

**CROWLEY TECHNICAL MANAGEMENT, INC.**  
**MARAD VESSEL SHIP MANAGEMENT TERMS AND CONDITIONS**

**A. GENERAL PROVISIONS APPLICABLE TO GOODS AND SERVICES.**

It is understood and agreed that the terms and conditions of this Order are applicable to both the sale of goods and/or services to Buyer, its vessels, equipment and/or other property. The following terms and conditions shall apply in all cases:

**1. Definitions:** The term "Buyer" includes Crowley Technical Management, Inc. (CTM), a subsidiary of Crowley Maritime Corporation (Crowley), as the ultimate consumer of the goods and/or recipient of the services and all rights, benefits and remedies conferred upon Buyer by this Order shall also accrue to and be available to and are for the express benefit of said consumer or recipient. The term "goods" includes personal property of every type, kind and description, as specifically described on the reverse side hereof. The term "services" includes all design, delivery, installation, inspection and testing specified or required to furnish the goods and/or provide the repair, improvement, and/or other work as specifically described on the reverse side hereof. The term "property" includes the vessel, equipment and/or other items of Buyer for which Seller is to provide services.

**2. Entire Agreement:** This Order and any attachments hereto or referred to specifically herein constitute the entire agreement between the parties with respect to the subject matter hereof. Seller's acceptance of this Order is limited to the terms and conditions hereof. Any written confirmation of this Order, or of any oral understanding upon which this Order is based, containing proposals or terms additional to or different from those set forth herein are not binding on Buyer unless Buyer expressly agrees to any such proposal or term in writing.

**3. Changes in Order:** Buyer shall have the right to order changes from time to time in the performance required of Seller under this Order, and Seller shall without delay conform to any such change order. In the event of any such change in this Order, the prices or times of performance, or both, shall be adjusted within reasonable and appropriate limits; provided, however, that Buyer shall have no obligation to pay, and the right to refuse payment of any claim by Seller for increase in price or time of performance required which is not received by Buyer in writing within ten (10) calendar days after the date the change is ordered. No change shall be made by Seller in the performance required by this Order except as such change is specified in writing and signed by an authorized representative of Buyer.

**4. Acceptance of Shipments and Inspection:** All goods and services covered by this Order are subject to inspection by Buyer at any time or place and may be rejected if not strictly in accordance with all terms, conditions and provisions herein contained or attached. Payment for shipments and/or progress payments for work in progress shall not constitute acceptance thereof, and defective shipments or performance and/or shipments not in accordance with this Order will, at Buyer's option, be held for Seller's instructions at Seller's risk, or will be returned to Seller. Seller will be responsible for transportation charges on returned shipments both ways. Any prior payment made by Buyer on such rejected goods or services shall be immediately refunded, and the rejected goods or services shall not be replaced or re-performed without an additional order from Buyer. At Buyer's option, inspection and tests before delivery may be made by Buyer or Buyer's customers at Seller's premises or elsewhere, at reasonable times and places, and Seller will provide sufficient safe and proper facilities for such inspection or testing; but, notwithstanding such inspection and tests, or inspections and tests made prior to the issuance of this Order, the goods and services covered by this Order are subject to rejection upon final test. Inspection and use upon delivery to the premises of Buyer and Buyer's customer. Buyer's count shall be accepted as final on all shipments whether or not accompanied by a packing list.

**5. Permits and Approvals:** All necessary permits, bonds, testing, inspection and approval of materials or workmanship by the proper authorities is to be provided and arranged by Seller at no additional cost to Buyer unless authorized herein.

**6. Performance and Waivers:** Any waiver by Buyer of strict performance with regard to any of the terms, conditions or provisions of this Order must be in writing, executed by Buyer to be effective, and such waiver shall not be deemed a waiver of Buyer's rights to insist upon strict performance of all portions of this Order not waived, and strict performance thereafter of provisions presently waived.

**7. Default:** Buyer reserves the right to cancel this Order in its entirety, or in part, on account of defects in materials, workmanship or quality, or if the Seller fails to comply with or perform any of the terms and conditions, provisions, promises or warranties of this Order. Seller shall also be liable for all damages and costs of Buyer resulting from such default, regardless of any action taken or not taken by Buyer to cancel this Order entirely or in part.

