

Attachment C

Purchase Order General Conditions



The General Conditions enumerated herein supplement the terms and conditions of the Purchase Order and, with the specifications, drawings(s) and other documents noted in the Purchase Order, are a part of the purchase agreement between the parties.

I. DEFINITIONS

Wherever the term "Supplier," "Vendor," "Manufacturer" or "Fabricator" appears in the Purchase Order or accompanying documents, it shall be understood to refer to the Seller.

The term "Owner" shall be understood to refer the owner of the project to or for which the subject materials and equipment are being delivered, its successors and assigns.

The term "Buyer" shall be understood to refer to Louisiana Energy Services, LLC ("LES"), also dba Urenco USA ("UUSA") a New Mexico corporation, its successors and assigns.

The term "Project" shall be understood to refer to the project to or for which the subject materials and equipment are being delivered.

II. DRAWINGS AND DATA FURNISHED BY SELLER

A. Identification

All drawings submitted by Seller and its suppliers shall bear the following identifications in or near the title block: Purchase Order number; Owner; Explanatory Title; and Owner's Item Number. Where possible, a space six inches (6") wide by four inches (4") high shall be reserved above the title block for Buyer's foreign print label.

B. Review

Buyer will examine drawings, schedules or details for design, controlling dimensions and apparent suitability and shall return one (1) copy either released for manufacture or marked showing changes desired. When changes are required, drawings shall be resubmitted promptly, with revision clearly marked, until finally released for manufacture. All drawings and test and inspection reports will be reviewed by Buyer prior to shipment of the equipment. All data submitted for review shall follow the above procedures. Review of drawings and data by Buyer will be only for conformance with the drawings and specifications and for confirmation of physical interface of items shown with related systems and does not constitute acceptance of any design, material, component or equipment not fulfilling all contract specification and drawing requirements. Such review shall not relieve Seller from his responsibility for any deviations from the requirements of the purchase agreement unless Seller has called Buyer's attention in writing to such deviation at the time of submission and Buyer has given written approval to the specific deviation, nor shall such review by Buyer relieve Seller from responsibility for errors or omissions in the Seller's drawings or for the sufficiency of the material and equipment to accomplish the result required as set forth in the purchase agreement.

C. Discrepancies between Documents

Any discrepancies in the drawings and/or specifications shall be referred to Buyer for interpretation and decision, which shall be binding; otherwise, Seller shall furnish

everything called for by either drawings or specifications even though not called for by both. Figured dimensions shall take precedence over scaled dimensions; detailed drawings over general drawings.

III. DRAWINGS AND SPECIFICATIONS FURNISHED BY BUYER

Drawings and specifications shall not be used on any other work. Such drawings and specifications are the property of Buyer and shall be returned to Buyer on completion of work if requested.

IV. MATERIALS AND WORKMANSHIP

A. Quality

Materials shall be new and unused and the Seller shall, if required, furnish satisfactory evidence as to the kind and quality of materials.

B. Compliance

The Seller shall comply with all laws, ordinances, rules and regulations applicable to the work. If the Seller observes that the specifications or drawings are at variance therewith, Seller shall give Buyer prompt written notice thereof and any necessary change shall be adjusted by appropriate modification. If the Seller performed any work which it knew or reasonably should have known was contrary to such laws, ordinances, rules or regulations, Seller shall bear all costs arising there from. Designs, materials, construction, workmanship, and testing, including shop and field work of all equipment furnished and all work performed under this purchase agreement, shall in all respects comply with the latest ASME, AIEE, NEMA, ASA, and other applicable national, state, local and recognized institutional Codes.

C. Defective Material

Defective material shall not be repaired and used in the construction of the equipment without the prior written approval of Buyer. No peening, caulking or filling shall be permitted in repairing cracks, pinholes or blowholes. For defects, the method of repair shall be as mutually agreed by both the Seller and Buyer. Should Seller find errors or discrepancies in, or omissions from, the Specifications, or be in doubt as to their meaning, the Seller shall immediately notify Buyer in writing and request a written interpretation. However, if Seller recognizes any such error, inconsistency, omission or difference in the Specifications and knowingly fails to report it to Buyer, then Seller shall be liable for all damages resulting therefrom. "Defective material" is defined as any material not meeting the requirements of the specification or Seller's drawings.

V. SHOP ASSEMBLY AND INSPECTION

A. Access

The Owner, Buyer and their representatives shall at all times have access to the work wherever it is in preparation, and the Seller shall provide proper facilities for such access and for inspection. These inspections will include, but not be limited to, the verification and implementation of the Seller's standard material control and in-house inspection procedures.

