

PLEASE SIGN AND EMAIL TO PURCHASEORDER@CALWATER.COM OR FAX PURCHASE ORDER TO (408) 392-9797 PRIOR TO SHIPPING GOODS OR COMMENCING SERVICE. TO ENSURE PAYMENT IN A TIMELY MANNER, PLEASE INCLUDE THE FOLLOWING INFORMATION ON ALL INVOICES:

- Vendor Name (as specified on PO)
- Vendor's address
- Vendor's remit-to address
- Vendor's contact phone number
- Invoice Number
- Invoice Date
- Contractor Authorization #, if provided
- PO Number (provided by Cal Water)
- PO Line Number
- PO Line UOM
- PO Line Unit Price
- QTY shipped or billed
- Total Merchandise Amount (sub-total of all line charges)
- Freight, Sales Tax and Misc charges
- Total Gross Invoice Amount

THE ACCOMPANYING TERMS AND CONDITIONS ARE INCORPORATED IN THIS AGREEMENT AND SUPERSEDE ANY CONFLICTING TERMS IN THIS PURCHASE ORDER OR PREVIOUSLY AGREED TO TERMS BY THE PARTIES.

CALIFORNIA WATER SERVICE COMPANY TERMS & CONDITIONS.

THE TERMS AND CONDITIONS SET FORTH BELOW ARE A PART OF EACH CALIFORNIA WATER SERVICE COMPANY PURCHASE ORDER THAT IS AWARDED ON THE BASIS OF A VENDOR'S BID, SOLICITATION, ESTIMATE, PROPOSAL, OR OTHER WRITTEN OFFER. BY ACCEPTANCE OF A PURCHASE ORDER, THE VENDOR AGREES TO ALL TERMS AND CONDITIONS SET FORTH BELOW.

1. DEFINITIONS: The following terms have the meanings in this Purchase Order as hereinafter set forth: Order means this Purchase Order Cal Water means California Water Service Company, the purchaser of Goods and/or Services hereunder. Vendor means the contractor, consultant, service provider or seller of Goods and Services designated on this Order and includes its employees, agents, subcontractors, independent contractors and all other classes of persons providing any Goods or performing any Services hereunder. Good(s) means the materials, supplies, items, and/or equipment covered by this Order. Services means the work and/or services to be performed by Vendor pursuant to this Order. Authorized Representative means a corporate officer of Cal Water, the purchasing manager of Cal Water or, if the Goods to be delivered or the Services to be performed hereunder total less than \$7,500, the district manager of Cal Water for the district in which the Goods are to be delivered or the Services are to be performed.

2. ACCEPTANCE OF ORDER: To accept this Order, Vendor must provide written acknowledgement of such acceptance to Cal Water. If for any reason Vendor fails to provide written acknowledgement of its acceptance, any conduct by Vendor that recognizes the existence of a contract pertaining to the subject matter hereof shall

constitute an acceptance by Vendor of this Order and all of its terms and conditions. Any terms proposed in Vendor's acceptance of this Order that add to, vary from, or conflict with the terms herein are hereby rejected. If this Order has been issued by Cal Water in response to a bid, solicitation, estimate, proposal or other written offer by Vendor and if any of the terms herein are additional to or different from any terms of such bid, solicitation, estimate, proposal or other written offer, then the issuance of this Order by Cal Water shall constitute an acceptance of such bid, solicitation, estimate, proposal or other written offer subject to the express conditions that Vendor assents to such additional and different terms herein, and Vendor shall be deemed to have so assented unless Vendor notifies Cal Water to the contrary in writing within 10 days of receipt of this Order.

3. DELIVERY AND PERFORMANCE: TIME IS OF THE ESSENCE. Delivery of Goods and performance of Services must be made in accordance with the schedule as set forth on the face hereof. Vendor must include the applicable order number and line item number set forth on the face of this Order on all its packages, packing slips, invoices and correspondence to Cal Water. All Goods shall be prepared and packed in a commercially reasonable manner suitable for the Goods shipped and so as to secure reasonable transportation rates. If delivery of Goods or performance of Services is not completed within the time(s) specified herein, Cal Water reserves the right in its sole discretion, without liability, in addition to its other rights and remedies, to cancel the entire Order or that part of the Order not delivered or performed, or to extend the time of delivery, performance and/or payment, as applicable. If timely delivery of Goods is endangered by Vendor, Cal Water shall have the right to direct Vendor to make shipment by the most expeditious means and the total cost of such expedited shipment and handling shall be borne by Vendor. If Services are not provided and properly completed within the time(s) specified herein, Cal Water shall have the right to require Vendor to accelerate performance of some or all of the remainder of such Services and the extra cost of such expedited performance of such Services shall be borne by Vendor.

