

STS Operating Inc, dba The Hope Group
STANDARD PURCHASE ORDER TERMS AND CONDITIONS

- 1. ACCEPTANCE AND ACKNOWLEDGMENT:** The acknowledgement by SUPPLIER of receipt of a Purchase Order from a subsidiary of STS Operating Inc, dba The Hope Group (such applicable subsidiary is referred to herein as "THG"), including the commencement of work thereunder, shall constitute SUPPLIER'S acceptance of such Purchase Order and these Standard Purchase Order Terms and Conditions in their entirety. THG's obligation is limited to the terms contained on its face and back and as stated herein and any Purchase Order or supplement provided by THG to SUPPLIER. No terms and conditions stated by SUPPLIER in acknowledgment or otherwise accepting this Purchase Order shall be binding upon THG, unless specifically accepted in writing by THG and THG hereby objects to any such additional terms and conditions. Any and all modifications, changes, and/or additions to the goods or the work covered by this Purchase Order shall be accomplished only by issuance of a Purchase Order Supplement by THG.
- 2. DELIVERY:** Time of delivery and performance of this Purchase Order is of the essence. Delivery date shall be specified on the Purchase Order, or as otherwise agreed in writing between THG and SUPPLIER. SUPPLIER shall give prompt written notice to THG setting forth the length and reason for any delay in delivery. THG reserves the right to refuse any goods or services, and has the absolute right to cancel all or any part of this Purchase Order, if SUPPLIER fails to deliver or perform in accordance with the terms of this Purchase Order. THG has the right to inspect all goods or services and can reject them if they are not in strict compliance with this Purchase Order, including any drawings or specifications provided by THG to SUPPLIER. The goods or services shall be returned at SUPPLIER's expense if applicable. Acceptance of any part of the Purchase Order shall not bind THG to accept future shipments or services, or deprive it of the right to return goods already accepted. No additional charges shall be accepted for boxing, packing or crating unless specified by SUPPLIER and acknowledged by THG on the Purchase Order. If none is specified SUPPLIER shall use the best commercially accepted packaging practices to insure that the parts will be received without damage. SUPPLIER shall include a packing list of all shipped components with each delivery. The Purchase Order number shall be included on each package, packing list, invoice or any other correspondence pertaining to any specific Purchase Order.
- 3. LATE DELIVERY:** Unless SUPPLIER's failure to make timely delivery of the goods or services covered within is excused in accordance with the provisions of paragraph 13 hereof, SUPPLIER's failure to make timely delivery, or SUPPLIER's breach of any of the other terms and conditions of this Purchase Order, shall constitute sufficient cause for THG, at its option, to terminate this Purchase Order either in whole or in part and to charge SUPPLIER for any damages or losses THG may sustain as a result of SUPPLIER's default. Any failure by THG to exercise this option with respect to any installment shall not constitute a waiver with respect to subsequent installments.
- 4. TITLE:** Title shall pass to THG upon acceptance by THG of the parts or services. SUPPLIER agrees not to file any mechanics', laborer, materialness or any other lien against the premises, or any part hereof, on account of any goods or services furnished under any Purchase Order or additions thereto. SUPPLIER hereby waives the right to file any such lien.
- 5. TERMINATION/BREACH:** If any goods or services delivered hereunder are not as specified, or if the same fail to meet with THG's approval, or if SUPPLIER fails to perform any other term or condition of the agreement by THG and SUPPLIER, then THG, at its option may: (a) require SUPPLIER to repair or replace (at THG's sole discretion) any non-conforming goods, and re-perform any nonconforming services, at the expense of the SUPPLIER; (b) retain the goods and insist upon completion of the order or retain part thereof, without prejudicing its rights to damages for SUPPLIER's failure with the terms of the agreement, (c) modify the goods to meet THG's specifications or obtain the goods from another vendor and charge the additional costs or offset such charges against any amounts due or becoming due to SUPPLIER hereunder, or (d) return the goods or services for a full refund. The various rights, remedies, powers or elections of THG, as expressed herein or given by law, are cumulative and none of them shall be deemed exclusive of such other rights, remedies, powers or elections as are now or may hereafter be conferred by law.
- 6. PAYMENT:** Payment of invoices will be made in accordance with the terms of the Purchase Order. Cash discounts and payments will only be applicable from the date of a correct invoice and acceptance of material including all required documentation.
- 7. RISK OF LOSS:** The risk of loss, damage, spoilage and deterioration and all other risks shall not pass to THG until the goods or services have actually been received, inspected and accepted as the goods or services.
- 8. ASSIGNMENT:** The SUPPLIER does not have the right to assign or delegate its' interests or obligations under this order without the prior written consent of THG.
- 9. SUBCONTRACTING:** The SUPPLIER shall not subcontract any portion of this Purchase Order without the prior written consent of THG. If accepted by THG at the request of SUPPLIER, the SUPPLIER represents and warrants to THG that their subcontractor shall abide by the applicable terms herein.
- 10. INFRINGEMENT INDEMNITY:** SUPPLIER will defend, save harmless and indemnify THG and its officers, agents and employees against all claims, suits, action or proceedings by reason of alleged infringement of patents, copyrights, patent royalties, trade secrets, or for alleged unfair competition resulting from similarity in design, trademark, or appearance of goods, work process, of the purchase or use of the material covered hereby which arise from any violation created by the SUPPLIER or its' agents, except to the extent such claims arose directly from SUPPLIER's compliance with drawings or other written specifications provided by THG. THG shall give prompt notice to SUPPLIER of any such suits brought or proceeding initiated against it, and shall permit SUPPLIER with its council to defend such suits and shall give such reasonable information as THG may possess to enable SUPPLIER to defend such suits. THG reserves the right to participate in such defense, at its cost, or to take over the defense of such suit at the cost of the SUPPLIER in the event (i) there exist conflicts of interest between SUPPLIER and THG, (b) there are defenses available to THG that are not available to the SUPPLIER or (c) SUPPLIER does not diligently pursue such defense.

