a Subcontractor), and any and all other documents explicitly referenced therein. The Contract/Agreement constitutes the entire agreement between the parties concerning its subject matter, and its terms are final, binding, and may not be modified, supplemented, or altered by Seller. Any alternative, additional, or conflicting terms or conditions contained in any acknowledgment, invoice, or other communication from Seller are hereby expressly rejected, deemed void, and shall have no effect or applicability to the Contract.

Items: All equipment, articles, materials, transportation, apparatus, labor, services, supervision, operations and other items to be performed or provided by, or for Seller under the Contract.

Contract Price: The amount to be paid by Purchaser for the Items as stated in the body of the Purchase Order as such amount may be adjusted from time to time pursuant to the terms of the Contract.

2.0 ACCEPTANCE OF PURCHASE ORDER/CONTRACT/AGREEMENT

Seller's acceptance of the Purchase Order is expressly and exclusively limited to the terms of the Contract, which includes the Purchase Order, these Terms and Conditions, the Prime Contract (the terms of which shall flow down to the Seller) and any referenced documents therein. Purchaser expressly objects to and rejects any terms or conditions contained in any quotation, proposal, order, acknowledgment, invoice, or other communication originating from Seller that conflict with, modify, or add to the terms of the Contract. Such conflicting, modifying, or additional terms shall be deemed void and of no force or effect. By signing and returning the acknowledgment copy of the Purchase Order, issuing any other written form of acceptance, shipping goods, accepting payment whether partial or in full, or performing services following receipt of the Purchase Order, Seller irrevocably agrees to be bound by the Terms and Conditions and all other provisions of the Contract, without exception or reservation.

3.0 DRAWINGS AND SPECIFICATIONS

Any specifications, drawings, notes, instructions, engineering information, or technical data of Purchaser furnished to Seller, of Seller furnished by Seller to Purchaser, or referred to in the body of the Purchase Order shall be deemed to be incorporated herein by reference the same as if fully set forth. Purchaser shall at all times retain title to all such documents which it provides or causes to be given to Seller, and Seller shall not use any of such documents or the information contained therein for any purpose other than in performance of the Contract. Seller shall not disclose such documents or information to any party other than Purchaser or a party duly authorized by Purchaser. Upon Purchaser's request, Seller shall promptly return to Purchaser all such documents and copies thereof.

4.0 DELIVERY AND RISK OF LOSS

4.1 Delivery Obligations:

Seller shall deliver all Items to Purchaser on or before the dates specified in the delivery schedule outlined in the Purchase Order. Time is of the essence with respect to Seller's delivery obligations. If Seller fails to deliver any portion of the Items within ten (10) days after the required delivery date specified in the schedule, for any reason other than those expressly permitted under Section 18 of this Contract, Purchaser shall have the right, at its sole discretion, to immediately terminate the Contract in whole or in part without liability to Seller. Such termination shall be in addition to, and not in lieu of, any other rights or remedies available to Purchaser, whether under this Contract, at law, or in equity.

4.2 Shipment Terms:

All shipments shall be made F.O.B. Purchaser's designated project site or another location specified by Purchaser. Title and risk of loss for the Items shall remain with Seller until the Items, in a completed and undamaged state, are received and accepted by Purchaser, its agent, or consignee at the designated delivery location, irrespective of whether Purchaser has made full payment for the Items.

4.3 Packing Slip Requirement:

Each shipment must be accompanied by a packing slip bearing the Purchase Order number. If the shipment is made to a consignee or agent of Purchaser, a copy of the packing slip shall be sent concurrently to Purchaser. If no such packing slip accompanies the shipment, the count or weight determined by Purchaser, its agent, or consignee shall be deemed final and binding on Seller.

4.4 Seller Liability

Seller shall bear all costs and liabilities arising from late delivery, non-compliance with the delivery schedule, or failure to meet the terms of shipment, including any resulting damages, penalties, or expenses incurred by Purchaser.

5.0 WARRANTY

5.1 General Warranty Obligations:

Seller warrants that for a period of twelve (12) months from the date of Owner/Client or Purchaser's initial commercial use of the Items, or eighteen (18) months from the date of Purchaser's receipt of the final shipment of the Items, whichever is longer:

(a) The Items shall conform strictly to all requirements of the Contract, including the Prime Contract between Purchaser and the Owner/Client, which is expressly incorporated herein by reference and made an integral part of this Contract.

(b) The Items shall be of the highest quality and free from any defects in material and/or workmanship.

(c) The Items shall perform in accordance with all applicable design, performance guarantees, and any other specifications or warranties set forth in Purchaser's and/or Seller's specifications, Seller's written performance warranty (if any), or otherwise mutually agreed upon in writing and incorporated into the Contract.

