

PURCHASE ORDER GENERAL TERMS AND CONDITIONS

- 1. ACCEPTANCE OF PURCHASE ORDER:** This Purchase Order is an offer to the party providing the equipment or services that are the subject hereof ("Seller") to contract on the terms set forth hereunder, and such offer expressly limits acceptance by Spartan Offshore and any third parties of any tier whom Spartan Offshore may be providing said equipment or services (collectively "Buyer") to the terms set forth hereunder. Seller is hereby notified that Buyer objects to and hereby rejects any and all additional or different terms stated by Seller in any expression of acceptance or written confirmation as void, unless such additional or different terms are expressly agreed to in writing and signed by an authorized representative of Buyer. Written acceptance of this Purchase Order or delivery shall constitute acceptance by Seller of all terms contained in this Purchase Order.
- 2. DELIVERY:** Time is of the essence in delivery of goods and services and Seller is strictly obligated to meet Buyer's specified delivery dates, specifications and quantities. Deliveries that are late or in greater or lesser quantities than ordered or are nonconforming may be returned by Buyer without charge, at Seller's expense.
- 3. WARRANTIES:** Seller warrants it has title to all goods delivered hereunder, free from all liens and encumbrances; all goods are new, unused, free from defects in workmanship and material; are merchantable and fit for their ordinary intended purposes; all services will be performed in a workmanlike manner in accordance with industry standards and in strict compliance with the stated job specifications, if applicable. If the subject of this Purchase Order is also the subject of a re-rental by Buyer, then Seller shall comply with all contractual requirements imposed on Buyer by its customer and any higher tier customer, which Seller is deemed to have received. Provided Buyer is not in default of its obligations contained herein, Seller shall have no right to terminate the rental or recall the equipment while it is on rent to a third party. These warranties shall survive this Purchase Order and shall not be deemed waived by delivery or acceptance of, or payment for, the goods and services.
- 4. REJECTION:** If any of the goods are found, at any time, to be defective in material or workmanship, or otherwise not in conformity with Buyer's specifications, Buyer shall, in addition to any other rights which it may have under warranties or otherwise, have the right to reject and return such goods and to cancel other pending Purchase Orders without charge, at Seller's expense. Defective or nonconforming goods may not be replaced by Seller without Buyer's written authorization. Buyer's right of rejection shall survive this Purchase Order and shall not be deemed waived by delivery or acceptance of, or payment for, the goods and services.
- 5. SHIPPING INSTRUCTIONS:** Seller's name and address and the Purchase Order number must be marked on all tallies, memos, shipping papers, and the exterior of all shipping packages. Tally or shipping memos shall be enclosed in each package or inside each shipping container. Failure to comply may result in payment delays. Items shall be shipped FOB Destination, freight prepaid, unless otherwise specified in this Purchase Order.
- 6. TITLE AND RISK OF LOSS:** Title and risk of loss of goods shall be borne by Seller until the goods are received and accepted at the designated receiving point, at which time title and risk of loss shall pass to Buyer. Title shall remain with Seller for all rentals. Purchaser's responsibility shall be limited to the lesser of Fair Market Value at the time of the loss less salvage value and depreciated value. Provided, however, for equipment that is used by Purchaser for re-rental purposes. Purchaser shall only be responsible to the extent of its own negligence or fault and Seller agrees to look to the end user to recover for any losses occurring while in the end user's care, custody or control.
- 7. PRICES:** Buyer shall not pay prices higher than those specified on this Purchase Order or charges not included on this Purchase Order. The prices and charges specified in this Purchase Order, unless otherwise specified, do not include taxes. Additional charges for items such as, but not limited to, transportation, storage, delivery, insurance, or packaging, will not be paid by Buyer unless specified in this Purchase Order or otherwise agreed to by an authorized representative of Buyer in writing.
- 8. CHANGES & CANCELLATION:** Buyer may, at any time after issuing an Order up to the time Equipment is delivered to Buyer's site, change or cancel that Order, and Seller will comply. If such changes result in a variance in cost, an equitable adjustment of this Purchase Order will be negotiated. Any additional cost must be agreed to in writing by Buyer. Pending such adjustment, Seller will proceed to perform under this Purchase Order. Seller will charge Buyer only the net rates and costs in this Agreement for the actual Equipment delivered under any changed Order. Seller will not charge Buyer for the pro rata portion of any cancelled Orders except for the charges reasonably incurred prior to the termination. Seller shall charge Buyer only the costs allowed in this Section, except that Buyer will be responsible for all costs to transport Equipment that must be returned to Seller under the terms of a change or cancellation. For its convenience, Buyer may at any time prior to delivery terminate this Purchase Order, in whole or in part, without charge to Buyer by giving written notice to Seller.
- 9. DAMAGED EQUIPMENT:** If Rental Equipment that is the subject of this Purchase Order is lost or damaged (less reasonable wear and tear) beyond reasonable repair while on rent to Buyer that is the result of Buyer's negligence, then Buyer shall pay Seller the fair market value of the Equipment which shall be determined by independent appraisal.
