

## **DVL Group Terms & Conditions Forming Part of the Purchase Order**

**DVL GROUP, INC. DIVISIONS - TERMS AND CONDITIONS OF SALE THE FOLLOWING TERMS AND CONDITIONS FORM A PART OF THE PURCHASE ORDER OF ONE OF THE FOLLOWING DIVISIONS OF DVL GROUP, INC.: DVL, STRATEGIC ACCOUNT SERVICES, TOTAL SUPPORT SERVICES, OR DVL PROGRAM MANAGEMENT, (REFERRED TO HEREIN AS THE “BUYER”)**

1. **Price.** The purchase price for the goods and/or services to be provided under the Purchase Order will include all incidental costs including, without limitation, freight, insurance, and packing charges. This price also will include all taxes other than sales taxes.

By accepting the Purchase Order, Supplier warrants that the prices for the goods sold and/or the services performed hereunder are no less favorable than those currently extended to any other customer for the same or similar goods in similar quantities and/or the same or similar services. The Buyer shall not be subject to any price changes hereafter made by Supplier unless (i) the Buyer receives prior written notice of such price change, and (ii) the Buyer has the right, within thirty (30) days after receipt of notice of such price change, to cancel the Purchase Order and recover any and all sums previously paid on account of the purchase price.

2. **Payment Terms.** Payment will be made by Buyer within 30 days after receipt of the goods, or after performance of the services, and also after receipt of Supplier's invoice therefore, subject to any special payment terms (including discounts for early payment) that may be set forth in the Purchase Order.

Payment of any invoice by Buyer will not constitute acceptance of any goods or services. Buyer shall have the right to reject the goods or services and cancel the Purchase Order under the circumstances described in Section 4 below.

3. **Shipping and Delivery.** Supplier shall deliver the goods and/or services to the destination set forth in the Purchase Order. Supplier shall package and ship all goods in accordance with such industry standards as may be applicable to insure that the goods are received by Buyer in good condition.

4. **Cancellation of Order.** The Supplier shall furnish Buyer written confirmation of its acceptance of the Purchase Order no later than 5 days after the date of its issuance by the Buyer; otherwise, the Buyer may elect, at its sole option, to cancel the Purchase Order and to recover any sums of money already paid on account of the Purchase Price. In addition, the Buyer reserves the right to cancel the Purchase Order, recover all payments made on account of the Purchase Price and/or return goods already delivered by Supplier (at Supplier's expense) upon the occurrence of either of the following circumstances:

- (a) Goods or services to be provided under the Purchase Order are furnished and delivered later than the delivery date set forth herein; or
- (b) Goods or services to be provided under the Purchase Order do not conform strictly to the Buyer's specifications and requirements set forth in the Purchase Order, or such goods are delivered in a damaged condition. In lieu of cancellation, upon the occurrence of any circumstances described in this paragraph (b), Buyer may, at its option, require delivery of substitute goods of equal quality and quantity, at Supplier's risk and expense.

Prior to delivery of goods or performance of services, Buyer also may cancel the Purchase Order and recover any sums of money already paid on account of the Purchase Price in the event a petition in bankruptcy is filed by or against Supplier, Supplier becomes insolvent or makes an assignment for the benefit of creditors, or Supplier liquidates or dissolves.

**5. Incorrect Quantity of Goods.** In the event Supplier delivers to the Buyer a quantity of goods which is greater than the quantity specified by the Buyer under the Purchase Order, the Buyer shall have the right, in its sole discretion, to return the excess goods delivered and to pay only for the goods ordered. In the event Supplier delivers to the Buyer a quantity of goods which is less than the quantity specified by the Buyer under the Purchase Order, the Buyer shall have the right to demand and receive the remaining quantity not delivered or shall have the right to rescind the purchase and recover all payments made on account of the Purchase Price.