5.2 Title and Intellectual Property Warranty

All Items shall be delivered to Purchaser free and clear of all liens, claims, and encumbrances. Seller represents and warrants that:

(a) It has lawfully acquired all necessary patents, licenses, trademarks, trade secrets, and other proprietary rights or information (collectively, "Information") to perform its obligations under the Contract.

(b) Neither the disclosure of such Information to Purchaser nor the use of such Information by Purchaser as intended under the Contract will infringe any third-party rights or violate any applicable law, regulation, or order.

(c) No consent from any third party is required for Seller to perform its obligations.

(d) The design, manufacture, purchase, sale, installation, operation, or use of the Items under the Contract will not infringe any third-party rights or violate applicable laws or regulations.

5.3 Responsibility for Adequacy of Design and Data

Seller shall be fully and solely responsible for obtaining product data for the material to be processed or handled adequate to design, manufacture, fabricate and/or construct the Items in compliance with all requirements of the Contract. Seller shall have sole responsibility for the adequacy of such data. If Seller requires product data in addition to the specifications in the Contract or any other data furnished by the Purchaser, Seller shall request in writing such additional data until fully satisfied that all information necessary for design, construction, manufacture and/or fabrication of the Items in compliance with all requirements of the Contract has been obtained. In the event that the requirements for any portion of the Items have not been completely described in the Contract and/or by the additional data provided by Purchaser, such portion shall comply with the applicable nationally recognized codes and established industry standards. Seller agrees that all of its warranties and guarantees shall survive inspection, delivery and acceptance of the Items and/or payment by Purchaser.

5.4 Survival of Warranties

All warranties provided by Seller shall survive inspection, delivery, acceptance of the Items, and payment by Purchaser. The warranties shall also apply to any repair or replacement of Items for a period of one (1) year from the date of Purchaser's initial commercial use of the repaired or replaced item.

5.5 Repair and Replacement Obligations

Seller shall promptly repair, replace, or otherwise cure, at its sole expense, any defects or defaults in the Items during the warranty period. This includes furnishing all materials, parts, labor, equipment, supervision, and other items necessary to restore the Items to compliance with the Contract, F.O.B. Purchaser's designated job site. Seller shall also bear all costs for repairing or replacing any property of Purchaser or third parties at the job site damaged as a result of such defects or defaults.

5.6 Remedies for Seller's Failure to Perform

If Seller fails to remedy a defect or default within a reasonable time after receiving notice from Purchaser, or if an emergency situation endangers property or individuals, Purchaser may remedy the defect or default itself or through third parties. Purchaser's costs to remedy such defects or defaults shall be reimbursed by Seller and may include, but are not limited to:

(a) Material and equipment costs;

(b) Costs invoiced by third parties for labor, services, and other necessary items;

(c) Labor costs incurred by Purchaser, including straight time, overtime, and all associated payroll burdens; and

(d) Repair costs for Purchaser's or third-party property damaged due to the defect or default.

5.7 Pass-Through Warranties

Seller shall pass on to Purchaser the benefit of any warranties provided by manufacturers of materials or components incorporated into the Items. Seller shall assist Purchaser in enforcing the provisions of such warranties.

5.8 Limitation of Warranties

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS CONTRACT.

6.0 CHANGES

6.1 Purchaser's Right to Direct Changes

Purchaser reserves the unilateral right, at any time and from time to time, to direct changes, additions, or omissions in the Items, specifications, drawings, methods of shipment or packing, and/or the time and/or place of delivery. Such changes shall be binding upon Seller without prejudice to Purchaser's other rights under the Contract. Purchaser shall notify Seller in writing of any such changes, including any adjustment to cost or time for performance if such adjustments can reasonably be determined at the time of notice.

6.2 Obligations Regarding Adjustments

If Seller disputes any cost or time adjustments provided in Purchaser's written notice, or if no adjustments are included, Seller shall notify Purchaser in writing within five (5) calendar days of receipt of such notice. Failure to provide timely written notice shall constitute Seller's irrevocable acceptance of the changes, including any associated adjustments stated by Purchaser. Upon receiving Seller's notice, the parties shall engage in good-faith negotiations to determine appropriate adjustments.

Regardless of whether an agreement on adjustments is reached, Seller shall immediately proceed with implementing

all changes directed by Purchaser, without delay, interruption, or waiting for final agreement on such adjustments. In the event the parties cannot reach agreement within ten (10) calendar days of commencing negotiations, Purchaser's determination of adjustments shall govern until any disputes are resolved under the Contract's dispute resolution provisions.

