

Triad Retail Construction, Inc. (Contractor)
Terms & Conditions of Purchase Order

1. Agreement: This agreement supersedes and governs over any and all prior proposals and other agreements relating to the work specified in this P.O. The Subcontractor has read and understands the Terms and Conditions and all bidding documents. Subcontractor has visited the Project site and has included in his price all costs necessary to complete the work under the Purchase Order according to the plans, Owner's specifications, Landlord's specifications, Contractor specifications, manufacturer's specifications and governing codes, statutes, ordinances, and laws. The contract between the Owner and Contractor is binding on the Subcontractor to the same extent they are binding on the Contractor. In the event of a conflict between the contract and this purchase order, the document with the most favorable provision for the Contractor shall control.

2. Time: Subcontractor agrees to immediately commence work when notified by Triad Retail Construction, Inc. and complete all work in a timely and professional manner. Attention is hereby directed to the fact that time is of the essence in this Purchase Order. It is the Subcontractor's responsibility to know, understand, and stay current with the posted construction schedule.

3. Performance: Subcontractor agrees to provide adequate supervision, labor, materials, equipment, tools, water, heat, utilities, transportation, and other facilities and services necessary for the proper execution and completion of the work, whether temporary or permanent and whether or not incorporated or to be incorporated in the work as required to complete its work in accordance with the construction schedule. The Subcontractor is to perform all work in a first class, good, and workmanlike manner to the complete satisfaction of the Owner, Contractor, Landlord and Architect. Any work determined not to be done in a first class, good, and workmanlike manner, the Subcontractor shall immediately remedy the situation to the complete satisfaction of the Owner, Contractor, Landlord and Architect. Should the Subcontractor fail in this respect, then after 24 hours advanced notice, the Contractor may take whatever measures are necessary to remedy the situation at the sole cost of the Subcontractor. Subcontractor agrees to coordinate all work with other trades as not to delay or hinder the progress of this project. Subcontractor agrees to obtain and maintain all relevant licenses, trade permits, and other fees required to complete its defined scope of work. The Subcontractor is to take proper care of all building materials on the ground, and to take full responsibility for all materials and equipment provided to the Subcontractor whether in Subcontractor's possession or on the Project. The Subcontractor is to pay for all building materials and existing construction wasted or damaged on the Project through its operation, and belonging to other parties, including labor to repair said damages. Subcontractor shall pay all sales tax, use tax, social security, unemployment tax, union benefits, and all other relevant taxes applicable to labor and materials furnished under this agreement. The Subcontractor is to clean up and remove daily from the Project all of its surplus materials, debris, trash and packaging. If this is not done, Contractor may clean up and remove it and charge the cost of clean up and removal to Subcontractor and/or deduct such amount from the amount owed to Subcontractor hereunder. The Subcontractor shall not assign the work under this purchase order without permission in writing from the Contractor.

4. Safety, Environment & Employment Status: SUBCONTRACTOR SHALL AT ALL TIMES COMPLY WITH THE FEDERAL OCCUPATIONAL, SAFETY AND HEALTH ADMINISTRATION ACT (OSHA), ALL ENVIRONMENTAL LAWS, AND SHALL BE SOLELY RESPONSIBLE FOR VERIFYING ALL OF THEIR EMPLOYEES AND SUB-SUBCONTRACTORS ELIGIBILITY TO WORK UNDER ANY APPLICABLE IMMIGRATION LAWS IN EFFECT. SUBCONTRACTOR SHALL INDEMNIFY, DEFEND AND HOLD TRIAD RETAIL CONSTRUCTION, INC. HARMLESS FROM ANY FINES OR LOSSES INCURRED IN CONNECTION WITH ITS FAILURE TO COMPLY WITH THIS PROVISION. Subcontractor shall notify Contractor immediately, by telephone with prompt confirmation in writing, of any injuries, fatalities, environmental events, or immigration violations that occur on the Project.

