



# PURCHASE ORDER

PPI Job No.:

Project Name:

Job Location:

Owner:

General Contractor: (or "Direct Contractor") (If Preston Pipelines' contract is not with Owner.)

Contractor: Preston Pipelines, Inc.  
133 Bothelo Avenue  
Milpitas, CA 95035  
Phone: (408) 262-1418, Fax: (408) 262-1870

Vendor:

Lender: (include address of branch handling construction funds)

Bonding Co.:

Cost Code:

Commitment No.:

Vendor Initials: \_\_\_\_\_

PPI Initials: \_\_\_\_\_

**Vendor:**

**PPI Job No.:**

This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between PRESTON PIPELINES, INC. ("Buyer") and \_\_\_\_\_ ("Vendor"), whose address and telephone number is indicated above.

**MATERIAL TO BE PROVIDED.** Vendor shall furnish the items or services described below at the price set forth opposite each item or service, within the times stated below in accordance with the terms and provisions of the Prime Contract, unless otherwise indicated in writing. Prices shall include all taxes and duties of any kind as set forth below.

<i>Description/Item No.</i>	<i>Estimated Quantity</i>	<i>Price Per Unit</i>	<i>Extension</i>	<i>Delivery Date</i>

Ship to: \_\_\_\_\_ Via: \_\_\_\_\_ Mark: \_\_\_\_\_

Deliver F.O.B.: \_\_\_\_\_ With Freight Allowed to: \_\_\_\_\_

Mail Invoices in Triplicate to **Preston Pipelines, Inc. 133 Bothelo Avenue, Milpitas, CA 95035**

**THIS AGREEMENT IS SUBJECT TO ALL OF THE GENERAL TERMS AND CONDITIONS ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE, AS WELL AS ALL PRIME CONTRACT DOCUMENTS, PLANS AND SPECIFICATIONS RELEVANT TO VENDOR'S WORK.**

**Vendor: Name** \_\_\_\_\_

**BUYER: Preston Pipelines, Inc.**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

Print Title: Project Executive

License No.: \_\_\_\_\_

License No.: 367660

**Vendor** Initials: \_\_\_\_\_

PPI Initials: \_\_\_\_\_

## GENERAL TERMS AND CONDITIONS

**This Agreement is subject to all of the following terms and conditions:**

**1. Complete Agreement.** This purchase order consists of this Agreement and the applicable terms, conditions, plans and specifications of the Prime Contract. **Vendor's acceptance is expressly limited to the exact terms of this purchase order.** (Commercial Code Section 2207.) All different or additional terms proposed or required by Vendor are hereby rejected and do not become part of any agreement formed by the parties. This purchase order shall supersede and take precedence over any terms of any prior or subsequent agreement, proposal, or communication, unless both parties both sign a written modification that specifically refers to this paragraph and describes which portions of the purchase order are modified. Commencing performance or making deliveries or any acknowledgment of this Agreement by Vendor shall constitute an acceptance of the terms of this Agreement by Vendor. Buyer is to be bound only by the terms and conditions of this purchase order notwithstanding any proposals, terms, or conditions additional or different from those accompanying Vendor's performance of acknowledgment. With respect to the matters comprised by this Agreement, whether generally or specifically, Vendor agrees to assume toward Buyer, all obligations assumed by Buyer toward Owner or upper tier contractor(s), as the case may be, under the Prime Contract. In the event that Buyer's contract is with the direct contractor or a subcontractor, not Owner, then the term "Prime Contract" shall refer to and include not only all of documents comprising the agreement between the direct contractor and the Owner, as well as all of the documents comprising Buyer's own contract in connection with the Project. In the event of conflict between any terms and conditions of any Contract Documents the provisions which require the stricter and greater duty on the part of Subcontractor shall control.

**2. Insurance.** Before performing work or conducting any activities at the site of the Project, Vendor shall comply with all of the insurance provisions set in Exhibit A.

**3.0 No Waiver.** Failure of Buyer to enforce in a timely manner any of the provisions of this Agreement, including with respect to insurance, shall not act as a waiver to enforcement of any of these provisions at a later date in the performance of this Agreement.