B. Inspection

Shop surveillance, if required by the specification, will be performed by representatives from Buyer quality assurance; however, these surveillance efforts by Buyer will not relieve the Seller of any responsibility for the stated conditions of the specification and shall not be considered as a waiver of warranty or other rights.

Buyer surveillance personnel will not accept equipment or material in the Seller's plant. Lack of rejection by Buyer surveillance personnel shall not constitute acceptance of the work, equipment or material.

All equipment or material produced by the Seller will undergo final inspection during site receiving inspection.

C. Shop Assembly

The basic equipment shall be shop assembled, fitted, match-marked and then dismantled to the extent necessary for shipping in largest practical sections. Complete assemblies requiring the least possible field assembly are required. Sufficient notice shall be given to Buyer prior to the time of dismantling and shipping so that Owner and Buyer or their representatives may inspect the completed shop work.

D. Responsibility

Neither inspection, partial or final payment, nor approval by the Owner, Buyer or their representatives, shall lessen the responsibility of the Seller to make the work and/or equipment comply with the requirements of the purchase agreement.

E. Testing

If the specifications, laws, ordinances, or any public authority require any work to be specially tested or approved, the Seller shall assume the cost thereof, unless stated otherwise in the Purchase Order, and shall give Buyer a seven (7) days' notice of its readiness for inspection or testing.

If the results of the tests conducted indicate that the equipment does not comply with the performance requirements set forth in the drawings or specifications, the Seller shall, at its expense, make all necessary adjustments, repairs, replacements or changes in order to attain the required performance. Until the required performance is achieved, all subsequent tests by Buyer or the Owner shall be made at Seller's expense.

VI. PREPARATION FOR SHIPMENT

A. Packing

Shipments from Seller or any tier sub vendor must contain a packing list on which all items can be cross-referenced to the master bill of material, along with copies of bills of lading, shipping manifests, and all other papers showing shipment of materials. Copies of these documents shall also be distributed in accordance with Paragraph VII. SHIPMENT.

B. Chemicals or Hazardous Materials

Seller's design for the Goods shall not require or allow the incorporation of any Chemicals or Hazardous Materials into the Goods without the written permission of Buyer. Seller shall be fully responsible and liable for any non-conformance. In the event the use of Chemicals or Hazardous Materials are a component of any materials delivered to site, Seller agrees to comply with Federal OSHA Hazard Communication Standards, 29 CFR 1926.59 and 29 CFR 1910.1200, which require that

manufacturers, importers and distributors properly label all containers of Chemicals or Hazardous Materials or components and furnish a Safety Data Sheet ("SDS") for each Chemical or Hazardous Material supplied. One (1) copy of the related SDS must be provided with each shipment of any Chemical or Hazardous Material. Failure to provide the SDS or proper labeling on the container(s) is a violation of Federal regulations and may result in the rejection of the shipment. Seller shall be responsible for all shipping charges related thereto. Revised SDSs must be submitted to Buyer when there is a change in composition or when significant new information concerning hazards or ways to protect against hazards become known.

VII. SHIPMENT

A. Hours of Delivery

Deliveries are accepted at the UUSA Warehouse from 8:30 AM to 2:30 PM, Monday to Friday only, excluding national holidays, unless otherwise provided in writing by Buyer.

B. Delivery Non-Compliance

Failure to deliver to the UUSA Warehouse could warrant non-payment and / or rejection of materials. It is the Suppliers responsibility to communicate UUSA delivery requirements to their shippers and delivery service providers.

C. Submittals

One (1) copy of Bill of Material and all shipping documents are to be sent to the Field Superintendent at the consignment address shown on the Purchase Order.

D. Expediting

Buyer, the Owner, and their representatives shall have the right to expedite this purchase agreement and any suborders by in-plant visits and by telephone. The Seller shall include this requirement in all suborders. Un-priced copies of all major suborders are to be submitted to Buyer expediting department.

VIII. WARRANTY

Seller warrants that: (i) All equipment, materials and components shall be new, unused, and free from defects in design, workmanship, and material; (ii) All work shall be performed in a good and workmanlike manner and shall strictly conform to requirements of the Purchase Order; and (iii) The work, material and/or equipment, when completed, will meet or exceed the performance and other requirements set forth in the Purchase Order.

The Seller guarantees to repair, replace or otherwise correct any defect in design, workmanship and/or material appearing in the work, material, and/or equipment, and further guarantees to correct any further defects appearing in such repaired, replaced or otherwise corrected work, material and/or equipment.

IX. SERVICES OF SELLER'S PERSONNEL

Upon written request, Seller shall furnish services of qualified personnel to supervise installation and start-up and to instruct Owner's personnel in the operation and maintenance of any work, material and/or equipment at the rates set forth in the Purchase Order.

