

## Alaska Tanker Company, LLC Standard Terms and Conditions for Purchase Order Contracts, Invitation to Bid & Request for Quotations

The contract includes the following terms and conditions and includes the invitation to bid, request for quotations, specifications, plans, resolutions and policies of Alaska Tanker Company, LLC and the laws of the state of Oregon, incorporated herein by reference.

**1. Definitions:** "Buyer" means Alaska Tanker Company, LLC ("ATC"). "Seller" means the party with whom Buyer is contracting and any reference to "vendor", "subcontractor", "contractor", "importer" or "supplier" shall also mean "Seller". The term "purchase order" or "order" shall mean the name or title of the instrument of contracting, including all documents, exhibits, and attachments referenced therein.

**2. Confirmation:** Seller is required to confirm receipt of this order or request for quotation within twenty-four (24) hours of submittal.

**3. Changes:** No alteration in any of the terms, conditions, delivery, prices, quality, quantities, or specifications of this order will be effective without the express written consent of Buyer's designated representative(s). Unauthorized substitutions will be made entirely at Seller's risk and, at Buyer's option, may be returned without prior authorization at Seller's expense.

**4. Handling:** No charges will be allowed for handling which includes, but is not limited to packing, wrapping, bags, containers or reels, unless otherwise stated herein.

**5. Delivery:** For any exception to the delivery date as specified on this order, Seller shall give prior notification and obtain written approval from the Buyer. With respect to delivery under this order, time is of the essence. The order is subject to termination for failure to deliver as specified. The acceptance of late performance with or without objection or reservation shall not waive the right to claim damage for such breach nor constitute a waiver of the requirements for the timely performance of any obligation remaining to be performed by Seller.

**6. Payments, Cash Discount, Late Payment Charges:** Separate numbered invoices are required for each order. Seller shall invoice only for goods delivered. Invoices will not be processed for payment nor will the period of computation for cash discount, if applicable, commence until receipt of a properly completed invoice or when invoiced items are received, whichever is later. If an adjustment in payment is necessary due to damage or dispute, the cash discount period shall commence on the date final approval for payment is authorized.

Unless otherwise stated, standard payment terms shall be net thirty (30) days following receipt of invoice by Buyer. If Buyer fails to make timely payment, Seller may invoice for one percent per month on the amount overdue. Payment shall not be considered late if a check or warrant is available or mailed within the time specified, or if no terms are specified. Payments will normally be remitted by mail or ACH/wire transfer. Buyer will not honor drafts, nor accept goods on a sight draft basis.

**7. Shipping Instructions:** Unless otherwise specified, all goods are to be shipped prepaid, FOB destination. When shipping addresses specify suite, unit or room numbers, Seller shall make the specified delivery without additional charge. When shipment is specified FOB origin, Seller agrees to prepay all shipping charges, route as instructed and, if instructions are not provided, route by most economical common carrier and to bill Buyer as a separate item on the invoice for shipping charges. If shipping charges are expected to exceed \$150.00, Buyer shall have the option of determining whether shipping shall be prepaid by Seller or billed directly to Buyer. Seller's invoice for shipping charges shall include copy of the freight bill showing that payment for shipping charges has been made. Buyer reserves the right to refuse COD shipments.

**8. Packaging Requirements:** All pallets, crates, boxes, and dunnage used to support or brace imported goods and materials, must be treated and marked with the International Plant Protection Convention (IPPC) logo, pursuant to the United States Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) import regulation for wood packaging, 7 CFR 319.40. Additional information on the enforcement of the wood packaging material (WPM) regulations is available through the U.S. Customs and Border Protection (CBP) Web site at [www.cbp.gov](http://www.cbp.gov). Paper certificates of treatment are no longer required or accepted. In the event of noncompliance, which may give cause to Buyer termination of this contract, the WPM and accompanying goods and materials are subject to immediate export by the CBP. All costs and expenses in obtaining regulatory compliance or re-export and re-import, including but not limited to fines, penalties, disbursements, storage/logistic services and Buyer damages, shall be borne by Seller.

**9. Rejection:** All goods or materials purchased herein are subject to approval by the Buyer. Any rejection of goods or material resulting because of nonconformity to the terms and specifications of this order, whether held by Buyer or returned, will be at Seller's risk and expense.

**10. Identification:** All invoices, packing lists, packages, shipping notices, instruction manuals, certificates, and other written documentation affecting this order shall contain Buyer's purchase order number. Two (2) priced & detailed packing lists specifying the contents therein must accompany all boxes and packages, one (1) interior and (1) exterior.