6.3 Claims for Adjustments

Any claim by Seller for adjustments related to changes must be submitted in writing within five (5) calendar days of Seller's receipt of Purchaser's initial written notice. Failure to submit such claim within this timeframe shall constitute a waiver of Seller's right to seek adjustments, and Seller shall be bound by the adjustments, if any, set forth in Purchaser's notice or Change Order. All adjustments shall, in any event, be subject to Purchaser's sole determination of fairness and equity, provided such adjustments are consistent with the terms of the Contract.

6.4 Consistency and Standards Notification

Seller shall immediately notify Purchaser in writing if any changes directed by Purchaser are inconsistent with:

(a) The Prime Contract between Purchaser and the Owner/Client (if applicable), which is incorporated by reference into this Contract;

(b) Generally accepted engineering, design, manufacturing, or fabrication standards; or

(c) Any laws, regulations, or codes applicable to the performance of the Contract.

Upon receipt of such notice, Purchaser and Seller shall engage in good-faith negotiations to determine whether modifications to the Contract are necessary to address Seller's concerns. Notwithstanding such negotiations, Seller shall continue performance without delay in accordance with Purchaser's instructions, unless and until directed otherwise by Purchaser in writing.

6.5 Purchaser's Authority

In all instances, Purchaser's authority to issue and enforce changes under this clause is absolute and final, subject only to the dispute resolution process if required. Seller shall not delay or condition its performance based on unresolved issues or claims for adjustments unless explicitly authorized in writing by Purchaser.

7.0 PAYMENTS AND INVOICES

A separate invoice shall be issued for each shipment under the Contract. All invoices shall show the date and point of shipment and shall show all freight charges prepaid. Any due date shall be calculated from the later of the date on which the invoice is received or the date on which the Items covered by the invoice are actually delivered to Purchaser. The specific terms of payment for all Items provided under the Contract are stated in the Purchase Order. Unless otherwise specified in the Purchase Order, no invoice shall be issued by the Seller prior to the shipment or performance of the Items covered thereby, and no payment shall be made prior to receipt of such Items and of a proper invoice for such Items, and no payment shall be made prior to receipt of payment from Owner to Purchaser for the equipment or services provided under this agreement and in the corresponding Purchase Order. Payment shall be made within forty-five (45) days from the payment due date only if the corresponding payment from Owner to Purchaser

for the equipment or services provided under this agreement is received by Purchaser.

Purchaser may require that any Items in process and not yet in Purchaser's possession be clearly marked or otherwise identified as being Items in which Purchaser has an interest. To the extent of payments made by Purchaser, and upon request of Purchaser, Seller shall conspicuously mark the Items as being owned by Purchaser and shall promptly execute and deliver to Purchaser any security agreements, financing statements, waivers of lien, bills of sale and/or other documents as are necessary in Purchaser's opinion to protect Purchaser's interest in the Items.

Purchaser may withhold any payment otherwise due under the Contract to such extent as may be necessary to protect Purchaser from loss because of:

(a) evidence of financial difficulty of Seller which might prevent complete performance of the Contract by Seller;

(b) liens, encumbrances or other claims filed or reasonable evidence indicating probable filing of such liens, encumbrances or other claims under or as a result of the Contract;

(c) defective Items not promptly repaired or replaced;

(d) damage to another supplier or contractor;

(e) failure on the part of Seller to pay any of its subcontractors or suppliers the amounts due and owing; or

(f) a breach by Seller of any provision of the Contract.

8.0 FINANCING

Without any direct or indirect charge to Purchaser, Seller shall promptly execute all consents, waivers, approvals or other documents which Purchaser shall ask Seller to execute and shall cooperate in all other ways necessary to enable Purchaser to finance the purchase of the Items or any part thereof including, without limitation, financing by leasing or by transferring title to the Items or any part thereof to a third party.

9.0 ITEMIZATION OF ITEMS AND STATEMENTS

Upon Purchaser's request, Seller shall promptly furnish a complete breakdown for accounting purposes of the price of all major and minor components of the Items, in accordance with listing and accounting numbers to be furnished by the Purchaser. This breakdown will be into components usually sold on the market separately as equipment items, but will not be carried so far as a breakdown into components normally sold as parts.

Materials lists or bills of material in a form satisfactory to Purchaser and suitable for receiving personnel at the job site to identify the Items will be furnished by Seller to Purchaser.