**4.0 Liens.** In case suit is brought on any lien, claim, or stop payment notice for labor performed or materials used on or furnished to the Project, Vendor shall pay and satisfy any such lien or judgment as may be established by the decision or the court in said suit. Vendor agrees within ten (10) days after written demand to cause any such suit, lien, claim, or stop payment notice to be removed from the premises or otherwise released, and in

the event Vendor shall fail so to do, Buyer is authorized to use whatever means in its discretion it may deem appropriate to cause said suit, lien, claim, or stop payment notice to be removed or dismissed and the cost thereof, together with actual attorney's fees, shall be immediately due and payable to Buyer by Vendor. Vendor may litigate any such suit, lien, claim, or stop payment notice provided it causes the effect thereof to be removed, promptly in advance, from the premises and from any payments that may be withheld, and shall further do such things as may be necessary to cause Owner not to withhold any monies due to Buyer from Owner by reason of such liens or suits. It is understood and agreed that the full and faithful performance of this Agreement on the part of Vendor (including the payment of any Project obligations due from Vendor to Buyer, and any amounts due to labor or suppliers furnishing labor or material for said work) is a condition precedent to Vendor's right to receive payment for the work performed, and any monies paid by Buyer to Vendor under the terms of this Agreement shall be impressed with a trust in favor of labor and suppliers furnishing labor and material to Vendor on the work herein.

**5.0 Risk of Loss.** Notwithstanding the terms of shipment, the risk of loss shall pass to Buyer only after delivery to the job site or other place designated in writing by Buyer, and installation of the goods or materials. Buyer shall have no responsibility to protect Vendor's material and equipment from damage or loss caused by any Act of God, strike, riot, or other natural or human element. Vendor shall carry all necessary insurance to protect its own as well as Buyer's interest in the labor, equipment, and materials furnished, until such time as the risk of loss passes to Buyer.

**6.0 Delivery. Time is of the essence of this Agreement.** If no delivery date is specified on the face of this order, all deliveries of materials shall conform to the date or dates specified in writing from time to time by Buyer's representative. Should delivery for any reason fail to be timely, Vendor shall be liable for all damages suffered by Buyer as a result of such failure, including, without limitation, any liquidated damages for which Buyer may be liable. In no event shall Vendor be entitled to an extension beyond that allowed to Buyer under the terms of the Prime Contract.

**7.0 Acceptance, Examination, Performance, and Cleanup.** Vendor shall take all field measurements and perform all investigation necessary to ensure that upon delivery, materials furnished will be fit for the purposes intended and will comply with the Prime Contract and any other applicable requirements. In the event the scope of work includes installation of materials or equipment furnished by others or work to be performed in

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areas to be constructed or prepared by others, it shall be the responsibility of Vendor to examine and accept, at the time of delivery of such items or first access, the items so provided and thereupon handle, store and install the items with such skill and care as to insure a satisfactory completion of the work by Vendor in such areas. Failure to object in writing immediately upon the time of delivery or first access shall be deemed to constitute acceptance of such items or such conditions, as the case may be, by Vendor. Loss or damage due to acts of Vendor shall be charged to the account of Vendor and Buyer may in its sole discretion deduct such loss or damages from monies otherwise due Vendor under this Agreement. Vendor shall cooperate with Buyer and all contractors, Vendors, and other persons at the Project site and performing any work in connection with the Project. To the extent that Vendor performs any operations at the site, or makes deliveries to the site, Vendor shall promptly remove all surplus material, waste, and rubbish, at its own expense, and shall keep the site in a safe condition; if Vendor fails to do so, Buyer may charge Vendor for costs incurred to remedy Vendor's breach, plus reasonable markup of 15%.

**8.0 Inspection; Rejection of Nonconforming Goods.** Buyer shall have the right to inspect and test the materials at Vendor's plant anytime prior to shipment and to conduct additional inspections at any time after arrival at the job site. The making or failure to make any inspection of, or payment for or acceptance of, the materials shall not impair Buyer's right to later reject nonconforming or defective materials, or to avail itself of any other remedy to which Buyer may be entitled, notwithstanding Buyer's knowledge of the nonconformity or defect, its substantiality, or the ease of its discovery. Nonconforming or defective items may be rejected orally. Vendor shall be liable for all inspection, reshipment and return costs on nonconforming or defective materials. Vendor shall not replace returned materials unless so directed by Buyer in writing. Vendor shall be responsible for any damages, losses, costs, or liabilities that Buyer may incur because of a late delivery or a delivery of nonconforming or defective items.

**9.0 Remedies of Buyer.** When reasonable grounds for insecurity arise with respect to Vendor's performance, Buyer may in writing demand adequate assurance of due performance. Vendor's failure to provide within two (2) days of the demand such assurance of due performance as is adequate under the circumstances of the particular case is a default under this Agreement. Adequate assurances may include providing a bond or bonds, in the Buyer's sole discretion.

