

## PURCHASE ORDER TERMS AND CONDITIONS

By this reference the following terms and conditions are hereby made a part of each Purchase Order issued by the Moulton Niguel Water District (MNWD). In accepting a MNWD Purchase Order, Seller agrees that he/she has read, acknowledged, and accepted these terms and conditions:

1. **Acceptance.** Commencement of performance pursuant to this Purchase Order constitutes acceptance hereof by Seller. If delivery dates cannot be met, Seller shall inform MNWD in writing by return mail of Seller's best possible delivery.
2. **Deliveries.** MNWD's work plans are based upon the agreement that materials will be delivered to MNWD by the date specified on the face of this Purchase Order. Time is therefore of the essence of this Purchase Order. If deliveries are not made at the time agreed upon, MNWD reserves the right to cancel or to purchase elsewhere, and hold Seller accountable therefore.
3. **Packing.** Unless this Purchase Order states otherwise, no charge shall be made for packing, crating, drayage or other similar costs. Items shall be packed in accordance with good commercial practice to insure against damage from weather and/or transportation.
4. **Prices.** Seller's price shall not be higher than last quoted or last charged to MNWD unless otherwise agreed in writing.
5. **Quantities.** Shipments must equal exact amounts ordered unless otherwise agreed by MNWD.
6. **Warranty.** Seller warrants all materials or services delivered hereunder to be free from defect of materials or workmanship and to conform strictly to the specifications, drawings, or sample specified or furnished. This warranty shall survive any inspection, delivery, acceptance, or payment by MNWD of the materials or services.
7. **Inspection and rejection.** Final inspection will be at MNWD's premises unless otherwise agreed in writing. Materials rejected as not conforming to this Purchase Order or as otherwise defective shall be returned at Seller's expense, including but not limited to transportation and handling costs.
8. **Patent Protection.** To the extent the subject articles are not manufactured pursuant to design originated by MNWD, Seller agrees it will indemnify and hold MNWD and its officers, agents, and employees harmless from any loss, damage or liability which may be incurred on account of any alleged infringement of any United States patent with respect to such articles or materials, and that it will, at its own expense, defend any action, suit or claim in which such infringement is alleged. MNWD agrees to notify Seller promptly of any suit or claim against MNWD for any alleged infringement of patent.
9. **Federal, State, and Local Taxes.** All prices stated herein include unless otherwise specified, all Federal, State or local taxes that may be levied or assessed as a result of this Purchase Order, or are otherwise applicable to this Purchase Order.
10. **Assignment.** Seller shall not delegate any duties, nor assign any rights or claims under this Purchase Order, or for breach thereof without prior written consent of MNWD, and any such attempted delegation or assignment shall be void.

11. **Setoffs and counterclaims.** All claims for moneys due or to become due to Seller shall be subject to deduction by MNWD for any setoff or counterclaim arising out of this or any other of MNWD's Purchase Orders with Seller.

12. **Changes.** MNWD shall have the right to make changes as to packing, testing, destinations, specifications, designs, and delivery schedules (postponements only). Seller shall immediately notify MNWD of any increases or decreases in costs caused by such changes and an equitable adjustment in prices or other terms hereof shall be agreed upon in a written amendment to this Purchase Order.

13. **Bankruptcy.** In the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against Seller, the inability of Seller to meet its debts as they become due, or in the event of the appointment, with or without Seller's consent, of an assignee for the benefit of creditors or of a receiver, then MNWD shall be entitled, at its sole option, to cancel any unfilled part of this Purchase Order without any liability whatsoever.

14. **Governing law.** This Purchase Order and the acceptance of it shall be a contract made in the State of California and shall be governed by the laws thereof.

15. **Title to drawings and specifications.** MNWD shall at all times have title to all drawings and specifications furnished by MNWD to Seller and intended for use in connection with this Purchase Order. Seller shall use such drawings and specifications only in connection with this Purchase Order, and shall not disclose such drawings and specifications to any person, firm, or corporation other than MNWD's or Seller's employees, subcontractors, or government inspectors. Upon MNWD's request or upon completion of this Purchase Order, Seller shall promptly return all drawings and specifications to MNWD.

16. **Termination.** (a) MNWD may terminate or cancel this Purchase Order in whole or in part without liability to Seller, if deliveries are not made at the time and in the quantities specified, or in the event of a substantial breach of any of the other terms or conditions hereof; (b) MNWD may also terminate this Purchase Order in whole or in part, even though Seller is not in default hereunder and no breach hereof has occurred by notice in writing at any time, such notice shall state the extent and effective date of termination and upon the receipt by Seller of such notice, Seller will as, and to the extent prescribed by MNWD, stop work under the order and placement of further orders or subcontracts hereunder, terminate work under order and subcontracts outstanding hereunder, and take any necessary action to protect property in the Seller's possession in which MNWD has or may acquire an interest.

17. **Compliance with laws.** To the extent applicable hereto, Seller shall in the performance of this Purchase Order comply with all Federal, State, and local laws and regulations and orders issued under any applicable law.

18. **General.** No waiver of a breach or of any provision of this Purchase Order shall constitute a waiver of any other breach or of such provision. No modification or change in or departure from the provision of this Purchase Order shall be valid or binding on MNWD unless approved in writing by MNWD.

19. **Integration clause.** This Purchase Order is limited to the terms and conditions contained here on and on the face of the order. Any additional or different terms in the Seller's forms are hereby deemed to be void.