



PURCHASE ORDER GENERAL TERMS AND CONDITIONS

By your acceptance of this Purchase Order, you agree to comply with the Virgin Islands Port Authority's Purchase Order General Terms and Conditions.

1. ACCEPTANCE; PURCHASE ORDER CONSTITUTES ENTIRE AGREEMENT -- This Order constitutes Buyer's offer and may be accepted by Seller (or Contractor where applicable) only in accordance with the terms hereof. Unless Seller and Buyer have entered into a separate written contract covering the purchase of the goods and services described herein, the entire contract between the parties consists of this order and the Seller's acceptance as above stipulated and said contract shall not be changed or added to except in writing signed by authorized representatives of each party. This Order may be accepted by Seller by commencement of work, shipment of goods, or furnishing of services hereunder. Dispatch of Seller's acknowledgement form or other written document will also act as an acceptance if it agrees with this Order with respect to the description, amount, price and time of delivery of the goods or services ordered.

Notwithstanding any waiver in any instance, or any oral agreement, or any instructions, terms and conditions that may be contained in any quotation, acknowledgement, invoice or other written document of Seller, no addition to, waiver for the future or modification of, any of the provisions herein contained shall be of any force or effect unless made in writing and executed by Buyer.

2. CHANGES -- Buyer shall have the right at any time to make changes in this Order by written notice to Seller, and Seller agrees to comply with such changes. If such changes cause a material

increase or decrease in Seller's costs or time of performance of this Order, Seller shall notify Buyer immediately and negotiate an adjustment.

3. PRICE -- The price invoiced for the goods on this purchase order shall be no higher than the price stated on the front of this purchase order unless prior notification is received from Seller prior to shipment and the change is accepted by Buyer. If the Seller's established price for any item upon the date of delivery shall be lower than the price shown on this purchased order, the Buyer shall have the benefit of such lower price. Seller shall deliver to Buyer all invoices within 30 days of shipping or service delivery.

4. SHIPPING -- Buyer reserves the right to route all shipments. Delays in shipment shall be reported immediately by Seller to Buyer. Every package or other shipping unit, bill of lading, shipping memorandum and invoice must be marked with Buyer's Purchase Order Number. Seller's serial numbers must be shown on all shipping papers and invoices. In the case of international shipments, label also must disclose "Country of Manufacture". Shipping costs are paid based upon full shipment of the order. Seller bears the additional cost, if any, for partial shipments.

5. TIME OF THE ESSENCE -- Time of shipment and of other aspects of performance hereunder is of the essence of this agreement.

6. DELIVERY/TITLE -- Unless otherwise agreed, delivery shall be f.o.b. point of destination and



title shall pass to Buyer upon acceptance at the final delivery point. Risk of damages or loss following shipment and prior to acceptance by Buyer shall be the responsibility of Seller.

7. RIGHT OF INSPECTION AND REJECTION -- Material and equipment supplied by Seller shall be received subject to Buyer's inspection and approval within a reasonable time after delivery, notwithstanding prior payment. If specifications or warranties are not met, material and equipment may be returned at Seller's expense. No material or equipment returned to Seller as defective shall be replaced except upon Buyer's formal authorization. Buyer's count shall be accepted as final on all shipments not accompanied by a packing list. Buyer reserves the right to return, at Seller's expense and risk, goods received that were not ordered. Buyer also reserves the right to return, at Seller's expense and risk, any and all duplicate shipment of orders.

8. ASSIGNMENT -- Neither this Order nor any interest therein nor any claim arising hereunder shall be transferred or assigned by Seller without the prior written consent of Buyer. Buyer may transfer or assign the benefits of this agreement, in whole or in part, including without limitation the Seller's warranty, without the approval of Seller.

9. GOVERNING LAW -- This Order, and the rights and obligations of the parties thereto, shall be determined in accordance with the laws of the Virgin Islands wherein the equipment or material shall be installed, or wherein the work shall be performed herein.

10. WARRANTY -- Seller warrants that all goods or services furnished pursuant to this Order will be free from defects in material or workmanship and will be in conformity with the requirements of this Order, including drawings and specifications, if any, and reasonably fit for the

purpose disclosed in this Order or in such drawings and specifications, and Seller further warrants that such goods or services will be merchantable and fit for the purpose for which they are sold, and where design is Seller's responsibility, will be free from defects in design. Buyer's approval of Seller's design or material shall not be construed to relieve Seller of the warranties set forth herein. Without limitation of any rights which Buyer may have at law by reason of any breach of warranty, goods which are not as warranted may at any time within twelve (12) months after delivery be returned at Seller's expense. Buyer at its option may require Seller either to replace such goods at no increase in price (Seller must pay all repacking, transportation and handling charges both ways) or to refund the purchase price and any charges in connection therewith.

11. INVOICES -- All invoices shall be mailed to Buyer at its office as indicated on the face of this Order and will state Buyer's Purchase Order Number clearly on the Invoice. Invoice and duplicates shall be rendered for each order or for each shipment if more than one is made on an order. No invoice shall be delivered by Seller to any employee of Buyer. An itemized delivery ticket, bearing Buyer's Purchase Order Number as shown hereon, must be left with the goods to insure their receipt. If delivery is made by carrier, an itemized delivery ticket must be attached to the package or other shipping unit. The payment discount period will date from receipt of the invoice. In case of errors on an invoice, the payment discount period will date from the receipt of corrected invoices. Seller shall use the lowest published freight rates and any excess transportation charges incurred, including any that deviate from the published tariff rates, are to be borne by the Seller.

12. COMPLIANCE WITH LAWS -- Seller represents that it has complied with and shall continue to comply with all applicable foreign,



federal, state and local laws, regulations, rules and ordinances applicable to the sale of goods and services ordered by Buyer. Upon request, Seller shall furnish Buyer a certificate to that effect. If Seller is a United States entity, Seller will comply with Federal laws, rules and regulations applicable to government contracts. Seller will hold harmless and indemnify Buyer against any loss or damages, including attorneys' fees and costs, resulting from Seller's violation of any laws, regulations, rules or ordinances. Seller warrants that it has not offered or given and will not offer or give any employee, agent, or representative of Buyer any gratuity that may appear to assist Seller in obtaining any business from Buyer or influencing such person with respect to the terms, conditions, or any performance of any contract with or order from Buyer.

13. CANCELLATION: Buyer may cancel the Order, in whole or in part, at any time, by a written notice to Seller. Seller shall, upon request by Buyer, transfer title and deliver to Buyer such work in process or completed goods as may be requested by Buyer. Buyer shall have no liability to Seller beyond payment of any balance owing for goods and services purchased under the Order and delivered to and accepted by Buyer prior to Seller's receipt of the notice of termination, and for the reasonable cost of any work in process or completed goods so requested by and delivered to Buyer; provided, however, that if Seller is not in default, Buyer shall, in addition, pay to Seller such reasonable costs incurred by Seller pursuant to the Order, prior to such cancellation, with respect to such work in process or completed goods not so requested to be delivered by Buyer as shall be unrecoverable in the normal course of business, excluding any and all costs related to any manufacture done in advance of a normal flow time necessary to meet the purchase order schedule. Buyer shall have no duty to reimburse Seller for costs incurred by Seller for materials,

work in process or completed goods that have not been ordered by Buyer.