**6. Representations and Warranties.** Supplier hereby represents and warrants to Buyer that (i) it is authorized to sell the goods and to perform the services set forth in the Purchase Order; (ii) all goods provided and/or services performed will comply with the descriptions and specifications as set forth in the Purchase Order; (iii) all goods provided are of genuine and authentic manufacture, new and unused, and all goods and services will throughout the Warranty Period (as defined below) be free from defects in design, materials, workmanship and manufacture, be of satisfactory quality, and fit for the purposes intended by Buyer; (iv) it has complied with the Federal wage and hour laws, and all information and labeling requirements imposed by applicable Federal and state "Right To Know" laws and regulations, as well as applicable regulations of the Occupational Safety and Health Act on hazard communication; and (v) all services will be performed in a workmanlike and professional manner by employees or subcontractors of Supplier having a level of skill commensurate with the requirements of the agreed upon scope of work; and (vi) the services it is performing, and the goods it is providing, will not, infringe any patent, copyright, trademark, trade secret or other proprietary right of any third party. Supplier hereby agrees that it will make spare parts available to Buyer for a period of five (5) years from the date of final acceptance by Buyer of the goods at Supplier's then current price less applicable discounts. The Warranty Period shall extend for a period of one (1) year commencing on the date of Buyer's final acceptance of the goods or services.

The foregoing warranties are in addition to all other warranties, expressed or implied, and shall survive the delivery, performance, inspection, acceptance or payment by Buyer. Buyer's approval, acceptance or use of any goods or services will not relieve Supplier of any warranties specified herein or otherwise applicable. If Buyer identifies a defect or deficiency during the Warranty Period, Buyer will notify Supplier and may, at its sole option, and at Supplier's expense: (i) require Supplier to correct any defect or non-conformance; (ii) return deficient or non-conforming goods to Supplier for a full refund of amounts paid for those deficient or non-conforming goods; (iii) correct the deficient or non-conforming goods itself, or (iv) re-perform the services or any part thereof which fails to conform to Buyer's specifications. Replacement or repaired goods shall be warranted for the remainder of the Warranty Period or six (6) months, whichever is longer.

**7. Indemnification.** By its acceptance of the Purchase Order, Supplier, for itself, its successors and assigns, agrees to defend, indemnify and hold harmless the Buyer, and its officers, directors, employees, members, shareholders, agents and customers, from and against any and all claims, demands, losses, attorneys' fees, expenses, and all other liabilities, whether for property damage, bodily injury (including death), or otherwise, arising out of or relating to the goods provided and/or the services performed under the Purchase Order and including, without limitation: (i) defective workmanship, quality of material or service, (ii) any claim by a third party alleging that goods or services, the results of such services or any other products or processes provided under the Purchase Order infringe a patent, copyright, trademark, trade secret or other proprietary right of a third party, whether such are provided alone or in combination

with other products, software or processes; (iii) Supplier's failure to comply with any applicable law, statute, rule or regulation, (iv) the negligence or willful misconduct of the Supplier, its agents or employees, or (v) any breach of any of the representations or warranties set forth in Paragraph 6 above.

**8. Insurance.** Supplier, at its expense, shall obtain and maintain in full force and effect at all times while performing any services and/or providing any goods to Buyer (i) commercial general liability insurance (including contractual liability coverage) on an occurrence basis for bodily injury, including death, "broad form" property damage, including products and completed operations, advertising injury and personal injury, with coverage limits of not less than One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000), general aggregate, (ii) automobile liability insurance covering all owned, nonowned and hired vehicles, with coverage limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage, (iii) workers' compensation insurance as required by law in the state where the services will be performed and/or the goods will be manufactured or fabricated, and including employers' liability insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence, and (iv) umbrella liability coverage on an occurrence basis with limits of Two Million Dollars (\$2,000,000), per occurrence and in the aggregate. The insurance policies described herein shall name Buyer as an additional insured thereunder. Supplier's insurance coverage shall be considered primary and without right of contribution of any insurance policies of Buyer. Upon request, Supplier shall provide Buyer with certificates of insurance evidencing the insurance coverages required herein. The insurance companies now or hereafter issuing the foregoing insurance policies shall be rated A- or better by A.M. Best Company. Any material modification, renewal, replacement or cancellation of any such insurance coverages shall require at least thirty (30) days prior written notice to Buyer. In no event shall the foregoing coverage limits affect or limit in any manner Supplier's contractual liability for indemnification under the Purchase Order.