11. **NON-WAIVER:** The failure of THG in any one or more instances, to insist upon the performance of any of the requirements or Terms and Conditions of this Purchase Order shall not be construed as thereafter waiving the same. No waiver or amendment of these Terms and Conditions shall be binding on THG unless in writing signed by a duly authorized representative of THG.
12. **WARRANTY:** SUPPLIER warrants that the goods delivered or services performed hereunder will conform to any drawings or specifications provided by THG, and will be free from defect in materials or workmanship, will be fit for their intended purpose, and will conform with all applicable federal, state and local laws respecting the goods or services for a period of one year. This warranty shall survive any inspection, delivery or acceptance of, or payment for, the goods or services by THG. SUPPLIER, at its sole expense, shall correct any breach of the warranty which occurs or is discovered within the warranty period after shipment of finished goods, by repair or replacement, F.O.B. THG's job site, of all or any part of the goods or services effected by such breach. This warranty shall not limit THG's other rights and remedies under applicable law.
13. **FORCE MAJEURE:** Either the SUPPLIER or THG shall be excused from performance if its performance is prevented or delayed as a result of earthquakes, floods, fire or other Act of God. Should any such delay occur, the SUPPLIER or THG shall promptly notify the other in writing of the nature, case, and date of commencement and anticipated extent of such delay and indicate whether any dates by which performance is required will be affected. The time for the performance of the SUPPLIER or THG's obligations shall be extended by a period of time equal to the length of the delay.
14. **CERTIFICATES, PERMITS AND LICENSES:** If the delivery of any goods or performance of any services ordered hereunder require certificates, permits, or licenses, SUPPLIER shall at its cost and expense furnish THG with such certificates, permits or licenses from such governmental departments (including zoning authorities having jurisdiction as well as Board of Fire Underwriters and Fire Insurance Exchange, if certificates are issued thereby), before final payment is required to be made by THG. In the event any such certificates, permits, or licenses are required prior to the commencement of SUPPLIER's delivery of goods or performance of services, SUPPLIER shall at its sole cost and expense make diligent application for same, and SUPPLIER shall not deliver any such goods or perform any such services until the appropriate certificates, permits or licenses are issued.
15. **INDEMNIFICATION:** SUPPLIER agrees to indemnify, defend and hold harmless THG, its parent, subsidiaries and affiliated companies, and their respective shareholders, directors, officers, employees, agents, successors and assigns ("Indemnified Parties") from and against any and all liabilities, claims, demands, injuries, damages, costs, fees, expenses, judgments and/or decrees arising in connection with this order or any alleged or actual breach thereof, or from any act or omission of SUPPLIER, its employees or agents.
16. **SET-OFF:** THG shall be entitled at all times to set-off any amount due from SUPPLIER, or its affiliates, to THG or any of its subsidiaries against any amount payable to THG to SUPPLIER.
17. **DAMAGES:** Except as may otherwise be provided herein, THG shall in no event be liable to SUPPLIER for any incidental, special, contingent or consequential damages in connection with this Purchase Order.
18. **GOVERNING LAW:** This Purchase Order and the rights, obligations and remedies of the parties hereunder shall be governed in all aspects by the laws of the Commonwealth of Massachusetts.
19. **NON-DISCLOSURE OF THG PROPRIETARY DESIGN INFORMATION; WORK FOR HIRE:** SUPPLIER agrees that any and all drawings, specifications, computer files, samples or other information supplied by THG shall be the exclusive property of THG and shall be considered THG Proprietary Information, and shall not be copied or disclosed to any third party without the expressed written approval of THG. SUPPLIER agrees that THG shall have the exclusive ownership of all intellectual property associated with products and components made by SUPPLIER according to the specifications and designs provided by THG. SUPPLIER shall execute any documentation reasonably requested by THG to perfect and protect such ownership rights. Upon the request of THG, all proprietary hard copy and electronic data information shall be immediately returned to THG. If requested by THG, an officer of SUPPLIER shall certify all electronic data files have been erased and no such files or other information proprietary to THG have been copied or saved in any manner.
20. **NON-CIRCUMVENTION:** In consideration of THG's commerce with SUPPLIER provided by this Purchase Order, SUPPLIER agrees not at any time prior to the third anniversary date of this Purchase Order, attempt in any manner to commercially exploit the business concepts and plans of THG to develop a business relationship with THG's identified customer for like product or services without prior written consent from THG, which may be given or withheld at the sole discretion of THG.
21. **ATTORNEY FEES:** In the event THG should bring an action for enforcement of the terms and conditions of this order, SUPPLIER agrees that THG shall be entitled to award of its reasonable attorney's fees and court costs associated with such enforcement proceedings.
22. **PRODUCT LIABILITY INSURANCE:** SUPPLIER agrees to provide certification showing THG as a named insured on SUPPLIER's insurance policy including but not limited to liability, workers compensation etc.
23. **INTERPRETATION.** Should any provision of this Agreement be determined by a court of competent jurisdiction to be illegal or in conflict with any applicable law, the validity of the remaining provisions shall not be impaired.
24. **INSPECTION.** THG reserves the right to inspect SUPPLIER's Facility or the SUPPLIER's approved by THG sub-contractors facility, any manufacturing, inspection or test processes being performed on contracted items. When specified by contract between THG and its CUSTOMER, THG also reserves the right to allow its CUSTOMER the right to witness at the SUPPLIER's facility along with a THG representative.