

Elite Builders, Incorporated

PO Box 1523, Glendale, Arizona 85326

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PURCHASE ORDER NUMBER: 24-0521568-1001

This agreement is made at Glendale, Arizona on Wednesday, January 12, 2005 between CONTRACTOR Elite Builders, Incorporated with principal office at PO Box 1523, Glendale, Arizona 85326 and VENDOR, A to Z Supply, Incorporated with principal office at P.O. Box 610, Chandler, Arizona 85244.

On or about August 21, 2005, the CONTRACTOR entered into a prime contract with the Department of Veterans Affairs, 500 North Highway 89, Prescott, Arizona 86313 herein called Government, to perform the following work:

Project Title: Remove exterior lead paint, repaint and repair porch steps and rail

Prime Contract Number: 123-45678-9101

CONTRACTOR and VENDOR hereby agree that VENDOR shall sell to CONTRACTOR, and CONTRACTOR shall buy the following described item(s) upon the following terms and conditions as prescribed in Sections 1-13 of this Agreement:

(1) DESCRIPTION

Section 05120- Structural Steel

Section 05210- Structural Steel Joist

Section 05500- Metal Fabrications

Two (2) McQuay model 5W size 48" x 115" cooling coils with 16 gauge casing, copper tube, aluminum fin, steel nipples, drain and vent connections, same end piping connections, and surface freight to Elmendorf AFB, Alaska.

(2) EXCLUSIONS

NONE (Exclusions)

(3) DELIVERY

In 30 Days (Delivery)

(4) PAYMENT

VENDOR agrees that the CONTRACTOR'S receipt of payment from the Government is a condition precedent to the VENDOR'S right to receive payment for supply's. Any payment made hereunder prior to completion and acceptance of the work, as referred to above, shall not be construed as evidence of acceptance, acknowledgment or completion of any part of any VENDOR'S work. A complete, signed PAYMENT AUTHORIZATION FORM (See Attachment "A") must support all invoices for payment.

(5) TERMS AND CONDITIONS

This Agreement is a DO-C2 rated order certified for national defense under the defense priorities and allocations system (DPAS) (15 CFR- 350).

VENDOR agrees to furnish the material indicated above for said project expressly conditional on VENDOR'S agreement to the terms and conditions. It is understood and agreed that this contract represents the entire Agreement.

(6) BUY AMERICAN ACT

This Agreement is subject to the Buy American Act (41 U.S.C. 10a-d) and implementing regulation.

(7) SUBMITTALS

VENDOR IS NOT REQUIRED TO OBTAIN PRIOR WRITTEN APPROVAL FROM GOVERNMENT OR CONTRACTOR BEFORE PLACING ORDER OF MATERIAL FOR CONTRACTOR.

(8) RISK OF LOSS

Inspection and acceptance will be at destination. Title to and risk of loss of or damage to conforming contract products shall pass to CONTRACTOR upon final acceptance or delivery at destination, whichever occurs later. Notwithstanding the preceding provision, title to and risk of loss or damage to contract products which so fail to conform to the Agreement as to give right of rejection, shall remain with the VENDOR until cure or final acceptance.

(9) DEFAULT

If VENDOR should default in performance of the work with respect to the production of the articles and/or the performance of the service or should otherwise commit any act which causes delay to the prime contract work, VENDOR shall be liable for all losses, costs, expenses, liabilities and damages, including consequential damages and liquidated damages, sustained by CONTRACTOR, or for which CONTRACTOR may be liable to Government or any other party because of VENDOR'S default. If VENDOR fails to commence and satisfactorily continue correction of a default within forty-eight (48) hours after receipt by VENDOR of cure notice issued, then CONTRACTOR may terminate VENDOR'S right to perform under this Agreement.

(10) TERMINATION OF CONVENIENCE

CONTRACTOR may at any time and for any reason terminate VENDOR'S service and work at CONTRACTOR'S convenience. Cancellation shall be by service of written notice to VENDOR'S place of business. Upon receipt of such notice, VENDOR shall, unless the notice directs otherwise, immediately discontinue the work and placing of order for materials, facilities and supplies in connection with the performance of this Agreement, and shall if requested, make every reasonable effort to procure cancellation of all existing orders or contracts upon terms satisfactory to CONTRACTOR, or at the option of CONTRACTOR, give CONTRACTOR the right to assume those obligations directly, including all benefits to be derived there from. VENDOR shall thereafter do only such work as may be necessary to preserve and protect the work already in progress and to protect material and equipment on the job site or in transit thereto.

Upon such termination, VENDOR shall be entitled to payment only as follows: (1) the actual cost of the work with respect to the production of the articles and/or the performance of the service completed in conformity with this Agreement; plus, (2) such other costs actually incurred by VENDOR as are permitted by the prime contract; plus (3) 15% overhead and 15% profit. There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to VENDOR prior to the date of the termination of this Agreement. VENDOR shall not be entitled to any claim of lien against CONTRACTOR or Government for any additional compensation or damages in the event of such termination and payment.

(11) DISPUTE

If at any time any controversy should arise between the CONTRACTOR and the VENDOR regarding this Agreement and which the parties do not promptly adjust and determine, then the written orders of the CONTRACTOR to the VENDOR shall be followed. The controversy existing between the parties shall be submitted to and determined by arbitration unless either party objects to arbitration. Arbitration under this contract shall be in Anchorage, Alaska. Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement. The demand for arbitration shall be made within a matter in question has been given, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations. If the parties disagree as to the award rendered by the arbitrator(s) settlement by arbitration, the dispute shall be submitted to the court having jurisdiction.

(12) WARRANTY

VENDOR warrants to Government and CONTRACTOR that all materials and equipment furnished shall be American made and new, of good quality, free from faults and defects and in conformance to the requirements. Substitutions not properly approved and authorized, may be considered defective. Under this warranty, the VENDOR shall remedy at his own expense any such failure to conform or any such defect. In addition the VENDOR shall remedy at his own expense any damage to CONTRACTOR owned or controlled real or personal property, when that damage is the result of the VENDOR'S failure to conform to contract requirements or any such defect of equipment, material, workmanship or design. The VENDOR shall also restore any work damaged in fulfilling the terms of this clause. Such warranty shall continue for a period of one year from the date the Government takes possession. The warranty provided in this Section shall be in addition to and not in limitation of any other warranty or remedy required by law or by the Contract Documents.

(13) APPLICABLE LAW

VENDOR represents that with respect to the production of the articles covered by this Agreement, it has fully complied with the Fair Labor Standards Act of 1933 as amended, and will adhere to Federal, State and local laws pertaining to equal opportunity.

"CONTRACTOR"

Elite Builders, Incorporated

Dated: _____

John S. Jackson, President

"VENDOR"

A to Z Supply, Incorporated

Dated: _____

Lisa Jackson, Manager