



PURCHASE ORDER TERMS AND CONDITIONS

THIS RULE APPLIES TO THREE SAINTS BAY, LLC AND EVERY SUBSIDIARY UNDER THE COMPANY

1. **ACCEPTANCE.** Acceptance of the offer represented by this purchase order is expressly limited to the terms of this purchase order and commencement of Sellers performance hereunder shall constitute his acceptance of this purchase order. This purchase order is the entire contract and no changes are binding on Buyer unless they are in writing on Buyer's forms and signed by an authorized representative of the Buyer's Purchasing Department. Notwithstanding any references in this purchase order to Seller's quotation, this order is not in response to, or an acceptance of, such quotation and any reference to, or attachment of Seller's terms and conditions, or those appearing on Seller's acknowledgement or invoice, shall not alter the terms hereof and shall be disregarded by Buyer.
2. **EQUAL EMPLOYMENT OPPORTUNITY.** This order/contract is subject to all relevant terms and conditions of Executive Order 11246, the Vietnam Era Veterans Readjustment Assistance Act of 1974, and the Rehabilitation Act of 1973. The Equal Employment Opportunity Clause, Section 202, paragraphs 1-7 of Executive Order 11246 relative to equal employment opportunity, and the rules and regulations of the Office of Federal Contract Compliance Programs and incorporated herein by reference.
3. **DELIVERY.** Delivery dates herein specified are of the essence of this purchase order and deliveries must be made on time and in the quantities specified. Failure of the Seller to make timely delivery in the quantities specified shall entitle the Buyer to cancel this order and to purchase elsewhere and hold the Seller accountable therefore. If at any time the Seller has reason to believe that deliveries will not be made as scheduled, written notice setting forth the cause and estimated length of the delay shall immediately be forwarded to the Buyer.
4. **INSPECTION AND REJECTION.** All material received under this purchase order shall be subject to the Buyers right to inspect and reject, and a receipt for or payment for material shall not constitute an acceptance thereof. Defective material or material not in accordance with the Buyers specification may be modified or replaced by the Buyer at the Seller's expense or may be returned at the Seller's expense for replacement, repair, or credit.
5. **PAYMENT.** Unless otherwise stated within the purchase order, payment is made within 5 days of receipt of payment from government client or not to exceed 45 days. The Buyer reserves the right to offset payment for any monies that may be due.
6. **TERMINATION.** Buyer, by written notice, may terminate this order, in whole or in part. In the event this order is terminated as a result of Sellers default, the Seller shall be liable for damages, including the excess cost of re-procuring similar items. If this order is terminated for the convenience of Buyer, Seller shall be compensated proportionately to the extent that items have been shipped or services rendered prior to the effective date of termination, other than to this extent, Buyer shall not be liable to Seller for any damages on account of its failure to accept all of the items or services order.
7. **WARRANTIES.** Supplier/Contractor expressly warrants that the goods and services covered by this order will (a) conform to the specifications, drawings, samples, or other descriptions furnished or specified by Buyer, (b) be merchantable and fit and sufficient for the purpose intended, (c) be free

from defect in material and workmanship, and (d) not infringe any patent right and Supplier/Contractor agrees to defend, at its expense, any suit arising with respect thereof and to indemnify and hold harmless Buyer and users of Buyer's products from all loss and expense incurred on account of any alleged or actual infringement. All warranties shall extend to Buyer and the users of its products and shall not be deemed to be exclusive. Supplier/Contractor agrees that these Warranties shall survive acceptance of the goods. Said Warranties shall be in addition to any Warranties of additional scope, given to Buyer by Supplier/Contractor.

- 8. INDEMNIFICATION.** Seller agrees to indemnify and hold harmless, Buyer against any and all loss and liabilities whatsoever, for damages and/or injuries which may be incurred by Buyer by virtue of defective design, material or workmanship in the goods furnished hereunder. If this order covers the performance of labor for Buyer, Seller agrees to indemnify and hold harmless, Buyer from and against all losses, liabilities, claims, or demands for injuries to any person (including death) or damages to property growing out of the performance of the contract which results from the acceptance of this order by Seller, except that Seller shall not relieve Buyer from liability caused by the willful misconduct or sole negligence of Buyer, its officers, agents, servants.
- 9. LIENS.** If this order covers job-site work, Seller shall be solely responsible for all claims of whatever nature arising out of non-payment for services, labor and materials furnished or contracted for by Seller in performance of work hereunder, including all liens which may be levied against Buyer or its customers. Before final payment, or at any time upon Buyer's request, Seller shall furnish Buyer with an affidavit conforming to the laws of the state in which the work is performed, or in absence of any such law then an affidavit satisfactory to Buyer setting forth the names and amounts due and remaining unpaid to all persons furnishing services, labor, or materials hereunder. Buyer shall have the right to pay directly to all Seller's creditors all such amounts as may be due them and deduct same from payments to Seller.
- 10. ASSIGNMENT.** No assignment or modifications of this order shall be binding unless in writing and assigned by Buyer and the Seller.
- 11. USE OF BUYER'S DATA.** Seller shall not without prior written consent of Buyer use or disclose any data, designs, or other information belonging to or supplied by or on behalf of Buyer, except in performance of orders for Buyer or the government where the government has such rights. Upon Buyer's request such data, designs or other information and any copies thereof shall be returned to Buyer.
- 12. FAIR LABOR STANDARDS ACT.** Seller agrees in connection with the manufacture of goods covered by this order to comply with the applicable requirements of the Fair Labor Standards Act, as amended, and of the regulations and order of the Department of Labor issued there under, all invoices must carry the following certificate in order to be approved.

'We hereby certify that these goods were produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor, issued under Section 14 thereof.'
- 13. SAFETY AND HEALTH.** Seller warrants that the goods furnished under this order conformed to and comply with all applicable standards pursuant to the Occupational Safety and Health Act of 1970, Seller agrees to advise Buyer of all precautions necessary in the installation, storage and handling of goods purchased on this order in order to comply with OSHA and/or generally accepted safety procedures.
- 14. GOVERNMENT REGULATION.** In furnishing goods or services covered by this order, Seller agrees to comply with the provisions of all applicable federal, state and local laws, rules, regulations, ordinances and orders.

15. FAILURE TO COMPLY. With FAR Clause 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (Jul 2010) may result in delayed and or forfeiture of payment.