- 10. COMPLIANCE WITH LAWS:** Seller warrants that it is an Equal Opportunity Employer and that all goods supplied and services performed hereunder will have been produced and/or performed in compliance with, and Seller agrees to be bound by, all applicable federal, state, and local laws, orders, rules and regulations, including but not limited to, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Fair Labor Standards Act of 1938, as amended, and Executive Order No. 11246.
- 11. INDEMNITY & INSURANCE:** SELLER HEREBY RELEASES AND AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS BUYER AND ITS EMPLOYEES AND AGENTS FROM AND AGAINST ALL CLAIMS, DEMANDS, SUITS, PROCEEDINGS, LOSSES, LIABILITIES, DAMAGES, COSTS AND EXPENSES, INCLUDING ATTORNEYS' FEES (COLLECTIVELY, "LOSSES") ARISING FROM, OR IN ANY WAY CONNECTED WITH THIS PURCHASE ORDER OR THE GOODS AND SERVICES SOLD HEREUNDER, OR SELLER'S PERFORMANCE HEREUNDER, INCLUDING DEATH OR INJURIES TO ANY PERSONS AND LOSS OF, OR DAMAGE TO OR DESTRUCTION OF ANY PROPERTY, EXCEPT TO THE EXTENT SUCH LOSSES ARE CAUSED BY BUYER'S SOLE NEGLIGENCE OR WILLFUL MISCONDUCT. Seller shall at seller's own expense and for all relevant periods (i) maintain commercial general liability, commercial auto and professional risk coverage to protect Buyer and Seller with limits of at least \$1,000,000, (ii) maintain workers compensation insurance for its employees in amounts required by the laws of the state in which the work is performed, and (iii) maintain such other insurance as may be requested by lessor in advance of shipment by lessor to lessee. Seller shall carry insurance to indemnify Buyer against any claim for Losses and shall provide a certificate evidencing such insurance to Buyer prior to the commencement of the Work. Seller shall also provide certificates establishing that all policies identified herein except for worker's compensation and employer's liability insurance reflecting that: (i) Buyer, including its parent, subsidiaries, affiliates, and the officers, directors, agents, employees and invitees ("Indemnitees") are additional insureds; (ii) the underwriters and/or insurers thereof waive their rights of subrogation against Indemnitees and their respective insurers; and (iii) Seller's policy shall be primary and non-contributory to other available insurance. Buyer reserves the right to change the above insurance requirements in its sole discretion.
- 12. PAYMENT:** Invoices shall be submitted in duplicate to Buyer at the address of the location placing the order and must include a Purchase Order number, lease number or purchasing card transaction number. Unless otherwise agreed by Buyer in writing, invoices shall be due and payable no earlier than forty-five (45) days from receipt invoice or Buyer's receipt and acceptance of goods and services, whichever is later. Any adjustments in Seller's invoice due to shortages, rejection or other failure to comply with the provisions of this Purchase Order may be made by Buyer before payment. Purchasing Card transactions shall be in accordance with the payment terms and conditions of the card provider.
- 13. ASSIGNMENT:** Seller may not assign any rights or obligations arising under this Purchase Order without the prior written consent of Buyer. Buyer may assign it rights or obligations hereunder to its authorized affiliates.
- 14. CONFLICTS:** No modification to this Purchase Order shall be binding on Buyer unless in writing and signed by Buyer. If there is a conflict between the terms of this Purchase Order and the provisions of any current written master service agreement between Seller and Buyer applicable to the goods or services ordered hereunder, the MSA shall control.
- 15. LIMITATIONS ON LIABILITY:** IN NO EVENT SHALL BUYER BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING LOSS OF USE AND LOSS OF REVENUES, PROFITS OR ANTICIPATED PROFITS. BUYER'S LIABILITY FOR DAMAGES SHALL IN NO EVENT EXCEED THE TOTAL PRICE IDENTIFIED ON THE FACE OF THIS PURCHASE ORDER.
- 16. GOVERNING LAW/SIGNING AUTHORITY:** This Purchase Order shall be construed and governed by the law of the state of Purchaser's location from which the goods or services were ordered. All additions and modification of any kind may only be approved in writing by an authorized officer or manager of Buyer and not by sales personnel, office personal, operations personnel or trucker.
- 17. SUBCONTRACT:** If the equipment, product or service that is the subject of this Purchase Order is provided by Buyer to a third party as a subcontractor, then Seller expressly agrees to be bound by the obligations imposed on Buyer in any higher tier agreement to which Buyer is subject, regardless of whether it is attached hereto, which agreement is incorporated herein by reference and will be provided to Seller upon written request.
- 18. ATTORNEYS FEES:** In the event of any dispute between Seller or Buyer pertaining to the enforcement of and/or the defense of the terms and conditions of this Agreement, Buyer shall be entitled to recover from Seller all attorneys' fees and costs, provided Buyer prevails on the dispute."