**11. Infringements:** Seller agrees to protect and save harmless the Buyer against all claims, suits or proceedings for patent, trademark, copyright, or franchise infringement arising from the purchase, installation, or use of goods and materials ordered, and to assume all expenses and damages arising from such claims, suits or proceedings.

**12. Non-waiver By Acceptance of Variation:** No acceptance of a variation of performance under this order shall be deemed a waiver of any other provision of this order, or the right to receive reasonable performance of any other act called for by the terms of this order. Failure of Buyer to enforce any of its rights under this order shall not constitute a waiver of such rights or of any other rights hereunder.

**13. Warranties:** Seller warrants that goods and materials supplied under this order conform to the order specifications, are free from defect in material or workmanship, are merchantable and are fit for the purpose for which such goods are ordinarily employed, and if a particular purpose is stated, the goods and materials are also fit for that particular purpose. Seller further warrants that all services supplied under this order shall be performed in a workmanlike manner, free from defects.

**14. Assignments:** The provisions or monies due under this contract shall only be assignable with prior written consent of the Buyer. Shipment and billings made under any name other than Seller's must indicate that shipment is being made through and is subject to all instructions, terms and conditions of this order.

**15. Taxes:** Buyer certifies that the tangible personal property purchased from Seller will be for use in connection with Buyer's business of operating as a private carrier by water in interstate and foreign commerce; that all watercraft are components thereof, to be constructed, repaired, cleaned, maintained, operated, altered or improved by Buyer, will be used in conducting interstate and foreign commerce; and that such sales are entitled to exemption from such state sales or use taxes as appropriate. No charge by Seller shall be made for federal excise taxes, Buyer agrees to provide exemption certificates when required for state or federal sales, use or excise taxes, as applicable.

**16. Liens:** Vendor warrants and represents that all the goods and materials furnished pursuant to this order are free and clear of all liens, claims or encumbrances of any kind. Seller waives and relinquishes all liens and claims, statutory or otherwise, which Seller now has or may hereafter have as a result of labor done and goods and materials furnished by Seller in performance of this order.

**17. Risk of Loss:** regardless of FOB point, Seller agrees to bear all risks of loss, injury or destruction of goods and materials ordered herein which occur prior to delivery to Buyer and/or Buyer's appointed agent. Such loss, injury or destruction shall not release Seller from any obligation hereunder.

**18. Save Harmless:** Seller shall protect, indemnify, and save the Buyer harmless from and against any damage, cost or liability for any injuries to persons or property arising from acts or omissions of Seller, its employees, agents, or subcontractors.

**19. Prices:** Seller shall bill goods and materials at the lowest price at which it offers to sell or sells goods of the same description at or before time fixed in this order for shipment, if price is not stated on this order.

**20. Termination:** In the event of breach by Seller of any of the provisions of this contract, the Buyer reserves the right to terminate this contract immediately upon giving oral or written notice to Seller. Seller shall be liable for damages suffered by Buyer resulting from Seller's breach of contract.

**21. Nondiscrimination:** Seller shall not discriminate against any client, employee or applicant for employment or services because of race, creed, color, national origin, sex, marital status, age, or the presence of any sensory, mental or physical handicap with regard to, but not limited to the employment upgrading, demotion or transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, selection for training, or rendition of services. Any Seller who is in violation of this clause or any applicable affirmative action program may be barred from receiving awards of any purchase order from Buyer unless a satisfactory showing is made that discriminatory practices or noncompliance has terminated and that a recurrence of such acts is unlikely.

**22. Claims; Venue:** If any arbitration or litigation is instituted arising out of or to interpret, enforce, or rescind this order, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs and disbursements specified in ORCP 68 A(2) incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any reward, or the enforcement of any order, as determined by the arbitrator or court. The Seller agrees that the state courts of the State of Oregon shall have jurisdiction over any litigation, with venue in Washington County.

**23. Brands:** When a special brand is named it shall be construed solely for the purpose of indicating the standard of quality, performance, or use described. Brands of equal quality, performance and use shall be considered, provided Seller specifies the brand and model and submits descriptive literature, when available. Any bid containing a brand which is not equal quality, performance, or use specified must be represented as an alternate and not as an equal, and failure to do so shall be sufficient reason to disregard the bid and/or return the good and material to Seller at Seller's expense.

**24. Acceptance:** This order expressly limits acceptance to the terms and conditions stated herein. All additional or different terms proposed by Seller are objected to and hereby rejected, unless otherwise provided and agreed to in writing by Buyer.