10.0 TAXES

Except as may be otherwise provided in the Purchase Order, the Contract Price includes all applicable Federal, State and local taxes. The Seller shall also pay, and shall assure that its suppliers and/or all other parties under its control or supervision who will have any personnel performing services at Purchaser's job site pay, as required by applicable laws, all payroll taxes or contributions or payments for unemployment insurance or Workers' Compensation Insurance or old age

pensions or annuities, including social security contributions, and shall hold the Purchaser harmless from any assessments against the Purchaser in connection therewith. The Seller shall fully comply with all applicable employer and liability laws and Workers' Compensation acts of each State or political subdivision in which the Items are to be manufactured, constructed or located. The Seller and all other parties under its supervision or control who will have any personnel performing services at Purchaser's job site shall furnish the Purchaser with evidence of the foregoing compliance satisfactory to the Purchaser if the Purchaser so requests.

11.0 INSPECTION AND PRE-WARRANTY PERIOD DEFECTS

Purchaser may inspect any Items ordered hereunder during their manufacture, construction or preparation at reasonable times and shall have the right to inspect such Items at the time of their delivery and/or completion. Items furnished hereunder may at any time prior to the beginning of the warranty period stated above in Section 5 be rejected for defects or defaults revealed by inspection or analysis, even though such Items may have previously been inspected and accepted. Such rejected Items may, at Purchaser's option, be returned to Seller for full refund to Purchaser, including removal, shipping and transportation charges.

12.0 PATENTS

Seller is not aware of any facts which would provide a basis for a claim for infringement of any patent, copyright or trademark, nor is it aware of any actual or threatened claim for such infringement relating to the Items or to their design, manufacture, purchase, sale or use.

The Seller shall indemnify and hold harmless the Purchaser from any and all claims for infringement of any patent, copyright or trademark by reason of the design, manufacture, purchase, use or sale of the Items and shall indemnify the Purchaser for all costs, expenses, judgments, liability and damages, including attorneys' fees, which the Purchaser may incur or have rendered against it by reason of any alleged infringement provided Purchaser gives Seller prompt notice of any infringement claim and permits Seller to defend. Purchaser shall give Seller the option at any time up to or after judgment at Seller's expense (i) to alter the Item in question to make it non-infringing, (ii) to exchange for the infringing part a non-infringing part satisfactory to Purchaser which will fulfill substantially the same function as the infringing part which in that case becomes Seller's property, (iii) to obtain a license to permit Purchaser's use of any infringing part with Seller being responsible for any and all payments due under such license, or (iv) repurchase the infringing Item at Purchaser's cost. However, the exercise of such option shall not release Seller from any of its indemnity obligations hereunder that are not fully satisfied by Seller's exercise of such option.

13.0 COMPLIANCE WITH LAWS AND REGULATIONS

Seller warrants that neither any of the Items provided to Purchaser nor their design, manufacture, fabrication, construction or use shall violate or cause Purchaser to be in violation of any Federal, state or local law, code, ordinance, regulation, standard, rule, requirement or order. In the event of any conflict between or among the provisions of any laws, codes, ordinances, regulations, standards, rules, requirements or orders described in this Section 13, the more or most stringent provisions shall apply. Without limiting the foregoing, Seller certifies and guarantees that all Items:

(a) will be produced in compliance with all applicable requirements of the Fair Labor Standards Act, as amended;

(b) will conform with all applicable consumer product safety standards under the Federal Consumer Product Safety Act;

(c) will not be a misbranded or banned hazardous substance within the meaning of the Federal Hazardous Substances Act;

(d) will, if constituting or containing an economic poison as defined in the Federal Insecticide, Fungicide and Rodenticide Act, be registered pursuant to said Act and comply with all other requirements of said Act (7 U.S.C.A. 135-135K); and

(e) will not, under normal use, be in violation of, or cause Purchaser to be in violation of the Occupational Safety and Health Act of 1970, and/or standards, rules, regulations, orders or requirements thereunder, the Resource Conservation and Recovery Act, the Clean Air Act, the Clean Water Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Toxic Substances Control Act, the Hazardous Materials Transportation Act, or of any other state and/or Federal laws, standards, rules, regulations, requirements or orders relating to the environment.

All of the Items shall be provided in a form that will be in compliance with and that will place the Purchaser in compliance with the applicable standards of the National Board of Fire Underwriters respecting fire protection, and only equipment listed as approved by the Underwriters' Laboratories shall be used or installed. All electrical materials, devices, and equipment shall be used or installed as a part of the Items in full compliance with and so as to place Purchaser in full compliance with all applicable provisions of the National Electrical Code and the NEMA standards. In addition, without limiting the foregoing, all equipment supplied and/or installed and all other Items shall comply with all provisions of the latest edition of the American National Standards Institute's standards and/or regulations applicable to pulp and paper mills and all work at Purchaser's job site shall be performed in accordance with the Purchaser's safety and other standards. Any and all piping materials supplied as part of the Items shall meet the applicable standards of the ASTM Code.