If extended service is necessary due to faulty design or malfunction of the Seller's work, material and/or

equipment, the Seller shall furnish such extended services of the qualified personnel free-of-charge, as required, until work, material and/or equipment meets purchase agreement requirements. If extended service is necessary due to faulty design or malfunction of the Seller's work, material and/or equipment, the Seller shall furnish such extended services of the qualified personnel free-of-charge, as required, until such work, material and/or equipment meets all Purchase Order requirements. Seller shall determine the extent of licensing requirements in the State of New Mexico and hereby agrees that it will comply with all applicable State and Federal laws pertaining to the performance of services.

X. LABOR HARMONY/WORK RULES

Seller shall not interfere with the work of any other entities on the jobsite, without prior specific written authorization from Buyer, but Seller shall immediately notify Buyer if Seller foresees risk of such interference. Any labor provided by Seller at the jobsite shall be compatible with all other labor at the jobsite. Seller will use all reasonable means to ensure labor harmony and continued progress of work at the job site, and shall observe all jobsite work rules and security requirements.

XI. INSURANCE

Unless otherwise specified in the Purchase Order, Seller agrees that it shall obtain and maintain during the performance of any Services at the Facility Site and until the acceptance thereof, the insurance described below, and it shall be carried with insurance companies with at least a Best's "A" rating. Seller will furnish to Buyer three (3) copies of the certificate(s) evidencing such insurance prior to commencing performance or physical presence on the Facility site under the Purchase Order.

The required insurance coverage is as follows:

(a) Worker's Compensation Insurance and Employer's Liability Insurance (including occupational disease) to cover statutory benefits and limits of the Worker's Compensation laws of any applicable jurisdiction in which Seller conducts any of its business related to the Purchase Order, and Employers' Liability Insurance with limits of five hundred thousand dollars (\$500,000) for trauma by accident (each accident), five hundred thousand dollars (\$500,000) for bodily injury by disease (each employee); and five hundred thousand dollars (\$500,000) for bodily injury by disease (policy limit).

(b) Commercial General Liability Insurance written on the latest ISO occurrence form and including coverage for Contractual Liability and Products and Completed Operations (to remain in force for two (2) years following acceptance of the Goods and Services). The insurance required by this clause (b) shall have the following limits of liability:

Third Party Bodily Injury and Property Damage Liability: \$1,000,000 combined single limit per occurrence and \$2,000,000 combined single limit general aggregate, with such limits available to the Project.

(c) Business Automobile Liability insurance covering all owned, leased and non-owned vehicles used in connection with the Services, with no less than

\$1,000,000 combined single limit per occurrence for bodily injury and property damage.

(d) If professional services are involved, Professional Liability Insurance with no less than \$1,000,000 per occurrence with a 24 months discovery period after completion of the work.

The following endorsements shall be included in the above insurance coverages: (i) Thirty (30) days advance written notice in the event of cancellation, non-renewal or material change of any policy. Language referring to "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be stricken from the certificate of insurance; (ii) Buyer and principal named as additional insureds (except on workers' compensation and professional liability); (iii) A waiver of subrogation in favor of Buyer and principal; (iv) Severability of Interest or Separation of Insureds; and (v) Seller's insurance is primary and any insurance maintained by Owner or Buyer is considered excess and non-contributory.

XII. INDEMNIFICATION-HOLD HARMLESS

A. Seller shall indemnify and hold harmless Owner and Buyer, their respective parents, customers, subsidiaries and other affiliates and the directors, officers, agents, employees, successors and assigns of each of the foregoing ("Indemnified Parties") from and against all claims, damages, losses and expenses including attorneys' fees arising out of or resulting from any performance of work and/or supplying of any materials and/or equipment by Seller provided that any such claim, damages, loss or expense (1) is attributable to bodily injury, sickness, or death, or to injury to or destruction of tangible property including the loss of use resulting therefrom, and (2) is caused in whole or in part by any act or omission, negligence or fault of the Seller and/or anyone directly or indirectly employed by the Seller.

B. In any and all claims against one or more of the Indemnified Parties by any employee of Seller, the indemnification obligation under this Article shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Seller under Workers' Compensation acts, disability benefit acts or other employee benefit acts.

XIII. ROYALTIES AND PATENTS

The Seller shall pay all royalties and license fees and shall defend all suits or claims whatsoever for infringement of any patent rights or other intellectual property rights and shall defend, save harmless and indemnify Owner and Buyer, their parents, subsidiaries and other affiliates and the directors, officers, agents, employees, successors and assigns of each of the foregoing from and against any and all claim(s) or loss(es) of any kind on account thereof.