**9. Compliance with Laws.** Supplier shall comply fully with all applicable laws and regulations in the performance of the Purchase Order. Supplier shall at its expense obtain any and all permits, licenses, authorizations, and/or certificates that may be required in any jurisdiction or by any regulatory or administrative agency in connection with the goods it is providing, or the services it is performing, under the Purchase Order.

Furthermore, Supplier agrees that it will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and all of the rules, regulations and relevant orders of the U.S Secretary of Labor, which are incorporated herein by reference, and Supplier warrants that it does not and will not maintain any facilities for employees in a segregated manner, or permit its employees to perform services at any location under Supplier's control where segregated facilities are maintained. Supplier certifies that it does not engage in, and Supplier requires that its suppliers and subcontractors (if any) not engage in, any form of discrimination based on race, color, religion, sex or national origin.

**10. Limitation of Liability.** In no event shall Buyer assume any liability under the Purchase Order for (a) any claims, damages, or other sums in excess of the Purchase Price of the goods being purchased and/or the services being performed, or (b) indirect, special, incidental, or consequential damages of any kind whatsoever, including, without limitation, loss of use, data, profit, or revenue, however arising and whether based upon a theory of contract, negligence, tort, strict liability, or otherwise.

**11. Modifications.** None of the terms and conditions contained herein or in the Purchase Order may be added to, modified, superseded or otherwise altered, except by a written instrument signed by an officer of the Buyer and delivered to Supplier. Each shipment received by the Buyer from Supplier shall be deemed to be only upon the terms and conditions set forth herein and in the Purchase Order, except as such terms and conditions may be so added to, modified, superseded or otherwise altered as set forth in the preceding sentence, notwithstanding any terms and conditions that may be contained in any

acknowledgment, invoice, sales contract or other form of Supplier, and notwithstanding the Buyer's act of accepting or paying for any shipment or similar act of Buyer.

**12. Severability.** If any term or provision herein or in the Purchase Order shall to any extent be invalid or unenforceable, the remainder of these terms and conditions or of the Purchase Order shall not be affected thereby, and each term and provision herein and in the Purchase Order shall be valid and shall be enforced to the full extent permitted by law.

**13. Notices.** All notices and other communications required or permitted hereunder shall be addressed to Supplier or Buyer, at its address set forth in the Purchase Order, or to such other address which a party may furnish by notice given under this Section. Notice shall be deemed to be given:

- (a) when delivered personally,
- (b) when sent by a confirmed facsimile,
- (c) one (1) business day after delivery to a commercial overnight courier, for overnight delivery; or
- (d) three (3) days after having been sent postage prepaid, by first class or certified mail.

**14. Entire Agreement.** The Purchase Order, together with all of the terms and conditions set forth herein, represents and constitutes the entire and complete agreement between the Supplier and the Buyer.

**15. Governing Law.** All of the terms and conditions set forth herein and in the Purchase Order shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania.

**16. Binding Effect.** The Purchase Order and these terms and conditions shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

**17. Consent to Jurisdiction, Service and Venue.** For the purpose of any suit, action or proceeding arising out of or relating to the Purchase Order, including these terms and conditions, or to any invoice, sales contract or other document provided by Supplier in connection with the goods or services being ordered under the Purchase Order, Buyer and Supplier hereby irrevocably consent and submit to the jurisdiction and venue of any of the courts of the Commonwealth of Pennsylvania situated in Bucks County, or of any Federal court located within the Federal District for the Eastern District of Pennsylvania, and irrevocably agree to service of process by certified mail, return receipt requested, postage prepaid to their then respective addresses as set forth in the Purchase Order, as the same may be changed from time to time by notice furnished by one party to the other pursuant to Section 13. Buyer and Supplier each irrevocably waive any objection which it may now or hereafter to have to the laying of the venue of any such suit, action or proceeding brought in such court and any claim that such suit, action or proceeding brought in such court has been brought in an inconvenient forum and agrees that service of process in accordance with the preceding sentence shall be deemed in every respect effective and valid personal service of process upon Buyer and Supplier.