Unless Purchaser waives such requirements, all materials, devices, processes and equipment provided under the Contract which are subject to any property loss control standards must be approved by risk control consultants designated by Purchaser after Seller has completed its performance under the Contract before Purchaser shall have any obligation even to inspect the Items for possible acceptance.

Seller shall not permit any of its employees or anyone working under the Seller's supervision or control to be present on any part of the Purchaser's property except where work must actually be performed.

Seller warrants that for each of the past three years:

- (i) it has not had a fatality;
- (ii) Its Total Recordable Incident Rate (TRIR) has not exceeded 1.0, and
- (iii) its Experience Modification Rate (EMR) has not exceeded 1.0.

If the Seller observes that any drawings and/or specifications are at variance with any provisions of any of the items referred to in this Section 13, it shall promptly notify the Purchaser in writing of such variance. Any changes necessary shall be made under Purchaser's direction and under the procedures specified in these Terms and Conditions.

Seller shall promptly take, at its expense, all action necessary to make all Items comply with the applicable Federal, State or local laws, codes, ordinances, regulations, rules, standards, requirements or orders after Seller receives either from the applicable agency or from Purchaser a notice that some violation exists with respect to the Items. Seller shall also be liable for the payment of any penalties and/or fines imposed as a result of the failure of any Item provided by or for Seller hereunder to comply with all of the above requirements.

14.0 WORK ON THE PREMISES

If work is to be performed hereunder on premises of Purchaser, Seller represents that it has or will examine the premises and any specifications or other documents furnished in connection with the Items and satisfy itself as to the condition of the premises and site. Seller agrees that no allowance shall be made in respect of any error as to any of the foregoing on the part of Seller. Seller shall at all times keep the premises free from accumulations of waste material or rubbish. At the completion of installation of the Items, Seller shall leave the premises and the Items broom-clean.

Seller shall indemnify and hold Purchaser harmless from any loss, damage, claim, or legal action resulting from performance of work on the premises by Seller or anyone acting under Seller's supervision or control.

15.0 LIENS

Seller hereby waives its rights to any mechanics lien or other lien under any applicable statutes or otherwise for work done or materials, services, supplies, equipment or any other items furnished in connection with the Contract. Seller shall obtain from every subcontractor or materialman prior to the performance of any work or supplying of any materials for the Contract, a written waiver satisfactory to Purchaser of such subcontractor's or materialman's right to any such lien, and Seller shall deliver such waivers to Purchaser promptly upon Seller's receipt thereof. Prior to Seller's receipt of each payment under the Contract, Seller shall deliver to Purchaser all affidavits, lien releases, materialmen's certificates and other documents necessary fully to protect Purchaser under the applicable lien laws. Upon Purchaser's request, Seller shall obtain and deliver to Purchaser, without cost to Purchaser, a bond or a letter of credit satisfactory to Purchaser to indemnify Purchaser against the liens and claims described in this Section 15.

Seller shall reimburse Purchaser for all costs and damages, including attorney's fees, and any special, indirect, incidental or consequential damages incurred by Purchaser in connection with or as a result of the existence or discharge of any such lien or other claim which is not discharged by a bond or covered by a letter of credit obtained at Seller's expense or which is not otherwise satisfied at Seller's expense. If at any time there shall be evidence of the existence of any such lien or claim for work done or materials, services or equipment furnished by Seller or any other party in connection with the Contract, the Purchaser may use money then due or to become due under the Contract to discharge such lien or satisfy such claim and may credit such amounts against the amounts due or to become due to the Seller.

16.0 INDEMNIFICATION

Seller shall indemnify, defend, and hold Purchaser, its affiliates, subsidiaries, agents, officers, owners, directors, consignees, employees, representatives, successors, and assigns (collectively, "Purchaser Indemnitees") harmless from

and against any and all claims, demands, suits, actions, proceedings, liabilities, losses, damages, penalties, fines, costs, and expenses (including, without limitation, attorneys' fees and expenses, expert witness fees, and costs of investigation) of every kind whatsoever, whether direct, indirect, incidental, consequential, or punitive, by reason of, arising out of, or in any way related to or connected with:

16.1 Seller's Acts or Omissions: Any act, omission, fault, negligence, willful misconduct, breach of warranty, or violation of law by the Seller, its employees, agents, representatives, subcontractors, or any other parties acting under or on behalf of the Seller;

16.2 Defective Items: The design, preparation, manufacture, fabrication, construction, completion, inspection, testing, labeling, packaging, handling, transportation, delivery, failure to deliver, and/or installation of the Items, whether occurring before, during, or after delivery to Purchaser;

16.3 Injuries or Property Damage: Any accident, occurrence, injury, sickness, disease, death, or loss of use of or damage to any person or property, whether occurring before, during, or after delivery of the completed Items to Purchaser, upon or about or in any way due to or resulting from the Seller's actions or omissions; and

16.4 Compliance Failures: The Seller's failure to comply with applicable laws, regulations, or the terms and conditions of the Contract.