**10.0 Changes and Right to Terminate.** Changes will be binding on Buyer only if in writing and signed by the Buyer. (a) Buyer, for its convenience, may by written change order make any change, including, without limitation, additions or deductions in quantities ordered, changes in the specifications or

drawings, changes in the time of delivery, or termination. Buyer may terminate or suspend at its convenience all or any portion of this order not shipped as of the date of termination or suspension of the order. In the event of any change or termination, there shall be an equitable price adjustment by Buyer. If Vendor maintains that Buyer's adjustment is not equitable, the price change shall be negotiated. In the event the parties cannot agree, the final determination shall be made in accordance with the dispute resolution provision of this Agreement. However, if unit prices have been designated as to materials maintained in the normal course of Vendor's business as standard stock, such unit prices shall control all price adjustments for quantity changes. No change or termination shall relieve Buyer or Vendor of any of its respective obligations as to any material shipped prior to Vendor's receipt of the change, termination or suspension order. Any claim for adjustment by Vendor hereunder must be asserted in writing within ten (10) days from the date the change or termination is ordered.

(b) If the Owner shall order the Buyer to change, adjust, substitute, add to, delete from, suspend, or terminate the work included in this order, Vendor shall comply with Owner's order and the price or time of performance hereunder shall be adjusted only as allowed by Owner.

(c) In the event of a termination for default, Buyer may, in addition to all other rights and remedies, purchase substitute items or services elsewhere and hold Vendor liable for any and all excess costs incurred, including attorney's, experts' and consultants' fees actually incurred, and other legal costs.

(d) In the event that any termination other than for convenience is later determined to have been without cause or improper, Vendor's sole remedy shall be to have the termination converted to a termination for convenience, and Vendor's recovery shall be limited in accordance with the terms of subparagraph (a).

Any Vendor generated work tickets, daily work records, delivery tickets, material tickets, trucking daily tags, dispatch tickets, or documents of every kind and nature whatsoever used to record work completed or materials supplied (altogether known as "Field Confirmations"), are for the sole purpose of verifying daily records of work. Notwithstanding any terms and conditions contained on Field Confirmations, Any Field Confirmations signed by a Contractor's representative shall not constitute a binding agreement, even if incorporated into a Change Order as back-up of hours or scope of work performed. Only Change Orders signed by the Buyer's Project Manager or his/her superior which specifically modify the terms and conditions shall be considered Modifications.

**11.0 Default.** If Vendor fails to perform any of its obligations hereunder, Buyer shall be entitled to all remedies provided by law. If Vendor becomes insolvent or makes an assignment for the benefit of creditors, or files or becomes subject to receivership or reorganization or bankruptcy proceedings, or becomes involved in labor difficulties, which in Buyer's opinion threaten Vendor's

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ability to perform in a timely manner, Buyer may, in addition to any other rights or remedies it may have hereunder or at law, terminate the purchase order upon written notice to Vendor; such termination shall be deemed a termination for default. Buyer's failure to notify Vendor of a rejection of nonconforming materials or to specify with particularity any defect in nonconforming materials after rejection or acceptance thereof will not bar Buyer from pursuing any remedies for breach which it may otherwise have.

Upon the appointment of a receiver for Vendor or upon Vendor making an assignment for the benefit of creditors, or if Vendor seeks protection under the Bankruptcy Code or commits any other act of insolvency, Buyer may, absent any applicable legal limitation, terminate this Agreement upon giving forty-eight (48) hours written notice, by certified mail, to Vendor and its surety, if any. If an order for relief is entered under the Bankruptcy Code with respect to Vendor, Buyer may terminate this Agreement upon giving forty-eight (48) hours written notice, by certified mail, to Vendor, its trustee, and its surety, if any, unless Vendor, the surety, or the trustee:

- a. promptly cures all defaults;
- b. provides adequate assurance of future performance;
- c. compensates Buyer for actual pecuniary loss resulting from such defaults; and
- d. assumes the obligations of Vendor within statutory time limits.

If Vendor is not performing in accordance with the schedule of work at the time of entering an order for relief or at any subsequent time, Buyer, while awaiting the decision of Vendor or its trustee to reject or to accept this Agreement and provide adequate assurance of its ability to perform hereunder, may avail itself of such remedies as are reasonably necessary to maintain the schedule or work.