**8. Compliance with Laws:** Seller shall comply with all applicable laws and regulations of government authorities, including among other things, Executive Order 11246, as amended, 38 USC 2012 on the Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 503 of the Rehabilitation Act of 1973, as amended, and the regulations at 41 CFR Part 60-1 through 60-60, 60-250, and 60-741, matters involving the Civil Rights Act of 1964, wages, hours, materials, race, color, sex and creed of workmen, price regulations and renegotiation provision, and other matters, whether or not specifically mentioned herein. Seller shall comply with the provisions of the Occupational Safety and Health Act of 1970, the standards and regulations issued there under and all pertinent State occupational safety and health laws such as "Right-to-Know" Regulations. Hazard communication information such as complete Material Safety Data Sheets (MSDS) shall be supplied to Buyer for all hazardous material. Seller further agrees to indemnify and hold harmless Buyer for any loss, damage, fine, penalty or any expense whatsoever as a result of Seller's failure to comply with such laws and regulations. Issued purchase orders incorporate one or more of the following Government FAR clauses by reference, with the same force and effect as if they were given in full text. The full text of a clause may be accessed electronically at the following address: <http://www.acquisition.gov/far/loadmainre.html>

THE CLAUSE(S) INCORPORATED BY REFERENCE ARE AS FOLLOWS:

52.202-01; 52.203-05, 06, 07; 52.203-13; 52-204-2; 52.211-05; 52.216-24, 25; 52.219-08; 52.222-26, 35, 36, 50, 54; 52.223-01 to 05;

**9. Time:** Time is hereby declared as the essence of this Order.

**10. Drawings:** Seller shall furnish for the approval of Buyer all shop drawings as Buyer may require, and all workmanship and materials shall be in strict accordance with the approved drawings. All plans, specifications and drawings provided by Buyer to Seller in connection with this Order or provided by Seller especially for performance hereunder shall be the property of Buyer and may not be used at any time for any other purpose by Seller.

**11. Assignment and/or Subcontracting:** Seller may not assign or subcontract any portion of its obligations under this Order nor assign or otherwise transfer any monies due or to become due hereunder, without first obtaining the written consent of Buyer.

**12. Advertising:** Seller shall not, without first obtaining the written consent of the Buyer, in any manner advertise or publish the fact that Seller has either contracted to furnish or has sold to Buyer the goods or services herein mentioned.

**13. Indemnity:** To the extent permitted under law, Seller shall indemnify, save harmless and defend Buyer from and against any and all suits, legal proceedings, claims, demands, damages, costs and expenses of whatsoever kind or character (including, but not limited to, reasonable attorney's fees and expenses) arising out of any injury (including death) or damage to any persons or property in any manner, caused or occasioned by any defect in the goods or services or any act, omission, fault, negligence or default of any person, firm, corporation or other entity (including but not limited to, Seller, Buyer or anyone acting on their respective behalf's), in connection with or incident to this Order or work to be performed hereunder, even if the same be, or is alleged to be, due to the sole active negligence of Buyer or anyone acting on its behalf.

**14. Termination:** Buyer may terminate this Order, in whole or in part at any time by written or telegraphic notice, stating the extent and effective date of such termination. Upon receipt of notice Seller will, as and to the extent directed by Buyer, stop work under this Order and the placement of further orders or subcontracts hereunder terminate work under orders and subcontracts outstanding hereunder, and take any necessary action to protect property in Seller's possession in which Buyer has or may acquire an interest. Buyer's sole liability to Seller in case of termination shall be reimbursement of Seller's expenses incurred up to and including the date and time of termination.

**15. Consequential Damages:** In no event shall Buyer be responsible for indirect or special damages including without limitation extra expense, loss of use of property, delay or damages consequential upon loss of use, whether resulting from negligence or breach or otherwise and even if the possibility of such damages is foreseeable by Buyer.

**16. Taxes:** Unless otherwise expressly provided on the face of this Order, all taxes, duties, tolls, fees, import charges or other governmental exactions shall be deemed included in the purchase price, and Buyer shall have no liability to pay Seller any amount in excess of the purchase price specified herein.

**17. Extension of Benefits:** All exceptions, exemptions, defenses, immunities, limitations of liability, privileges and conditions granted or provided by this order to the benefit of Buyer shall also apply to and for the benefit of all corporations parent of, subsidiary to, affiliated with or under the same management as Buyer, as well as all directors, employees and agents of said entities.