This indemnity shall apply regardless of whether such claims, damages, or losses are alleged to be caused by or result in part from the negligence (whether active, passive, or concurrent) of any Purchaser Indemnitee, provided that the Seller shall not be liable for damages or losses arising solely from the gross negligence or willful misconduct of the Purchaser.

For clarity, Seller shall remain liable even in cases where the Purchaser fails to discover, warn of, or mitigate any conditions caused or permitted to exist by the Seller or any of its subcontractors.

17.0 INSURANCE

Seller shall take out and maintain with a carrier or carriers having a Best rating of not less than B+ at least the following minimum insurance at its expense for the duration of the Contract (including all warranty periods thereunder) covering all of Seller's obligations under the Contract:

Workers Compensation	Statutory
Employer's Liability	
Bodily Injury by Accident	\$1,000,000 each accident
Bodily Injury by Disease	\$1,000,000 each employee
Bodily Injury by Disease	\$1,000,000 policy limit
Commercial General Liability	
coverage consistent with ISO Form CG 00 01 04 13 or its equivalent covering liability for bodily injury and property damage, arising from premises, operations, independent contractors, personal injury/advertising injury, liability assumed under an insured contract and products/completed operations for not less than three (3) years from the date Buyer accepts the Work.	\$1,000,000 each occurrence; \$1,000,000 in the aggregate with a single excess umbrella coverage of not less than \$10,000,000 for combined bodily injury and property damage
Automobile Liability	

coverage (including coverage for claims against Buyer for injuries to Contractor Personnel) for owned, non-owned, and hired autos	\$2000,000 per accident
Umbrella	
	\$5,000,000 per occurrence \$5,000,000 per project \$5,000,000 per location
Professional Liability	
If the Purchase Order involves or includes Contractor providing or performing design, engineering, consulting, or any professional service	Combined Single Limit of not less than \$4,000,000 per occurrence

The completed operations coverage or the products liability coverage described above under the commercial general liability insurance shall be kept in effect for the longer of two years from the date of Purchaser's initial commercial use of the Items or the period stated in the first sentence of this Section 17. None of the above insurance coverage shall be cancelable except upon thirty (30) days prior written notice to the Purchaser and to all other insured parties, and Seller shall provide to Purchaser a copy of any such cancellation notice immediately after Seller's receipt of it. If Seller is subject to any no fault insurance requirements, it shall adhere to all applicable laws and regulations pertaining to such no fault insurance. Seller shall not start to perform under the Contract until all required insurance has been obtained and, if requested by Purchaser, certificates confirming such coverage and any excess liability or umbrella coverage have been furnished to Purchaser.

At a minimum, the language to be included within the Certificate of Insurance is as follows:

Tourgee & Associates, Inc., TAI Specialty Construction Inc. and [Insert Owner's Name] are all named as Additional Insured. Waiver of Subrogation in favor of Tourgee & Associates, Inc., TAI Specialty Construction, Inc. and [Insert Owner's Name]. Primary/Non-Contributory endorsement is included for all additional insureds.

18.0 FORCE MAJEURE

Performance under the Contract may be delayed by Seller, and Seller shall not be held in breach of its obligations under the Contract or be liable for damages or cancellation charges resulting from delays in delivery or performance or failure to manufacture or deliver when due only if such delay is due to causes completely beyond Seller's reasonable control such as acts of God, acts of civil or military authority, fires or strikes; or floods, epidemics, war, or riot. None of the foregoing shall be grounds for excusable delay on Seller's part if at the time it signed the Contract or Purchase Order, Seller knew, or, with the exercise of reasonable diligence, could have known of the existence then or probable existence in the future of any of such causes. All claims of force majeure shall be made by Seller to Purchaser in writing within thirty (30) days after the beginning of any such delay. Any such claim not made within that time period shall be barred. In any of the foregoing events, the time for performance hereunder shall be extended by the number of days of delay caused by such event, provided, however, that in no event shall the time for Seller's performance for all such delays combined be extended by more than ninety calendar days in the aggregate.

This extension of time for Seller's performance shall be Seller's sole remedy under this Section 18, and Seller hereby waives

any and all claims it may have for damages for any delay under this Section 18. In no event shall the granting of any delay or extension under this Section 18 be:

(a) a condition precedent to Seller's waiver of any and all rights to seek damages for a delay under this Section 18 or

(b) a basis for any additional payments to Seller nor shall such delay or time extension serve to release Seller from any of its other obligations under the Contract.