5. Subcontractor Accounts: SUBCONTRACTOR AGREES TO INDEMNIFY, DEFEND AND HOLD CONTRACTOR AND THE OWNER HARMLESS FROM ANY AND ALL LIENS AND CLAIMS OF ANY PERSON OR ENTITY MAKING A CLAIM THAT ARISES BY, THROUGH OR UNDER SUBCONTRACTOR, INCLUDING ANY OF ITS SUB-SUBCONTRACTORS, LABORERS, EMPLOYEES AND MATERIAL OR EQUIPMENT SUPPLIERS. Upon request, the subcontractor agrees to provide satisfactory evidence as to that status of its accounts with its vendors and/or provide a Final Unconditional Waivers of Lien from same.

6. Termination: Upon failure to comply with the terms and conditions of this agreement, Triad Retail Construction, Inc. reserves the right to take whatever actions deemed necessary to complete the subcontractor's contractual obligations at the subcontractor's sole expense. Subcontractor agrees that twenty-four (24) hours notice constitutes final and adequate notification of breach of this agreement. Contractor may terminate Subcontractor or the work contemplated under this P.O., in whole or in part, for Contractor's convenience (and without the requirement to prove a default under this contract). In the event that this P.O. is terminated for convenience, Subcontractor shall not be entitled to lost profits on work not performed. In the event that a Termination for Cause is determined to be wrongful, then said termination shall be considered a termination for convenience.

7. Disputes: Subcontractor agrees that no suits will be filed, and any dispute arising out of this agreement shall be arbitrated under the Construction Rules of the American Arbitration Association with exclusive venue in the city nearest to the county in which the project is located. The arbitrator shall be mutually agreeable.

8. Lien Waivers: Lien Waivers will be sent with the Purchase Order. An executed lien waiver for the amount of the invoice must be included with all payment requests and not be altered in any fashion. Lien waivers must be signed and notarized by the owner or an officer of the company.

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9. Change Orders: Change order extras are to be charged at a rate not to exceed actual cost plus 10% or at a rate as prescribed in the contract between the Owner and Contractor. Verbal change orders will not be accepted. Change Order Requests must be submitted in writing in a format detailing all work to be performed, time required to complete the work, hourly rates of pay, and detailed pricing of materials and accompanied by sufficient supporting documentation to support the claim. All change orders must be invoiced separately and within seven (7) days of completion with the price broken down by labor, material, and sales tax. **Without exception Triad Retail Construction, Inc. Superintendents are not authorized to issue/ approve change orders. Subcontractor agrees that IT WILL NOT commence any additional work without the prior written receipt of a change order executed by a Triad Retail Construction, Inc. Project Manager. Subcontractor agrees that a written and properly authorized change order in advance of the work is an express condition precedent to Triad Retail Construction, Inc.'s obligation to pay for the change.** Upon request, the Subcontractor must allow Contractor to audit all records relating to this project.

10. Payment: All invoices must be broken down by Labor, Materials, and Sales Tax. All invoices will be paid Net 30 within the pay period following receipt of the invoice, provided that payment has been made with respect thereto by the owner to Triad Retail Construction, Inc. All change orders must be invoiced separately. Invoices must clearly note the project name, location and work performed. All invoices must be originals, not faxed or e-mailed copies, and must be received at the corporate office. Progress payments will be made to the Subcontractor based upon percentage of work completed. Ten percent retainage may be held on all payments. In order to begin processing any application for payment or invoice, Triad Retail Construction, Inc. must have originals of the following: Insurance as described in paragraph 12 below, a Written One Year Warranty / Guarantee for all materials and labor performed under this purchase order, proper documentation of Federal ID #, and Executed Lien Waivers as described in paragraph 8, above. **NO BILLINGS WILL BE PROCESSED FOR PAYMENT IF ANY OF THIS DOCUMENTATION IS NOT PROVIDED TO CONTRACTOR PRIOR TO THE RECEIPT OF THE INVOICE.** The Contractor may withhold any payment from the Subcontractor for any of the following reasons: (i) The work has not progressed to the point indicated by the Subcontractor to Contractor; (ii) The quality of the work is not in accordance with this Purchase Order; (iii) Defective work has not been remedied; (iv) Third party claims have been filed or reasonable evidence indicates probable filing of such claims; (v) Failure of the Subcontractor to make payments properly to Subcontractors or for labor, materials or equipment; (vi) Reasonable evidence has arisen that the work cannot be completed for the unpaid balance of the Contract Price; (vii) The Subcontractor has caused damage to the Owner, Landlord, Contractor or another contractor involved with the Project; (viii) Reasonable evidence has arisen that the work will not be completed within the required time period and the unpaid balance of the Contract Price will not be adequate to cover the actual damages for the anticipated delay; or (ix) Subcontractor's persistent failure to carry out the work in accordance with this Purchase Order.

