

TERMS AND CONDITIONS FOR "PURCHASE ORDER-SERVICES"

1. **Offer and Acceptance:** This Order constitutes CHS's offer to Supplier and becomes a binding contract, to be governed by the laws of Minnesota, on the terms set forth herein, when accepted by Supplier by (i) acknowledgement by signing and returning a copy of this Order, or (ii) commencement of performance of the services ordered hereunder. No revision of this Order shall be valid unless in writing and signed by CHS, and no condition stated by Supplier in acceptance or acknowledging this Order shall be binding if inconsistent with or in addition to the terms and conditions herein.
2. **Changes in Work:** Changes in the scope of work and compensation described in this Order shall be made only upon the issuance by CHS of an Order revision.
3. **Independent Contractor:** This Order does not represent a contract of employment. While CHS may indicate the scope and scheduling of work hereunder, the manner and means of accomplishing such work are entirely under the direction and control of Supplier. All work done hereunder shall be performed by employees of Supplier or his, her or its subcontractor and its employees. Under no condition are persons doing work hereunder to be considered as employees of CHS.
4. **Compensation:** Supplier's compensation for work to be performed, pursuant to this Order shall be fixed unit prices unless an alternative method of computing compensation shall appear on the face of this Order.
5. **Payment:** The manner, amount and time of payment shall be as stated on this Order. Where work continues for more than 30 days, Supplier shall furnish CHS on the first business day of each month a statement, itemized, supported and approved as outlined in Paragraph (6) hereof setting forth the amount due Supplier as compensation pursuant to Paragraph (4) for the last statement period. CHS shall pay Supplier the statement amount subject to any agreed upon withholding until final acceptance of the work to which that statement is applicable. No payment of any amount owing Supplier shall be made so long as Supplier is in default hereunder.
6. **Records and Accounting:** Supplier shall keep sufficient and accurate records of all costs incurred as they relate to the basis of compensation as outlined on this Order. Such records shall be open to inspection by CHS or any authorized representative of CHS.
7. **Taxes:** Supplier will pay all taxes imposed by Federal or State governments on compensation of its employees and any other taxes, fees and charges on account of this Order or the receipts there from or its performance under authorization of any law, ordinance or regulation, except that sales or use taxes where applicable will be paid by CHS or Supplier, on materials purchased hereunder, in accordance with the statute of the state in which contract is performed or as expressly set out on this Order.
8. **Performance:** Supplier shall diligently and carefully perform all work required hereunder in a good and workmanlike manner, and shall, except as otherwise set forth in this Order, furnish all labor, supervision, machinery, materials, equipment and supplies necessary.
9. **Supplier's Guarantee:** Supplier warrants that all work performed under this Order shall conform to specifications, drawings, samples or other descriptions furnished or adopted by CHS; and workmanship or service rendered will be in accordance with standards established by CHS. Supplier guarantees all workmanship against any defect for one year from date of completion of work hereunder and all materials according to manufacturer's warranty.
10. **Proprietary Information:** All information obtained by Supplier from CHS in connection with this Order, including, but not limited to, "know-how," operating techniques, machines, processes, statistics, and trade secrets is received in confidence and shall remain property of CHS and shall remain property of CHS and shall be used only for purposes of this Order and shall not be disclosed by Supplier without CHS's express written consent.
11. **Use of Premises:** Supplier shall perform all work in such manner as not to interfere with use of premises by CHS or other Suppliers. Supplier agrees that there shall be no interruptions of CHS's ordinary operations except as stated on this Order. Supplier shall take all necessary precautions (including those required by CHS's safety regulations) to protect the premises and all persons and property thereon from damage or injury and shall assume responsibility for the taking of such precautions by Supplier's and subcontractor's employees, agents, licensees, and permits and subcontractors. Upon completion of the work, Supplier shall leave the premises clean and free of all tools, equipment, waste material and rubbish.
12. **Assignment and Sub-Contracting:** Supplier shall not assign this contract or any part without CHS's written consent. All subcontractors of Supplier shall be approved by CHS. Supplier agrees to secure proper agreements from all subcontractors necessary to protect CHS in the same manner as Supplier has herein agreed.
13. **Cancellation:** Should CHS at any time decide, for any reason, to terminate Supplier's services, this contract shall be canceled effective three (3) days after service of written notice of cancellation to Supplier sent by certified mail. In the event of cancellation, CHS shall pay Supplier for all work performed to date of cancellation and assume all obligations incurred by Supplier with reference to work here under which cannot be canceled and which may be usable and acceptable to CHS in completing this Order; provided, however, that CHS will have the right to offset any monies or obligations which Supplier owes to CHS as of the date of cancellation against any amounts due to CHS. Upon payment of such cancellation charges, all plans, designs, drawings, model specifications and work in progress shall be the property of the CHS.
14. **Delays:** Any delays or failure of performance by either party under this contract shall be excused to the extent caused by force majeure. As soon as any delay begins or becomes imminent, the party whose performance will be affected by such delay shall notify the other in writing and shall thereafter make every effort to overcome the delay and resume performance and/or may terminate the Order affected either in whole or in part, without liability.
15. **Liens:** Supplier shall indemnify and save harmless CHS from laborers', mechanics' and material men's liens upon materials, equipment, work in progress or the premises on which the work is to be performed.
16. **Surety Bond:** Supplier, at CHS's option and expense, shall furnish an approved surety bond for satisfactory performance of this Order and as security against any unpaid bills for labor or materials which are the obligation of Supplier or any of Supplier's subcontractors.
17. **Indemnification and Insurance:**
 - a. To the fullest extent permitted by law, Supplier shall indemnify and hold harmless CHS and its respective directors, officers, successors, assigns, agents, employees, subsidiaries, subcontractors and affiliates from and against any claims, demands, causes of action, injury, damages, liabilities, losses and expenses of whatever kind or nature, including but not limited to attorneys' fees and expenses in the investigation and defense of a claim arising out of alleged intentional or negligent acts or omissions of Supplier, its officers, directors, employees, agents, contractors, subcontractors, successors, assigns, or anyone for whose alleged intentional or negligent acts Supplier may be liable, regardless of whether such alleged intentional or negligent acts or omissions are active or passive; provided, however, Supplier shall not be obligated under this Agreement to indemnify CHS for damages which are due to the sole negligence of CHS.
 - b. Supplier agrees to furnish to CHS certificates of insurance evidencing Supplier's public liability insurance coverage, including contractual liability, products completed operations coverage and broad form vendor's coverage, which shall include this Order from an insurer or insurers satisfactory to CHS.
 - c. Supplier agrees to provide evidence of adequate and current worker's compensation insurance and to provide a valid waiver executed by Supplier's workers compensation insurance carrier of any right of subrogation against CHS or its employees for any injury to a covered employee while working on CHS's premises.
18. **Inspection by CHS:** Unless otherwise specified, all work performed will be subject to final inspection and approval on the site where services are supplied, or, in the event installation of equipment is required, such inspection and approval shall be at a place of installation. The making of periodic payments by CHS shall not be construed as acceptance of work up to the time of payments.