4. FORCE MAJEURE: Neither Vendor nor Cal Water shall be held liable nor be deemed to have breached this Order for failure or delay caused by or resulting from events, actions or occurrences beyond their reasonable control, including but not limited to, fire, floods, embargoes, acts of war, civil commotions, labor disturbances, acts of God or acts, omissions or delays in acting by any governmental authority; provided, however, that the foregoing may suspend but not discharge the obligations of either party under this Order; and provided further, that once any such events, actions or occurrences have been removed or are otherwise alleviated, performance and delivery shall resume as provided herein.

5. PRICE AND PAYMENT: (a) Vendor agrees that the price(s) set forth on the face of this Order is firm, and is not subject to increase or any economic price adjustment. Unless otherwise provided on the face of this Order, the price(s) stated shall include all costs for packing, transporting and insuring the Goods ordered to Cal Water's facility. at the delivery address specified on the face of this Order. Cal Water shall not be liable for any taxes with respect to this Order other than municipal, state or federal sales taxes levied on the Cal Water that Vendor is required by law to collect from Cal Water. All such taxes and other charges shall be stated separately on Vendor's invoice. (b)

Payment due dates, including discount periods, will be computed from the date of receipt of all Goods and Services or the date of receipt of a correct invoice for such Goods and Services, whichever is later.

6.INSPECTION AND ACCEPTANCE OF GOODS AND SERVICES: (a) Cal Water shall have a reasonable time (but not more than 90 days) after receipt to inspect and approve the Goods and Services tendered by Vendor. pursuant to this Order.If any Goods delivered or Services provided do not meet the intended requirements of Cal Water, Cal Water shall have the right to reject any such Goods and/or Services.Cal Water may elect to reject the entire Goods and/or Services tendered even if only a portion thereof is nonconforming.If Cal Water elects to accept nonconforming Goods and/ or Services,Cal Water, in addition to its other remedies, shall be entitled to deduct a reasonable amount from the price thereof to compensate Cal Water for the nonconformity. Payment for any Goods and/or Services shall not be deemed an acceptance thereof. (b) Acceptance of any Goods and/or Services after inspection shall not constitute a waiver of any warranty made by Vendor hereunder or implied by law, nor shall it preclude Cal Water from revoking its acceptance thereafter for any latent defects or fraud.

7.RISK OF LOSS: Vendor assumes (i) all risk of loss or damage to the Goods until delivery to Cal Water at the delivery address specified on the face of this Order; and (ii) all risk of loss or damage to any Goods rejected by Cal Water or as to which Cal Water has revoked its acceptance, from the time of such rejection or revocation.Any reference to the term "FOB" in this Order shall be deemed to be with respect to transportation charges only and shall not alter, modify, supersede or otherwise amend the foregoing provisions of this paragraph.

8.WARRANTY: (a) Vendor warrants good and marketable title to the Goods and that all Goods and Services furnished hereunder: (i) will be in full conformance with the specifications, blueprints, drawings, samples and data or other description furnished by Cal Water or furnished by Vendor and approved by Cal Water; (ii) will perform as specified herein or as otherwise represented by Vendor;(iii) will be merchantable and fit and sufficient for the use intended by Cal Water; (iv) will be free from defects in material, workmanship, manufacture and design. Vendor's warranty shall be effective for the period of time set forth on the face of this Order. If no such period is stated, the warranty shall be effective for a period of one (1) year from the date of acceptance of the Goods by Cal Water or completion of the Services. (b) In addition to any other remedies which may be available at law or in equity, Cal Water may, at its option, return to Vendor for full credit any Goods that do not meet the warranties specified herein or require correction or replacement of such goods, or require corrected and proper performance of all Services, all at sole Vendor's risk and expense. Packing and shipping of replacement or supplemental Goods or instruments of Service shall be at Vendor's cost, including the cost of any premium transportation incurred in order to meet the delivery and/or performance schedule set forth herein.

9.CHANGES: Vendor acknowledges that Cal Water may, by written notice to Vendor, alter, modify or otherwise amend the terms and conditions of this Order.Vendor shall cooperate with Cal Water to accommodate any such amendments in good faith and shall affirm such amendments in writing. If any such amendment causes an increase or decrease in the cost of the Goods or the time required for the delivery of the Goods or the performance of the Services hereunder, an equitable adjustment shall be made in

the price or delivery and/or performance schedule. Any claim for any such equitable adjustment by Vendor shall be deemed waived unless asserted in writing within ten (10) days from the receipt by Vendor of the notice of the amendment. Amendments to this Order will not be binding on Cal Water unless evidenced by a writing signed by an Authorized Representative of Cal Water.

