



STABBERT MARITIME HOLDINGS, LLC  
TERMS AND CONDITIONS

**INTEGRATION.** All purchases by Stabbert Maritime Holdings, LLC and its subsidiaries and affiliates, including but not limited to, Ocean Services, LLC, Stabbert Marine & Industrial, LLC, and Ocean Sub Sea Services, LLC ("Stabbert"), are governed by these Terms and Conditions, including without limitation any purchases for goods, articles, materials, or services ("Goods"). These Terms and Conditions and any Purchase Order which may be issued by Stabbert, together with Stabbert's drawings, prints, plans, descriptions, specifications, samples, data, or other documents expressly agreed to by Stabbert in writing (collectively "Documents") constitutes the entire agreement between Stabbert and Vendor and supersedes all other proposals, negotiations, and counterproposals. In the event of a conflict between the Documents, these Terms and Conditions shall prevail.

**CONTROLLING TERMS.** Stabbert does not accept the inclusion of any different or additional terms by Vendor. If Vendor includes or attaches any different or additional terms in Vendor's purported acceptance, commences performance, or tenders the Goods, a contract of sale will result upon Documents, without inclusion of vendor's terms and conditions. Acceptance by Vendor of a Stabbert Purchase Order definitively establishes that Vendor agrees to and accepts these Terms and Conditions and the payment terms noted on the Stabbert Purchase Order.

**QUALITY AND WARRANTY.** All Goods furnished must strictly conform to the documents and must be of the quality specified. No deviation or substitution is permitted without the prior written consent of Stabbert. In the event no quality is specified, the Goods must be at least equal to the standards of the industry. Stabbert shall have the right at all times during Vendor's performance to conduct such tests and inspections as it deems necessary to assure Vendor's compliance with the Documents. Vendor warrants that the Goods do not infringe upon the intellectual property of any other party. Vendor further warrants that the goods are free and clear of all liens and encumbrances and that Vendor has good and merchantable title.

**PRICE.** The price set forth in the Documents is not subject to escalation unless an escalation formula is expressly provided for on the face of the Documents. Stabbert may, prior to making any payment due under the documents, require Vendor to deliver lien waivers from itself and each of its subcontractors and materialmen for Goods previously delivered or to be delivered.

**DELAY.** Time is of the essence in Vendor's performance of the Documents. At the outset of any delay from any cause, including Force Majeure, Vendor shall immediately notify Stabbert in writing of the delay or anticipated delay and shall undertake to shorten the delay by all reasonable means. If such delay is caused by Force Majeure, the costs of shortening the delays shall be paid by Stabbert to the extent such costs are attributed to action authorized by Stabbert. If the delay is from any other cause, Vendor shall be solely responsible for the costs of overcoming such delays.

**FORCE MAJEURE.** Neither party shall be liable for any delay or failure to deliver or accept any or all of the Goods where such delay or failure is caused by fire, flood, other act of God, act of war, labor disturbance, or other event beyond such party's control ("Force Majeure"). Where only a portion of Vendor's capacity to perform is so impaired, Vendor shall make a fair allocation of its remaining production among the various customers then under contract for similar Goods during the period. In the event by Force Majeure, Stabbert may at its option delete the undelivered goods from the Documents or extend the time for Vendor's performance of the documents.

**INDEMNITY.** Vendor agrees to indemnify, defend, and hold harmless Stabbert, and any officer, contractor, agent, employee, or vessel of Stabbert, from and against all claims, demands, losses, damages, actions, or liability of any kind, including attorney's fees, arising out of or in connection with the Documents

including without limitation, Vendor's performance of the documents or the Goods supplied, except in the event of Stabbert's gross negligence or willful misconduct. Vendor's obligation to indemnify, defend and hold harmless Stabbert includes, without limitation, injuries suffered or caused by Vendor's employees or agents. Vendor waives any immunity under the Workers' compensation laws or Longshore and Harbor Workers laws for the purpose of this provision.

**INSURANCE AND SITE WORK.** Vendor shall carry at Vendor's expense, commercial general liability insurance, including project liability and excess liability of not less than \$2,000,000 per occurrence. If Vendor is to perform any services, Vendor shall also carry at Vendor's own expense: (a) Workers' Compensation Insurance as required by statute; (b) Contractor's Comprehensive General Liability Insurance, with limits for bodily injury and property damage of not less than \$2,000,000 per occurrence, which policy shall include premises and operation coverage, blanket contractual coverage, Owner's and Contractor's protective coverage, and completed operations coverage; and (c) Comprehensive Automobile Liability with limits for bodily injury and property damage of not less than \$2,000,000 per occurrence, which policy shall include owned, non-owned, and hired autos. If Vendor is to perform any services on a vessel, or dock or adjacent property in support of a vessel, Vendor shall also carry at Vendor's own expense Longshore and Harbor Workers as required statute. Vendor shall provide Stabbert with certificates of evidencing all such coverages from reputable insurance companies. Such certificates shall: (a) except for the Workers' Compensation or Longshore and Harbor Workers insurance, name Stabbert, its subsidiaries, affiliates, directors, officers, and employees as additional insureds with respect to liability, or any claims of liability, arising out of the work performed by Vendor that affords the additional insureds that same coverage as if the additional insureds were the named insured. The parties intend this provision to be an express waiver of immunity under any applicable Workers' Compensation or Longshore and Harbor Workers laws; (b) provide its face that the policies it represents will not be terminated, amended, or allowed to expire without 30 days' prior written notice to Stabbert; and (c) provide on its face that the policies it represents contain a severability of interests clause and a waiver of subrogation clause in favor of Stabbert. If vendor is to perform services, Vendor warrants and represents that it has inspected the work site or is familiar with all working conditions which exist there, and that it has made due allowance for such conditions in its price calculation and estimate of time for completion. Vendor shall at all times keep the work site reasonably neat and clean and upon completion shall remove and dispose of all rubbish, trash, and refuse. Vendor shall be responsible for the proper use, storage and disposal of all Hazardous Substances, as defined by 40 CFR 302.3, and all Hazardous Chemicals, as defined by 29 CFR 1910.1200. Vendor shall not generate any Hazardous Wastes, as defined by 40 CFR 261.3, on site, without prior written authorization from Stabbert. Vendor shall at all times conduct itself in a safe and prudent manner in compliance with all applicable federal, state, and local safety laws, rules, and regulations, and all safety rules of Stabbert. Vendor's relationship to Stabbert under the Documents shall be that of an independent contractor. Vendor shall not be deemed to be or hold itself out to be the agent or employees of Stabbert for any purpose.