Buyer may offset against any sums due or to become due Vendor all costs incurred in pursuing any of the remedies provided hereunder, including, but not limited to, reasonable overhead, profit and actual attorney's fees incurred as a result of Vendor's non-performance. Vendor shall be liable for the payment of any amount by which such expense may exceed the unpaid balance that otherwise might be owed to Vendor.

**12.0 Payment.** The price herein specified shall, unless otherwise expressly stated within the terms of this Agreement, include all taxes and duties of any kind levied by federal, state, municipal, or other governmental authorities, which either party is required to pay with respect to the production, sale, use or shipment of the materials covered by this Agreement, including without limitation, any amounts owed as a result of increase or changes in taxes that take effect during the course of the Project, and all charges for packing, loading, unloading and shipping. If transportation costs are designated as part of the cost to Buyer, only actual transportation costs shall be included. Damage to materials not packed to insure proper protection shall be charged to Vendor.

Vendor's invoice shall set forth the items delivered to the project site, the date of delivery, the unit cost and total costs of the items involved. Vendor's right to payment is subject to the same payment provisions enforced upon Buyer by the terms of the Prime Contract. Vendor shall submit all invoices and applications for payment in time to allow Buyer to submit a timely application for payment under its contract in connection with the Project. If Owner or other responsible party delays in making any payment to Buyer from which payment to Vendor is to be made, Buyer and its sureties shall have a reasonable time to make payment to Vendor, before payment shall be considered due. "Reasonable time" shall be determined according to the relevant circumstances, but in no event shall be less than the time Buyer, its sureties and Vendor required to pursue to conclusion their legal remedies against Owner or other responsible party to obtain payment, including (but not limited to) mechanic's lien remedies. If Vendor asserts a claim which involves, in whole or in part, acts or omissions which are the responsibility of the Owner or another party, including but not limited to claims for failure to pay, an extension of time, delay damages, or extra work, Buyer will present Vendor's claim to the Owner or the responsible party. Vendor shall cooperate fully with the Buyer in all steps taken in connection with prosecuting such a claim and shall hold harmless and reimburse the Buyers for all expense, including legal expense, incurred by Buyer which arise out of Buyer's submission of Vendor's claim to Owner or other responsible party. Vendor shall be bound by any adjudication or award in any action or proceeding resolving such a claim. Vendor agrees to give prompt notice of any claim for additional time or compensation in strict accordance with the terms of the Prime Contract in connection with the Project, in sufficient time so as to allow Buyer to submit a timely claim to Owner or other responsible parties. Notwithstanding the foregoing, nothing herein shall be deemed to authorize any such a claim in the absence of an otherwise existing right to do so.

**12.1.1 Releases** Vendor as a condition precedent to payment shall provide Contractor with a properly completed, approved releases approved/provided by Contractor. The properly completed releases required shall consist of, but is not limited to, 1) only Contractor approved/provided Conditional Waiver and Release Upon Progress Payment, 2) only Contractor approved/provided Unconditional Waiver and Release Upon Progress Payment for previous payment, 3) only Contractor approved/provided Unconditional Waivers and Releases from all Vendors' supplier/subcontractors, and any other document specifically named and required by Contractor/Owner/Prime Contract. Failure to properly complete the required releases could result in a delay of Vendor's payment.

**13.0 Indemnity and Defense.** With the exception that this Section 13 shall in no event be construed to require indemnification by Vendor to a greater extent than permitted

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under the public policy of the State of California, Vendor shall indemnify, protect, defend and save harmless Owner and Buyer, including their officers, agents, directors, partners, members, employees, affiliates, parents and subsidiaries, and each of them, of and from any and all claims, demands, causes of action, damages, costs, legal proceedings, expenses, actual attorney's fees, losses or liabilities, in law or equity, of every kind and nature whatsoever ("Claims") arising out of or in connection with (i) Vendor's operations to be performed under this Agreement; and/or (ii) Vendor's alleged or actual actions or omissions; and/or (iii) Vendor's completed work; and/or (iv) Vendor's presence at the Project site; and/or (v) an allegation or finding that Buyer is a joint employer, statutory employer, or otherwise legally responsible for the employees of Vendor or any of its lower-tier subcontractors, haulers/truckers, suppliers/manufacturers, or any party for whom Vendor is responsible.