10.SAFETY, SECURITY AND JOBSITE SUPERVISION: Vendor shall cause all Goods, equipment, materials and Services provided hereunder to comply with all federal, state and local safety rules and other regulations, including all applicable regulations promulgated by the Occupational Safety and Health Administration (OSHA).Where applicable, materials must be labeled in accordance with Title 8, Section 5194 of the California Code of Regulations. Vendor is required to include a "Material Safety Data Sheet" prepared in accordance with Title 8, Section 5194(g) of the California Code of Regulations with each shipment of any materials covered by such Section to Cal Water. Vendor is responsible for jobsite supervision of all work performed by Vendor on Cal Water's property. Vendor is responsible for jobsite security with respect to all Goods and Services provided to or on Cal Water property until acceptance of the Goods by Cal Water or completion of the Services. Although Cal Water may observe the progress of delivery of Goods and/or the performance of Services, such observation shall not impose on Cal Water any responsibility for any such supervision or security.

11.JOBSITE RISK MANAGEMENT: If the Order requires delivery of Goods or performance of Services at a Cal Water jobsite, including (but not limited to) installation and/or testing of Goods, Vendor shall be responsible for managing all jobsite risks related to its Goods and/or Services to minimize or eliminate any potential liability of Cal Water related thereto.By accepting this Order, Vendor acknowledges that it understands the nature of the work required hereunder, has inspected the jobsite and familiarized itself with the working conditions, and accepts the risks inherent in providing the Goods and/or Services.Vendor confirms that it has resolved all questions relating to understanding the nature of the work described in this Order and its performance prior to submitting the bid, solicitation, estimate, proposal or other written offer to Cal Water to which this Order relates.

12.PERMITS AND COMPLIANCE WITH LAWS: Vendor shall obtain on behalf of Cal Water all necessary and appropriate permits from federal, state and local governmental agencies required in connection with the Goods and/or Services and shall fully comply with their provisions. Vendor shall comply with all federal, state and local laws, ordinance, rules and regulations in the manufacture and sale and delivery of the Goods and performance of the Services required under this Order.

13.TERMINATION: (a) Cal Water may, at its sole option, cancel in whole or in part, without any further liability or responsibility hereunder in the event Vendor (i) becomes insolvent, (ii) fails to make timely delivery, or (iii) breaches any other term and condition of this Order; provided, however, that under such circumstances, Vendor shall continue to supply any portion of Goods or Services not otherwise canceled. In the event of any such cancellation, at Cal Water's request, Vendor will transfer title to, and deliver to Cal Water: (i) any completed Goods, and (ii) any partially completed items and all unique materials and tooling. Prices for partially completed Goods and unique materials and tooling accepted shall be determined by mutual agreement; provided, however, that in no event shall such prices exceed the prices therefore as set forth in this Order.(b) IN

NO EVENT SHALL VENDOR BE ENTITLED TO, NOR SHALL CAL WATER BE LIABLE FOR, ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, COSTS OF PREPARING CLAIMS, COSTS OF TOOLING OR EQUIPMENT, OR ANY OTHER EXPENSES OR DAMAGES ARISING OUT OF THIS ORDER OR WITH RESPECT TO ANY TERMINATED OR CANCELED GOODS OR SERVICES.

14.INDEMNIFICATION: Vendor agrees to defend, indemnify and hold harmless Cal Water, its officers, agents, employees, successors and assigns, from and against any and all losses, liabilities, claims, damages, causes of action, obligations, costs and expenses (including without limitation reasonable attorneys' and experts' fees and costs) that Cal Water may incur as a result of any intentional misconduct or negligent act or omission of Vendor, its employees, agents or subcontractors in connection with the Goods and/or Services provided by Vendor hereunder, including without limitation, damages resulting from injuries to or death of persons or damage to or destruction of property.

15.INSURANCE: Vendor shall maintain automobile insurance [with limits of \$1,000,000 and Workers Compensation Insurance as required by applicable laws.If Vendor is providing professional Services, Vendor shall maintain such professional liability insurance as is commonly carried by persons and entities involved in Vendor's field of work, with liability of not less than \$1,000,000. If the Goods are delivered to or the Services are performed on Cal Water's property, Vendor shall also maintain a policy of commercial general liability (CGL) insurance with limits of liability of not less than \$1,000,000 for each occurrence and \$2,000,000 in the aggregate, and which insurance names Cal Water as an additional insured. Vendor shall provide Cal Water with an endorsement evidencing the CGL coverage, if applicable. Prior to the commencement of Services or delivery of Goods under this Order, Vendor shall provide Cal Water with a certificate evidencing the foregoing required insurance coverage,which certificate shall also provide that no amendment or cancellation thereof shall be effective until Cal Water has received at least 30 days prior written notification thereof.