11. Final Payment Requirements: Final payment will be paid to the Subcontractor upon final acceptance of the Subcontractor's work to the full satisfaction of the Contractor, Owner, Landlord, and Architect, and all required submittals, shop drawings, as-built drawings, warranties, maintenance and operating manuals, calculations, air balance reports, etc. have been received by Triad Retail Construction, Inc. Contractor may require Subcontractor to produce a list of all sub-subcontractors and suppliers, along with the amount of each subcontract, purchase order or other contract; and produce a sworn affidavit listing amounts paid to each and certifying payment in full of all accounts related to this project.

12. Insurance Requirements: As set forth in the attached Insurance Requirements, which is incorporated herein by reference.

13. Indemnity Agreement: TO THE FULLEST EXTENT PERMITTED BY LAW, SUBCONTRACTOR SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS, CONTRACTOR, AND ALL OF ITS OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, DAMAGES, LOSS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, ARISING OUT OF OR RESULTING FROM THE PERFORMANCE OF SUBCONTRACTOR PROVIDED THAT ANY SUCH CLAIM, DAMAGE, LOSS OR EXPENSE IS ATTRIBUTABLE TO BODILY INJURY, SICKNESS, DISEASE OR DEATH, OR PATENT INFRINGEMENT, OR TO INJURY TO OR DESTRUCTION OF TANGIBLE PROPERTY INCLUDING LOSS OF USE, OR RESULTS IN FINANCIAL LOSS TO CONTRACTOR OF ANY SORT AND IS CAUSED IN WHOLE OR IN PART BY ANY ACT OR OMISSION OF SUBCONTRACTOR OR ANYONE FOR WHOSE ACTS IT MAY BE LIABLE, OR IS CAUSED BY OR ARISES OUT OF THE USE OF ANY PRODUCTS, MATERIAL, OR EQUIPMENT FURNISHED BY SUBCONTRACTOR, REGARDLESS OF WHETHER IT IS CAUSED IN PART BY THE NEGLIGENT ACT OR OMISSION OF THOSE INDEMNIFIED HEREIN. THE INDEMNIFICATION OBLIGATION UNDER THIS PARAGRAPH SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE UNDER WORKERS' COMPENSATION ACTS, DISABILITY BENEFIT ACTS OR OTHER EMPLOYEE BENEFIT ACTS AND SHALL SURVIVE COMPLETION, TERMINATION OR ABANDONMENT OF THIS P.O.

14. Reformation and Savings: In the event that any provision in this p.o. is deemed to be in violation of the applicable law, the provision shall be reformed to provide as close as possible to the original intent of the provision while conforming to the law, or, if impossible to do, it shall be stricken and the remainder of the purchase order shall remain in full force and effect.

15. Acceptance: Commencement constitutes acceptance of the Purchase Order and these Terms and Conditions. Commencement shall be defined as: start of the submittal process, ordering of materials, or mobilization on site, whichever is first. Any changes to this purchase order for additional or different terms and conditions is hereby rejected.

16. **Texas Projects:** In the event this project is located in Texas, Triad Retail Construction, Inc's Texas Addendum shall be incorporated by reference. The Texas Addendum is attached hereto or available upon request.

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Rev. 3.22.08