19.0 TERMINATION SUSPENSION OR DELAY

Purchaser shall have the right at any time to suspend or delay performance of the Contract, in whole or in part, without cause, and the right to terminate the Contract without cause at any time after the last day of any cancellation period described in the Purchase Order or at any time if no such period is described by ten (10) days prior written notice to Seller. Immediately after receipt of such notice, unless otherwise directed by Purchaser, Seller shall stop all performance hereunder. In the case of termination of the Contract under this Section 19, Seller shall then

(a) assign to Purchaser all of Seller's rights under any orders, contracts or agreements related to the Items and designated by Purchaser;

(b) terminate all such orders, contracts, and agreements not so designated; and

(c) transfer to Purchaser, in accordance with Purchaser's directions, and whether located on the job site, in a vendor's or manufacturer's facility or elsewhere, all materials and all information accumulated, prepared or acquired by Seller for use in relation to the design, development, manufacture, assembly, shipment, installation, operation, maintenance or repair of the Items and all supplies, shop drawings, work in process, equipment, machinery or parts prepared, acquired or used by the Seller in connection with the Items and for which the Seller is to be reimbursed hereunder, and all working drawings, sketches, specifications, and other information accumulated, prepared or acquired by Seller with respect to the Items.

The Seller shall, if directed by the Purchaser and to the extent stated in the notice of termination, suspension or delay, make all efforts necessary to preserve the work in progress and to protect the Items whether still at Seller's manufacturing facilities or in transit to Purchaser's facilities.

If Seller is not then in default in the performance of any of its obligations hereunder, and if Seller has taken reasonable steps to mitigate its damages resulting from such termination, Purchaser shall pay to Seller, as Seller's sole and exclusive remedy for termination under this Section 19, to the extent not already paid to Seller, an amount equal to:

- Reasonable and documented costs incurred by Seller in accordance with the Contract prior to Seller's receipt of notice of termination, plus,
- The reasonable and documented costs and charges incurred by Seller in winding up its activities under the Contract prior to the effective termination date, provided, however, that the total of the amounts listed in (i) and (ii) of this Section 19 plus prior payments to Seller shall in no event exceed the Contract Price.

If the suspension or delay is not followed by a termination of the Contract, Purchaser shall have no obligation to make any payments to Seller after the effective date of the suspension

or delay other than, to the extent not already paid to Seller, Seller's reasonable and documented costs incurred in accordance with the Contract prior to such effective date which are not reduced or eliminated by mitigative action by Seller or Purchaser. Before Seller resumes performance under the Contract following such suspension or delay, Seller and Purchaser shall negotiate in good faith on the adjustments, if any, which may be required in payments to Seller or in the Contract Price to avoid inequities either to Seller or Purchaser.

20.0 DEFAULT

If the Seller:

- (a) becomes insolvent;
- (b) has a petition under any chapter of the bankruptcy laws filed by or against it;
- (c) makes a general assignment for the benefit of its creditors;
- (d) has a receiver requested for or appointed for it;
- (e) fails to use properly skilled personnel in its performance under the Contract;
- (f) should fail to make prompt payment to any subcontractors it may have or for any material, labor, transportation, supplies, fuel, use of equipment or any other expense it incurs under the Contract; or
- (g) fails to comply with any of its obligations under the Contract with damages actually or potentially resulting to Purchaser, then Purchaser may, in addition to its rights under Section 5 above, after forty-eight (48) hours written notice to Seller, provide any item necessary or otherwise cure such default and deduct the cost thereof from any money then due or thereafter to become due to the Seller under the Contract.

At its option, in lieu of or in addition to such curative action, Purchaser may also then terminate the Contract after first giving Seller ten (10) days written notice to cure such default, if Seller has failed to cure such default within such ten (10) day period. Immediately after such termination, Purchaser may:

- (i) take possession of the Items wherever they may be located and in whatever state of completion they may be together with all drawings and other information necessary to enable Purchaser to have the Items completed, installed, operated, maintained and/or repaired;
- (ii) require Seller to comply with any or all of the provisions of clauses (a) through (c) of the first paragraph of Section 19 above;
- (iii) pay to Seller any amount then due under the Contract after taking full credit for any offsets to which Purchaser may be entitled;
- (iv) contract with or employ any other party or parties to finish the Items; and
- (v) collect from the Seller any additional expense, losses or damage which Purchaser may suffer.

21.0 PURCHASER'S RIGHTS AND REMEDIES

Except as otherwise stated in the last paragraph of Section 5 with respect to warranties given by Seller, any rights or remedies granted to Purchaser in any part of the Contract shall not be exclusive of, but shall be in addition to, any other rights or remedies granted in any other part of the Contract and to any other rights or remedies that Purchaser may have at law or in equity.