16.NOTICE OF DELAYS: Whenever Vendor has knowledge of an actual or potential delay to the timely performance or delivery of the Goods and Services to be provided hereunder, Vendor shall immediately notify Cal Water in writing of all relevant information with respect to such delay. For the avoidance of doubt, any such notice shall be for informational purposes only and shall not relieve Vendor of its obligations to comply with the requirements herein.

17.ASSIGNMENT: Vendor shall not delegate or subcontract any duties, nor assign any rights or claims herein without the prior written consent of Cal Water; provided, however, that no such assignment shall be deemed in any way to relieve Vendor of its obligations to comply fully with the requirements hereof.

18.CONFIDENTIAL INFORMATION: All information furnished or disclosed to Vendor by Cal Water that is identified as confidential or that Vendor knows or reasonably expects should be treated as confidential shall remain the property of Cal Water and shall not be disclosed by Vendor to any third party without Cal Water's prior written consent. Vendor shall not use any such information for any purpose other than to perform its obligations hereunder. If requested, Vendor shall execute Non Disclosure Agreement on a form reasonably acceptable to Cal Water before receipt of any such confidential information.Vendor will return all such confidential information to Cal Water upon

completion by Vendor of its obligations hereunder. The obligations of this paragraph shall survive expiration or termination of this Order.

19. **GOVERNING LAW:** This Order shall be construed and interpreted in accordance with and governed by the laws of the State of California, regardless of the laws that might otherwise govern under applicable principles of conflicts of law.

20. **RIGHTS AND REMEDIES:** All rights and remedies of Cal Water specifically set forth in this Order shall be cumulative and in addition to any other or further rights and remedies provided at law or in equity. Failure by Cal Water to insist upon strict adherence to any term or condition of this Order shall not be deemed to be a waiver of any of Cal Water's rights and remedies.

21. **SETOFF:** All claims for money due or to become due from Cal Water shall be subject to deduction or setoff by Cal Water by reason of any counterclaim arising out of this or any other transaction with Vendor.

22. **INDEPENDENT CONTRACTOR:** Both parties intend that Vendor shall act as an "independent contractor" (and not as an employee) and is responsible to Cal Water for results only. Vendor shall have control over the design, construction and/or manufacture of the Goods referenced herein and over the means and methods of providing the Services requested. Vendor, its agents, employees and subcontractors are not to be considered employees of Cal Water for any purpose.

23. **ATTORNEYS' FEES:** In the event of any litigation, arbitration or other proceeding to enforce or interpret the terms and conditions of this Agreement, the losing party shall pay to the prevailing party all reasonable attorneys' fees, expert witness' fees and costs incurred in connection with such dispute, litigation and/or arbitration.

24. **WAIVER:** Waiver by one party of the performance of any covenant, condition or provision of the other party shall not invalidate this Order, nor shall it be considered to be a waiver by such party of any other obligation, condition or provision herein. The waiver by either or both parties of the time of performing any act hereunder shall not be construed as a waiver of any similar or other act required to be performed at a later date. Cal Water shall not be deemed to have waived any provision or any performance by Vendor of its obligations hereunder unless such waiver is in writing and signed by an Authorized Representative of Cal Water.

25. **EQUAL OPPORTUNITY EMPLOYER:** It is the policy of Cal Water that in connection with all Services performed under this Order, there shall be no discrimination against any employee of Vendor because of race, religion, color, sex or national origin. Accordingly, Vendor agrees to comply with applicable federal and California laws, including but not limited to, the California Fair Employment Practice Act.

26. **ENTIRE AGREEMENT:** This Order, together with any other exhibits or amendments hereto, or which may be referred to herein, set forth the complete and final agreement between Cal Water and Vendor and supersedes any and all prior or contemporaneous oral or written communications relating to its subject matter. No amendments to or modifications will be valid and binding upon Cal Water unless in writing and signed by an Authorized Representative of Cal Water.

27. **EQUAL OPPORTUNITY:** The parties hereby incorporate the requirements of 41 C.F.R. Section 60-1.4(a)(7), 60-250.5, 60-300.5, 60-741.5, and 29 C.F.R. part 470, if applicable.