

(KEYSTONE SHIPPING COMPANY)  
TERMS AND CONDITIONS

1. Contractor agrees to furnish to Keystone Shipping Co. (hereinafter "Buyer") at the time and place indicated, and Buyer agrees to pay for, the goods and/or services specified on page 1 hereof in accordance with the prices and under the terms and conditions herein set forth.
2. Time of delivery shall be of the essence of this agreement. In the event Contractor fails to deliver the goods or perform the services provided for hereunder on or before the delivery date specified herein, Buyer may, at its option, cancel this agreement in its entirety or the uncompleted portion thereof. In the event of any such cancellation, with respect to Contractor's uncompleted obligations under this agreement Buyer may purchase such goods or services elsewhere, in which event, Contractor shall upon demand pay any excess in cost to Buyer, over and above the prices herein specified of the materials or services so purchased together with all additional expense incurred by Buyer as a proximate result of such failure to deliver by Contractor. Provided, however, that upon any cancellation of this agreement all of the terms and provisions hereof shall remain in full force and effect as to all materials delivered hereunder to Buyer prior to or in connection with such cancellations.
3. Contractor warrants that all goods to be furnished under or in connection with this agreement shall conform strictly to the specifications, and good marine quality and, shall be new goods unless herein otherwise specifically indicate, shall be free from defects in materials and or workmanship, that Seller has good title to all materials sold hereunder, that such goods are sold free of any liens or encumbrances whatever and that such goods comply with the laws and/or regulation under Federal and State jurisdiction and departments and/or specifications including without limitation those governing the use and sale of such goods for a vessel documented under the laws of the United States. Contractor shall indemnify and save Buyer harmless from all damages and penalties resulting from any violation of said laws, regulation or specifications. In the event any goods furnished hereunder fail to comply with the foregoing requirements, contractor shall, promptly upon notification and at its own expense remove such materials and repair or replace the same with materials that fully meet the requirements hereof. Contractor shall not permit any lien or charge to attach to the work or goods furnished hereunder or the premises upon which the work hereunder is being performed, but if any shall so attached, contractor shall promptly procure of any manufacturer's warranties for all new goods furnished hereunder, but that notwithstanding any such warranties Contractor shall remain primarily liable hereunder for any defects in such goods or the consequences thereof pursuant to terms of this agreement.
4. Payment by Buyer under this agreement shall not be construed as an acceptance of improper, defective or unsuitable goods or services, nor shall it be construed as evidence of the performance of any obligations of Contractor specified in this agreement.
5. Contractor shall diligently and carefully perform all work required hereunder in a good and workmanlike manner, and if permitted to subcontract shall be fully responsible for all work and services performed by subcontractors. Contractor shall be an independent contractor.
6. Contractor shall indemnify and hold harmless and defend Buyer its affiliated companies, its agents servant and employees its several vessels officer and crew its vessels owners, from and against all losses and claims, demands, payments, actions, recoveries and judgments of every nature and description, and all costs and expenses that may be involved therein, including attorney's fees and disbursements by reason of (1) injury or death of Contractor's employees from any cause whatsoever while in or about the plants, ships, piers or docks in connection with the supply or delivery of goods or the performance of work as set forth in this agreement; (2) death or injury to any persons or damage to any property in any way arising from or caused directly or indirectly by any act or omission of Contractor or its agents or employees, or subcontractors, if any, in connection with the work or goods covered by this agreement, or from or by any defect whatever in goods and/or workmanship, even though caused or contributed to by any act or omission, whether negligent or not of Buyer, its agents, servants and employees or due to the alleged unseaworthiness of Buyer's vessels or negligent or unseamanlike conduct, performance and maintenance by the vessel's officers and crew; (3) any breach by Contractor of the warranties contained in Clause 2 hereof; and (4) infringements or violations of any patent or patent right arising in connection with any use or sale whatever by Buyer of any of the goods or materials furnished to it by Contractor. Buyer shall have the right, at Buyer's option, to participate in the defense of any suit or claim referred to herein without relieving Contractor of any obligation hereunder.
7. Contractor expressly warrants that it carries Workman's Compensation and Employer's Liability Insurance required by Buyer and fully covering its legal liability on account of accidents to its employees and that it also carries adequate general liability insurance covering its legal liability on account of accidents growing out of its operations and obligations hereunder and resulting in property damage and/or bodily injuries, including death, sustained by any persons other than its employees. All insurance policies of Contractor with respect to the operations conducted under this agreement will be endorsed to waive all expressed or implied rights of subrogation. Insurance certificated indicating the coverage required herein must be furnished to Buyer upon request.
8. Four (4) delivery receipts (all copies to be signed by ship's officer authorized to receive and sign for goods and services), are required: One (1) copy to be left with ship's officer at time of delivery; two (2) copies, original and duplicate to be attached to invoice in support thereof one (1) copy to be retained by Contractor. Delivery receipts are to be made up as a definite packing list, including detailed description of all items, numbers of pieces, measurements or weights, and any information necessary properly to check invoice.

9. (a) Original and three (3) copies of invoice shall be mailed to Buyer except, when this order is issued through a sub-agent such copies shall be mailed to the sub-agent for proper certification and forwarding to Buyer for payment (b) All invoices must be supported by receipts for delivery of supplies (original and duplicate receipts attached), performance of services, or use of facilities furnished. Attach bill of lading and furnish original freight or express receipts when applicable. (c) All invoices pertaining to purchase order for vessels shall contain the following information on the face of all copies: Purchase Order no., name of vessel, date of delivery or service, department of vessel, name of port at which the services were furnished; and complete statement as to nature of services, supplies or facilities furnished showing quantity, rates, price, and total amount.
10. Contractor warrants in connection with the performance of this contract that it has complied with the Presidential Executive Order 11246 dated September 24, 1965 and the contractor will take affirmative action to ensure that applicants when being considered for employment, and person already employed, are treated for employment, during employment, upgrading, demotion or transfer, recruitment or termination without regard to their race, creed, color, sex or national origin.
11. Contractor warrants that he has not employed any person to solicit or secure this order upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give Buyer the right to cancel the order, or in its discretion, to deduct from the price the amount of such commission, percentage, brokerage, or contingent fee. This warranty shall not apply to commissions payable upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.
12. Contractor shall not assign or sublet this agreement or any part hereof including any payments due or to become due hereunder without the written consent of Buyer.
13. For government owned vessels, Federal Acquisition Regulations provisions that are incorporated by reference into this purchase order those clauses listed in the text of the order.