**SHIPPING.** Unless otherwise expressly provided, Vendor shall be obligated to make delivery F.O.B. Stabbert's premises as designated. Vendor will indicate plainly the PO number, if any, on all bills of lading, invoices, and freight bills. Each package or shipment must contain Vendor's name, contents of package, and Purchase Order number, if any. Partial shipments must be identified as such on shipping memoranda and invoices.

**AMERICAN STANDARDS.** Vendor warrants that in furnishing the goods hereunder, all applicable American standards (including but not limited to, FDA, ANSI, ASME, ASTM, and NEMA) have been complied with at the time of delivery. When goods purchased hereunder are to be manufactured or produced outside the United States or its territories, Vendor shall furnish, at Stabbert's request, documents stating the foreign manufacturers' or producers' names and addresses and containing written assurances of compliance with American standards.

**LAWS.** Vendor shall, in its performance of the Documents, comply with all applicable federal, state, and local statutes, rules of law, ordinances, regulations, and regulatory orders, including, but not limited to, the Fair Labor Standards Act of 1938, as amended, Walsh-Healy Act, Robinson-Patman Act, applicable state Workers' Compensation laws, Longshore and Harbor Workers laws, state and federal Occupational Safety and Health Acts, and all rules and regulations passed pursuant thereto, which are incorporated herein by the reference. Vendor agrees to be subject to all applicable contract clauses required by federal, state, or local law, rule, or regulations applicable to the Documents, including, but not limited to, the following clauses, which are incorporated herein by this reference: Equal Opportunity Clause (41 CFR 60.1.4); Affirmative Action Clause for Disabled Veterans and Veterans of the Vietnam Era (41 CFR 60- 250.4) Affirmative Action Clause for Handicapped Workers (41 CFR 60-741.4); and the Certification of Nonsegregated Facilities Clause (41 CFR 60.1.8; 41 CFR 1-12.803.10). In addition, Vendor agrees and certifies, if applicable, that it has developed a written affirmative action compliance program (41 CFR 60-1.40(a)) and annually files Standard Form 100 (EE0-1) (41 CFR 60-1.?(a)).

**FINAL ACCEPTANCE.** On completion of Vendor's performance of the Documents, Vendor shall cooperate in carrying out any tests Stabbert deems necessary to determine functioning and general performance of the Goods and, at its own cost, shall make any adjustments and changes required to the end that an efficient and fully operative project will result. Final acceptance by Stabbert will be conditional upon fulfillment of this requirement.

**CONFIDENTIALITY.** Vendor, on behalf of itself and its employees, agrees that any ideas, know-how, concepts, information, or processes received from Stabbert or created by Vendor in connection with the performance of the Documents shall be the property of Stabbert and shall be preserved in strictest confidence by Vendor and shall not be used or disclosed by Vendor to third persons except to the extent that such use or disclosure is necessary for the proper performance of the Documents. If disclosure to third persons is necessary, Vendor shall insure that such third persons hold such information in strictest confidence.

**ASSIGNMENT.** The Documents and money due hereunder may not be assigned without prior written consent of Stabbert. Any attempted assignment without Stabbert's written consent shall be void.

**GOVERNING LAW.** Except where inconsistent with the terms and conditions contained herein, the Documents shall be governed by the Uniform Commercial Code provisions applicable to transactions in goods ("UCC"), regardless of whether the Documents are characterized as a transaction in goods or a transaction in services. The Documents shall be interpreted and enforced under the laws of the State of Washington. All disputes arising out of or in connection with the Documents shall be subject to the jurisdiction and venue of State or Federal court in Seattle, Washington.

**HAZARD COMMUNICATION STANDARD.** If the Goods sold hereunder are subject to the OSHA Hazard Communication Standard, 20 CFR Part 191 0, or to such other state hazard communications laws, regulations, or standards as OSHA may have approved (the "Standard"), Vendor shall provide Stabbert with a complete and accurate Material Safety Data Sheet for each of the Goods sold hereunder and shall label each of the Goods as required by the Standard. Vendor's failure to supply such Sheet or to so label the Goods shall be deemed to constitute Vendor's warranty, representation, and covenant that each of the Goods sold hereunder is exempt from the Standard.

**MODIFICATIONS AND AMENDMENTS.** No waivers, amendments, or modifications of any of the Documents shall be valid unless reduced to writing and signed by both parties. The Documents shall not be amended or modified by the course of performance or course of dealing between the parties.