22.0 PACKING AND MARKING

All equipment shall be packed, crated and braced to prevent damage or deterioration and in accordance with Uniform Freight Classification Rules and Regulations, and Carrier Tariffs with no charges being paid by Purchaser for packing, crating or bracing.

Unless otherwise stated in the Purchase Order or in Purchaser's equipment specifications, all equipment, including, without limitation, each pump, motor and gear, shall be tagged with stainless steel tags, stating the Purchaser's Purchase Order number, Change Order number, if applicable, and the Purchaser's mechanical and/or electrical equipment tag number, whether or not the equipment is crated or boxed. If crated or boxed, the same information shall be placed on the outside of the crate or box in letters at least one-inch high.

Equipment tags must be located in such a way as to be easily located and identified; and the Seller shall show location of the same on drawings for Purchaser's approval.

23.0 SUBMITTALS

Seller shall submit all required drawings and other data for all equipment in hard copy and electronic format, as described in the Purchase Order not later than the dates specified in the Purchase Order.

The mailing and e-mail addresses for the Purchaser are as noted in the Purchase Order.

Engineering and/or construction revision expense resulting from changes made in manufacturer's shop prints after certification shall be billed to the Seller, unless such post-certification changes are made at the request of Purchaser for a reason not the fault of Seller or of any of its subcontractors.

24.0 INSTALLATION INSTRUCTIONS, OPERATION AND MAINTENANCE MANUALS, AND INSTRUCTION MANUALS

As outlined and not later than the dates specified in the Purchase Order, Seller shall furnish to Purchaser hard copies and electronic copies of all necessary sub-assembly drawings, recommended spare parts and other parts lists, characteristic curves, bearing data sheets, including the bearing manufacturer's standard numbers, analysis of all special materials; and operating, maintenance and installation manuals, together with any and all licenses, assignments, transfers, releases or waivers of all patent, license, copyright or trademark rights and/or protection and other data necessary to properly and conveniently install, use, operate, maintain, repair and/or replace all or any part of the Items. All such data shall be bound in a neat and orderly manner in indexed manuals. Final payment shall not be made to Seller until all of the documents described above in Section 23 and the documents described in this Section 24 are received in their required form and format.

25.0 ASSIGNMENT

Seller may not assign the Contract or any right there under without the prior written consent of Purchaser.

26.0 WAIVER

The failure of either party hereto to require strict compliance with or complete performance of any obligation of the other party hereto by such other party shall not be construed as a waiver of any subsequent breach by such other party.

27.0 ENTIRE AGREEMENT

The Contract sets forth the entire agreement between Seller and Purchaser on the subjects covered therein, and, except as otherwise provided above in Section 6, no terms, conditions, understanding or agreement purporting to modify or vary the terms of the Contract shall be binding unless made in writing and signed by Seller and Purchaser.

28.0 SEVERABILITY

In the event that any words, phrase, clause, sentence or other provision of the Contract shall violate any applicable statute, ordinance or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision of the Contract.

29.0 NOTICES

All notices required hereunder shall be given in writing either by U.S. or other appropriate national mail (via air mail if crossing any international borders) postage prepaid or e-mail or by fax dispatched to the respective addresses or fax numbers specified below:

Purchaser: TAI Engineering
Attn: (Manager's Name on PO)
600 Red Brook Blvd., Suite 300
Owings Mills, MD 21117

Seller: As noted in the Purchase Order

Either party may change such address or such fax numbers by notice to the other in accordance herewith and such change shall take effect on receipt of such notice by the other.

All notices and communications under the Contract shall, unless otherwise provided elsewhere in the Contract, be effective only at the time of receipt thereof by the party to whom they are addressed.

Unless otherwise agreed in specified cases, all correspondence and communications in connection with the performance of the Contract shall be carried out in the English language.

30.0 GOVERNING LAW

Except where Purchaser's job site is located in a state other than Maryland and the laws of that other state referenced above under Section 13 or the laws with respect to mechanics liens, workers' compensation and other employer-employee relations matters and/or local taxation otherwise require, the Contract and all of the performance there under shall be governed by and construed in accordance with the laws of the State of Maryland.

31.0 SUPPLIER CODE OF CONDUCT

By accepting this purchase order, the Supplier, Vendor, or Seller hereby acknowledges and agrees to comply with TAI's Supplier Code of Conduct, as may be amended from time to time, and which is accessible at the following URL:
<https://www.taiengineering.com/wp-content/uploads/2025/03/Supplier-Code-of-Conduct.pdf>