

PURCHASE ORDER GENERAL CONDITIONS

This Purchase Order ("PO") by Avista Corporation ("Avista") becomes a binding contract, subject to the terms set forth below, upon confirmation of this PO or upon the commencement of performance by the Vendor (the party accepting this PO), whichever comes first. ANY CHANGE, ADDITION OR MODIFICATION IN QUANTITY MUST BE AGREED TO IN WRITING BY AVISTA. If Avista and Vendor (collectively, the "Parties") intend that Vendor furnish personal services to Avista at an Avista facility or work site under this PO and the attached *General Conditions for Field Services*.

1. **INVOICING.** Vendor agrees to submit an invoice with each shipment showing the PO number. All invoices should be issued to Avista Corp c/o Accounts Payable. The discount period of any cash discounts available to Avista will commence on the date of the invoice. When freight is prepaid by Vendor, Vendor must show freight charges separately; compute sales tax, if any, **before** adding freight charges; and submit a copy of the freight bill with the invoice. No allowance will be made for boxes, reels, drums or other returnable containers unless so stated on the face of this PO and invoiced separately.
2. **TITLE.** Unless the face of this PO provides for Avista's assumption of ownership at the point of shipment, title to the goods purchased under the PO remains with the Vendor until such goods are off-loaded at the Avista facility or site specified on the face of this PO; provided, however, that in all cases, Vendor shall bear all risks of loss or damage in transit until such goods are off-loaded at Avista's facility or site.
3. **FREIGHT.** Vendor shall ensure that shipper complies with the shipping terms and instructions stated on the face of this PO. Failure to accurately follow the shipping terms and instructions as stated may result in one of the following: (i) a chargeback for any freight cost increase; (ii) a chargeback for any freight cost increase plus an administrative charge; or (iii) a chargeback for the full cost of the freight.
4. **INSPECTION.** All goods purchased are subject to inspection, test and approval at destination by Avista, whether or not prior payments have been made or inspections have been performed at the source. Avista, without limiting its other rights under this PO, may reject any goods that: (i) contain defective materials or workmanship; (ii) do not meet the specifications; (iii) and/or do not otherwise conform to this PO. Defective material or material not in accordance with Avista's specifications will be held for Vendor's instructions and at Vendor's risk and expense. Acceptance of any goods will not be deemed to alter or affect the obligations of the Vendor or the rights and remedies of Avista under any other provision of this PO. Avista reserves the right, at Vendor's expense, to inspect before shipment or during the process of manufacture, any goods applicable under this PO.
5. **OVERSHIPMENT.** Quantities in excess of that shown on the face of this PO, if rejected, will be returned to Vendor at Vendor's risk and expense. Any excess quantities that Avista accepts will be billed at the PO price.
6. **CHANGES.** Avista shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the costs or the time required for Vendor's required performance, an equitable adjustment will be made and this PO will be modified, in writing, accordingly. Vendor agrees to accept any such changes subject to this Section 6.
7. **INTELLECTUAL PROPERTY INDEMNIFICATION.** Vendor warrants that there has been no violation or infringement of any copyright, trade name, trademark, patent or related intellectual property right, as a result of manufacturing, producing or selling the goods. Vendor further agrees to defend and indemnify Avista, its officers, agents and employees from all claims, expenses and liabilities arising from any actual or alleged intellectual property violation or infringement.
8. **WARRANTY.** Vendor expressly warrants that all goods furnished pursuant to this PO will be free from defects in material, workmanship and title. Further, Vendor warrants all goods will conform to all applicable specifications, drawings, and shall be fit for its intended use and service. If it appears, within one year of the date of delivery, that the goods delivered do not meet the warranty specified above, Avista shall promptly notify the Vendor; Vendor shall correct any defect either by repair or replacement of the defective goods subject to the approval of Avista, at Vendor's expense, provided that Avista's continued use of said defective goods pending repair or replacement shall not constitute a waiver by Avista under this PO. Vendor further warrants that all articles and services covered by this PO meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Law (Public Law 91-956) and its regulations in effect as of the date of this order.
9. **TIME.** Time is of the essence of this PO; Avista reserves the right to cancel this PO (or any portion) without penalty in the event that deliveries are not made within the specified time, without liability for deliveries previously made and accepted by Avista.
10. **TERMINATION.** Avista reserves the right to cancel all or any part of this PO without penalty if Vendor breaches any of the terms of the PO.
11. **COMPLIANCE WITH LAWS.** Vendor warrants that all goods and services applicable under this PO will have been produced, sold, delivered and furnished in strict compliance with all applicable Federal and State laws and regulations. Vendor shall execute and deliver such documents as may be required to effect or to evidence compliance. All laws and regulations required in agreements of this character are incorporated by this reference, including provisions of 38 U.S. Code 4212, Executive Orders 11246, 11375, 11758, 11701, and 12086 (as amended) and any subsequent executive orders relating to equal opportunity for employment on government contracts. If Vendor is required by this PO to employ workers on Avista's premises, conditions of such employment must be consistent with Avista's labor agreements or personnel policies and practices, and must not interfere with Avista's operations.
12. **INDEMNIFICATION.** Vendor agrees to indemnify Avista from and against all demands, claims, suits, costs of defense, liabilities and other expenses for damage or damage to property or for injury or injuries to or death of any person or persons in any way arising from the furnishing of any goods and/or services provided under this PO except liability or damage arising from the sole negligence or willful conduct of Avista, its agents or employees. This indemnification is in addition to the warranty obligations of Vendor.
13. **ASSIGNMENT.** Neither this PO nor any interest under such PO may be assigned by Vendor without the prior written consent of Avista.
14. **JURISDICTION AND VENUE.** For any suit or proceeding to enforce the provisions of this PO, Vendor irrevocably consents to the jurisdiction of the Courts of the State of Washington. Furthermore, Vendor agrees that this PO will be interpreted, construed and enforced in all respects in accordance with the laws of the State of Washington, without giving effect to its principles of conflicts of law.

END OF PURCHASE ORDER GENERAL CONDITIONS

REV 8/2010