## **B. PROVISIONS APPLICABLE ONLY TO GOODS.**

In addition to the provisions of Part A above, the following terms and conditions shall apply to the sale of goods hereunder.

- 1. Title:** Title and risk of loss to the goods shall pass to Buyer upon Buyer's acceptance of delivery at the place specified on the face hereof. Shipping tickets and/or packing slips must show in detail any goods shipped and must accompany all deliveries.
- 2. Crating, Cartage, Storage:** No charges will be accepted by the Buyer for crating, boxing, cartage, storage or like services, unless specifically agreed to in writing prior to performance hereunder.
- 3. Warranties:** Seller warrants clear and merchantable title to the goods free of any security interest, lien or encumbrance and agrees to indemnify Buyer against all liability for patent, copyright or other infringement on account of sales and use of the goods. Seller further warrants that the goods shall be merchantable, of the quality specified, and shall be fit for the purpose intended. All implied warranties of the Uniform Commercial Code and warranties implied by usage of trade are reserved by Buyer and incorporated herein.
- 4. Transportation Costs:** Seller warrants that any transportation costs included in the price will not exceed actual transportation costs paid by Seller. If this Order calls for payment of any transportation costs by Buyer, Buyer shall in no event be liable or accountable for any amount in excess of the actual costs of transportation. Seller shall be accountable for and shall pay any excess transportation costs arising from Seller's failure to make delivery to the FOB point or to follow shipping instructions furnished by Buyer.

## **C. PROVISIONS APPLICABLE ONLY TO SERVICES.**

In addition to the provisions of Part A above, the following terms and conditions shall apply to the sale of services hereunder.

1. **Manner and Materials:** Seller shall perform the services for the property in a workmanlike manner, at the location designated by Buyer in accordance with the specifications of Buyer. All plans, drawings, materials, machinery, equipment, outfitting and workmanship involved in performance of the services shall be supplied by Seller and shall be of a quality conforming to the best commercial practice for property of this type.

2. **Warranties:**

(a) Seller shall keep the property free and clear of all liens, security interests, encumbrances and claims of every nature, including statutory and maritime liens in favor of workman, materialmen, subcontractors, or others arising by, through or under Seller. Seller shall discharge all such liens and other claims at once. Seller hereby waives all liens, whether possessory or otherwise, in its favor which would otherwise attach to the property. U.S. Public vessels are immune to liens.

(b) Seller shall correct to the satisfaction of Buyer all defects in workmanship or in materials furnished by Seller hereunder, which developed within a period of one year (or other period as may be specified on the face side hereof) after completion of the services.

3. **Care of the Property:** At all times during the term of this Order, Seller shall protect the property from any and all damage. At all times while the property is on Seller's premises, Seller shall assume all risk of damage to or loss of the property (or of any machinery, equipment, materials and outfitting obtained or intended for the property) from any cause whatsoever except acts of God or the sole negligence of Buyer.

4. **Insurance Requirements:** Seller, at its sole cost and expense (including the cost of all deductibles), shall procure and maintain in force during the term of this Agreement the following insurance coverages for Services and/or Goods supplied under this Agreement: Workers' Compensation insurance, covering applicable statutory benefits in the State where work is being performed; Employer's Liability insurance in an amount of at least \$1,000,000 and (when applicable) the policy will be endorsed to cover benefits under the U.S. Longshoremen's and Harbor Workers' Compensation Act, and the Maritime Act. Commercial General Liability insurance, on a per occurrence basis, endorsed to cover premises, operations, products/completed operations, personal injury and contractual liability; with no watercraft exclusion; with limits of at least \$1,000,000 any one occurrence. Automobile Liability insurance, including liability insurance coverage on vehicles which may be used by Seller in connection with this Agreement with limits of liability not less than \$1,000,000 any one occurrence. Should this Agreement require consulting services, Professional Liability insurance, with limits of liability not less than \$1,000,000 any one occurrence, covering services to be performed by Seller under this Agreement.

Should the Services supplied under this Agreement include delivery of fuel or other hazardous products, or waste disposal, Pollution insurance or Environmental Impairment insurance, with limits of liability not less than \$5,000,000 per occurrence, and any other public liability or other environmental impairment coverage required by Federal, State or local regulatory authorities.