The indemnification provisions of this Agreement shall extend to Claims occurring after this Agreement is terminated or has been fully performed as well as while it is in force. Such indemnity provisions apply regardless of any active and/or passive negligent act or omission of Owner or Buyer or of any other person to be indemnified hereunder. To the extent that and only if Section 2782 of the California Civil Code applies to this Agreement, Vendor shall not be obligated under this Agreement to indemnify Owner or Buyer from Claims arising from the sole negligence or willful misconduct of Owner or Buyer or of any other person to be indemnified hereunder, or for defects in design furnished by such persons. If this Purchase Order is subject to the Section 2782.05 of the Civil Code, this Section 13.0 shall apply to the greatest extent permitted by law, but no greater, and Contractor shall be entitled to all of the rights and remedies available under Section 2782.05, by contract and/or under applicable law. The duty to defend shall apply, and Vendor shall be required to furnish a defense, notwithstanding that there has not yet been an adjudication or finding of liability on the part of Vendor or any person to be indemnified.

All work covered by this Agreement done at the site or in preparing or delivering materials or equipment, or any or all of them, to the site shall be at the risk of Vendor exclusively until the completed work is accepted by Buyer and Owner.

**14.0 Safety and Compliance with Laws; Warranty.** Vendor shall comply fully with all laws, orders, citations, rules, regulations, standards and statutes affecting or relating to this Agreement or its performance, including but not limited to those with respect to occupational health and safety, the handling and storage of hazardous materials, accident prevention, safety equipment and practices including the accident prevention and safety program of Owner and Buyer, state, federal and local, nondiscrimination

in employment provisions, California Civil Code 2750.5 and 2180.4, laws concerning classification of employees and contractors, including but not limited to Vendor's employees, Vendor's lower-tier subcontractors, manufacturers, truckers/haulers, or any other party for whom Vendor is responsible, and all applicable provisions required by the Prime Contract and all local regulations and building codes. Vendor shall execute and deliver all documents as may be required to effect or evidence compliance.

Vendor warrants to Buyer that it has fully and carefully reviewed the provisions, specifications, drawings, samples or other descriptions contained in this Agreement and in the Prime Contract. Vendor warrants to Buyer of the materials that the same shall be free from all defects, shall be of the quality specified, shall be fit and appropriate for the purpose intended and shall conform to the provisions, specifications, performance standards, drawings, samples or other descriptions contained herein or in the Prime Contract. Vendor further warrants that the materials will be complete in all respects necessary to make the materials fully functional if installed in accordance with the contract documents. All warranties implied by law or usage of trade are incorporated into this Agreement and shall apply to services and materials ordered. Vendor guarantees Buyer that the materials rendered shall be free of any and all defects in workmanship and materials which may develop for the period set forth in the Prime Contract, or the period during which an action may be brought against Buyer under Section 337.15 of the California Code of Civil Procedure, plus 12 months, whichever is greater. All warranties herein are deemed to be prospective warranties, and causes of action on warranties shall not be deemed to accrue until such time as Buyer reasonably becomes aware of Vendor's breach of warranty. Vendor's warranty shall in all respects meet the terms of the warranty requirements of the Prime Contract for the materials and services order. The materials are ordered by Buyer in reliance on each and all of the warranties and guarantees specified herein and implied by law or usage of trade. Buyer's remedies pursuant to this paragraph are in addition to, and not a limitation on, all other remedies allowed by contract or law.

**15.0 Infringement.** Vendor shall pay all royalties and licensing fees arising in connection with the sale or use of materials hereunder. Vendor further undertakes and agrees to defend, at Vendor's expense, all suits, actions or proceedings in which Buyer, its successors, assigns, customers or users of its customer's products are made defendants for actual or alleged infringement of any U.S. or foreign letters patent, copyrights, trademarks or other intellectual property rights resulting from the use or purchase of any materials furnished under this Agreement, and Vendor agrees to pay or discharge any and all judgments or decrees which may be rendered in any such suit, action or proceeding against such defendants therein.

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**16.0 Bonds.** Upon five days’ written notice and at Buyer’s expense, at a premium not to exceed 1.5% of face value, Vendor shall furnish a corporate surety bonds for payment for labor, equipment, materials and services and guaranteeing Vendor’s performance of all obligations hereunder. All sureties shall comply with the requirements for insurers under Section 2 hereof.