XIV. USE OF TECHNICAL INFORMATION

All data relating to the material and equipment in the purchase agreement, when indicated in writing or stamped by Buyer to be proprietary, shall be retained in confidence by the Seller and his suppliers of all tiers and

shall not be disclosed to others without the express written approval of Buyer.

XV. INVOICING AND ITEMIZED COSTS

A. Invoices

Invoices will be paid as set forth in the Purchase Order if they meet the invoicing requirements set forth in the Purchase Order and this Article, show applicable discounts, and are accompanied by the bills of lading or transportation receipts. Applicable freight charges and gross receipts, sales or use taxes shall be shown separately on the invoices. Freight charges shall be supported by copy of the paid freight bill. Time in conjunction with payment and any applicable payment discounts will be computed from the date the Buyer receives Seller's proper invoice, unless Seller's entitlement to payment is conditioned on delivery of Goods, in which event time for payment and any applicable discounts will be computed from either a) the date the Buyer receives Seller's proper invoice; or b) the date Goods are received and accepted, whichever date comes later. Any invoice deviating from the requirements of this Article will be returned to Seller for correction and/or submission of acceptable supporting documentation. Terms of payment contained in the Purchase Order shall take precedence over the term of payment shown on any Seller invoice or elsewhere.

B. Payments

Payments for materials will not be processed until appropriate documentation, as required by the provisions of the Purchase Order, has been submitted to and accepted by Buyer.

XVI. NEWS RELEASES

Information for publicity of any nature with respect to any facet of Owner's or Buyer's business operations or the Project shall not be released or disclosed without prior consent of Owner and Buyer.

XVII. CHANGES

At any time during the progress of the work and/or supplying of any materials and/or equipment hereunder Buyer reserves the right to: (i) Order the Seller to perform extra work; (ii) Order the Seller to furnish extra material or equipment; (iii) Make changes altering, adding to, or deducting from the work and/or supplying of any materials and/or equipment hereunder; (iv) Change scheduled delivery dates; and (v) Suspend work and/or supplying of any materials and/or equipment hereunder without invalidating the purchase agreement. Changes shall not be binding upon either Buyer or the Seller unless made in writing by the same level of authority as executed the Purchase Order. Changes shall originate with Buyer who will transmit to the Seller a written request for a proposal covering the requested change, setting forth the work in detail, and including any required supplemental plans or specifications. The Seller, upon receipt of such request from Buyer, shall submit a proposal in writing for performing such change, which shall include any required adjustment of time caused by such change and any adjustment of other pertinent provisions of purchase agreement. Upon receipt of an acceptable proposal from the Seller, a written change

order will be issued by Buyer stating that the extra work or change is authorized and granting any required adjustment of price and schedule. No extra work shall be performed or change made unless pursuant to a written change order issued by Buyer, and no claim for an addition to the purchase agreement price shall be valid unless documented by change order issued by Buyer.

XVIII. ASSIGNMENT

Neither this order nor any rights or obligations herein may be assigned by Seller nor may Seller delegate the performance of any of its duties hereunder without, in either case, Buyer's prior written consent, and any such assignment shall be null and void and of no effect.

XIX. TERMINATION

Buyer may, for any reason, terminate the purchase agreement upon written notice to the Seller. In the event of such termination, Buyer shall be liable to Seller only for the value of the work performed prior to cancellation, less any salvage value, plus costs reasonably incurred by Seller in terminating his operations plus a reasonable profit on work done prior to termination. Seller shall not be entitled to any payments for anticipated profits on uncompleted portions of the work and/or supplying of any materials and/or equipment hereunder.

If termination by Buyer is caused in whole or in part by any of Seller's actions, including but not limited to breach, which give rise to a right in Buyer to cancellation, no termination charges shall be payable.

XX. INTEGRATION

The terms set forth in the Purchase Order represent the final expression of agreement with respect to such terms between the parties hereto and the Purchase Order supersedes all prior negotiations, representations or agreements either written or oral, including but not limited to the bidding documents. This Purchase Order may be amended or modified only by a subsequent written amendment or Change Order signed by both parties.

XXI. CONSEQUENTIAL DAMAGES

In no event shall Owner, Buyer, or any of their respective parents, affiliates, subsidiaries of any tier, representatives or any directors, officers, or employees of any of the foregoing be liable to Seller or any of its sub-suppliers, whether based on delay, contract, tort, negligence, warranty, indemnity, strict liability, error or omission or otherwise, for any consequential, special, incidental, indirect, exemplary, multiple or punitive damages or damages arising from or in connection with loss of use or loss of revenue or profit, actual or anticipated, or otherwise. Seller hereby releases Owner, Buyer and each of their respective parents, affiliates, subsidiaries, representatives or any directors, officers and employees from any such liability.