Should the Services supplied under this Agreement include use of Seller's vessels, Protection and Indemnity or other Marine Liability insurance, with limits of liability not less than \$1,000,000 per occurrence.

Should the Services supplied under this Agreement include use of Seller's aircraft, Aircraft Liability insurance, with limits of liability not less than \$5,000,000 per occurrence.

The Workers' Compensation / Employers Liability insurance Policy shall be endorsed to waive all rights of subrogation against the United States of America, and any company or entity, parent of, subsidiary to or affiliate of Crowley Technical Management, Inc., (CTM).

All other policies shall be endorsed to name the United States of America and any company or entity, parent of, subsidiary to or affiliate of CTM, as additional insureds and shall be endorsed to waive all rights of subrogation against all such entities and the Property. Additionally, Seller's Certificate of Insurance must state: It is further understood that (1) there shall be no recourse against the United States of America for the payment of premiums or commissions; (2) if such policies provide for payment of Club Calls, assessments or advances, there shall be no recourse against the United States of America for the payment thereof.

If Seller maintains insurance limits higher than the limits listed above, then CTM and the United States of America shall benefit from those higher limits on the same terms and conditions as provided by this Agreement.

Seller shall require all subcontractors performing services under this Agreement to maintain in force insurance of the types and amounts specified in this Agreement. Seller and all subcontractors shall have issued certificates of insurance identifying the United States of America as a Certificate Holder, as well as CTM, and shall ensure that indemnification agreement extends to the United States of America and the Maritime Administration.

All insurance policies maintained by the Seller shall contain a cross liability provision which provides that, in the event of one of the insureds incurring liability to any other of the insureds, the policy shall cover the insured against whom claim is made or may be made in the same manner as if separate policies has been issued to each insured. All policies of Seller shall be primary insurance as to any insurance provided or carried by CTM, and shall not contain any "benefit of insurance", "other insurance" clauses or other contractual provisions which in any way lessen or diminish the full amount of insurance provided to CTM by the Seller. The coverages afforded to such additional insureds shall at least be equal to the coverages afforded the Seller under such policies and shall in all respects include coverages for the obligations of Seller under this Agreement.

The aforesaid policies will be endorsed to provide CTM, at the address given below, and the United States of America Maritime Administration, Division of Marine Insurance, 400 Seventh Street SW, Suite 8117, Washington, D.C. 20590 with thirty (30) days written notice prior to cancellation or reduction in any coverage required by this Agreement. The insurance policies shall be issued by insurance companies with a Best's rating of at least "B" or equivalent, and shall be subject to CTM's approval, which shall not be unreasonably withheld. Seller shall provide CTM with certificates of insurance prior to the supply of Services and/or Goods under this Agreement. Commencement of this Agreement without receipt of the aforesaid certificates shall not constitute a waiver of the obligation of the Seller to maintain the required insurance coverages and to provide CTM with the aforesaid certificates.

Should Seller fail to procure or maintain any of the aforesaid insurance coverages, or by any act or omission, vitiate or invalidate any of the aforesaid insurance coverages, Seller shall indemnify CTM, the United States of America and the other beneficiaries of said insurance to the extent they or any of them suffers or incurs loss, damage, liability or expense in consequence of such failure, act or omission.

It is expressly understood that the Seller shall notify CTM Risk Management Department of all accidents and any accident involving the Property, advising names of parties involved, location of accident, witnesses, and confirmation of prompt reporting to the responsible insurance agent of the Seller, as identified on the Seller's certificate of insurance.

Certificates of Insurance should be sent to:

Crowley Technical Management, Inc.  
9487 Regency Square Blvd N.  
Jacksonville, FL 32225

with copies mailed simultaneously to:

Crowley Technical Management, Inc.  
Risk Management Department  
9487 Regency Square Blvd N.  
Jacksonville, FL 32225  
fax: (904) 805-1639  
email: vendor.insurance@crowley.com

1. **Independent Contractor:** Seller shall determine the manner and method of performing the services and shall operate as an independent contractor and not as an agent or employee of Buyer.
2. **Nature of Work:** The nature and location of the services and all conditions which may affect its completion have been carefully inspected and considered by Seller, who assumes all risk of loss and unanticipated expense, however, caused and whether or not foreseeable.
3. **Safety, Health and Environmental:** Refer to procedure [SHM-03 Part B](#), incorporated and made a part hereof.