**17.0 Miscellaneous.** Without first giving written notice and then obtaining Buyer’s written consent, Vendor shall not assign, hypothecate, transfer or sublet: (1) any portion or part of Vendor’s obligations hereunder; (2) payments to Vendor under this Agreement; or (3) any cause of action related to this Agreement. Vendor acknowledges and stipulates that its performance constitutes a unique and personal obligation. Any assignment, hypothecation, transfer, or subletting by Vendor without Buyer’s written consent shall be void and invalid, notwithstanding actual or constructive knowledge by Buyer of the purported assignment, hypothecation, transfer or subletting. In the event of any transfer, hypothecation or assignment by Vendor, without Buyer's consent, of the right to receive all or any part of any payments due or to become due hereunder, Buyer may, at any time thereafter, withhold any or all monies or payments due or to become due hereunder until final payment is due and all conditions precedent to such payment are satisfied. Buyer may, at its option, setoff any amounts otherwise due from Buyer to Vendor under this purchase order against any delinquent amounts or liabilities that are due to Buyer or its commonly controlled affiliates from Vendor.

Vendor is an independent contractor and shall, at its sole cost and expense, and without increase in the Contract Price, comply with all laws, rules, ordinances and regulations of all governing bodies having jurisdiction over the work, obtain all necessary permits and licenses therefore, pay all manufacturers’ taxes, sales taxes, use taxes, processing taxes, and all federal and state taxes, insurance and contributions for social security and unemployment which are measured by wages, salaries, or other remuneration paid to Vendor’s employees, whether levied under existing or subsequently enacted laws, rules or regulations. Vendor upon request shall furnish evidence satisfactory to Buyer that any or all of the foregoing obligations have been fulfilled. The Contract Price reflects compliance with California Prevailing Wage statutes and the federal Davis-Bacon Act, to the extent either may be applicable. Vendor has conducted its own thorough and complete investigation as to all matters relevant to this Agreement, including applicable laws, and represents that it has not relied upon any statement, representation or promise of Buyer.

**18.0 Continuing Effect.** The terms and conditions set forth in this purchase order shall continue in full force and effect and shall govern and control future transactions between Buyer and

Vendor until such time as Buyer receives from Vendor a written notice of revocation. Any notice of revocation, to be effective, shall be signed by an officer or director of Vendor. Vendor’s delivery of notice of revocation shall in no way relieve Vendor from any liability, indebtedness or contractual obligations incurred prior to Buyer’s actual receipt of such notice.

**19.0 Disputes.** Any dispute arising out of or related to this purchase order or the breach thereof shall be arbitrated in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, utilizing arbitrator(s) appointed by JAMS. In addition, Buyer may, at its sole option, require that Vendor participate in and be bound by any dispute resolution procedures applicable under the Prime Contract or any proceeding that involves any claims or disputes arising out of or related to Vendor, Vendor’s materials, or Vendor’s performance or nonperformance of any obligations. The existence of a dispute between Buyer and Vendor shall not relieve Vendor of its obligation to perform under this Agreement, and Vendor shall work through and continue to perform notwithstanding disputes. To the greatest extent permitted by law, Vendor waives the right to suspend performance or rescind because of disputes, including disputes concerning payment.

**20.0 Applicable Law - Definitions.** The definitions of terms used, interpretation of this Agreement and the rights of all parties hereunder, shall be construed under and governed by the laws of the State of California. Whenever Buyer is not the ultimate consumer of the materials, all rights, benefits and remedies conferred upon Buyer hereunder shall accrue and be available to and are for the express benefit of any successors in interest to the materials, including the ultimate consumer of the materials. As used herein, the “materials” or “items” means the goods, equipment, labor, supplies, drawings, data and other property and all services, including design, delivery, installation, inspection and testing specified or required to furnish the materials or services ordered. The term “Prime Contract” means the agreement entered into by Buyer with respect to the Buyer’s obligations in connection with the Project, whether with the Owner, a general contractor, or a subcontractor, and includes all documents incorporated therein or referred to thereby, including without limitation, plans, specifications, general and special conditions, addenda, etc.

**21.0 Compliance with License Law.**  
**CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTORS STATE LICENSE BOARD WHICH HAS JURISDICTION TO INVESTIGATE COMPLAINTS AGAINST CONTRACTORS IF A COMPLAINT REGARDING A PATENT ACT OR OMISSION IS FILED WITHIN FOUR (4) YEARS OF THE DATE OF THE**

Vendor Initials: \_\_\_\_\_

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**Vendor:**

**PPI Job No.:**

**ALLEGED VIOLATION. A COMPLAINT REGARDING A LATENT ACT OR OMISSIONS PERTAINING TO STRUCTURAL DEFECTS MUST BE FILED WITHIN TEN (10) YEARS OF THE DATE OF THE ALLEGED VIOLATION. ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR, CONTRACTORS STATE LICENSE BOARD, P. O. BOX 26000, SACRAMENTO, CALIFORNIA 95826.**

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