



Patriot

www.patriot-ships.com

Please fill out this form completely so that we can process your company as a new vendor for:

- Patriot Contract Services, LLC Patriot Maritime Compliance, LLC American Ship Management

Vendor Information

Vendor Name: _____ Tax ID Number: _____

Address (Line 1): _____

Address (Line 2): _____

City: _____ State: _____ Zip: _____

Telephone Number: _____ Fax Number: _____

Primary Contact Name: _____ Email Address: _____

Accounting Contact Name: _____ Accounting Phone Number: _____

Tax Status (1099 Information)

Check Correct Category

- Corporation Sole Proprietor (Enter SSN): _____
 Partnership Limited Liability Company

Vendor requires a 1099 (*Check One*) Yes No

Payment Address

Check here if payment for items/services purchased from this vendor location are to be made to an address other than the vendor address above.

Payment Address: _____

Business Status

Check Correct Category

In order to comply with PL95-507 and Defense Acquisition Regulation Clause 7-104.14, we must determine the status of each of our vendors. Please check the appropriate company designation. If you are unsure of your designation, there are many websites that offer information regarding small business classifications (.e.g., Small Business Administration, Department of Transportation office of Small and Disadvantaged Business, etc.):

- Large Business Small Business Small Disadvantaged Business
 Women-Owned Small Business Historically Black Colleges and Universities and Minority Institutions HUBZone
 Veteran-Owned Small Business Service-Disabled Veteran-Owned Small Business Current 8A Certification
 Exempt Foreign

Name and Title of Principals:

1: _____
2: _____
3: _____
4: _____

Date Business Founded: _____

Under Present Management Since: _____

Financial References:

Banking Institution: _____

Account Number: _____

Contact Name: _____ Contact Phone Number: _____

Business References: (for like work)

Business Name _____

Type of Business: _____

Contact Name: _____ Contact Phone Number: _____

Business Name: _____

Type of Business: _____

Contact Name: _____ Contact Phone Number: _____

Business Name: _____

Type of Business: _____

Contact Name: _____ Contact Phone Number: _____

****Please note: If you work on Government facilities you will be expected to show Proof of Insurance. Insurance requirements are attached.**

The undersigned vendor acknowledges receipt of PCS' Terms and Conditions Governing Orders for Supplies and Services, and agrees that all sales of goods and/or services to PCS shall be governed by those terms and conditions.

Date: _____ Print Company Name: _____

Print Name: _____ Title: _____

Signature: _____

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	<p>1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.</p> <hr/> <p>2 Business name/disregarded entity name, if different from above</p> <hr/> <p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.</p> <p><input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____</p> <p>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ▶ _____</p>	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p>
	<p>5 Address (number, street, and apt. or suite no.) See instructions.</p> <hr/> <p>6 City, state, and ZIP code</p> <hr/> <p>7 List account number(s) here (optional)</p>	<p>Requester's name and address (optional)</p> <hr/>

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
-				-					
or									
Employer identification number									
-									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-DIV (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or “doing business as” (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity’s name as shown on the entity’s tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a “disregarded entity.” See Regulations section 301.7701-2(c)(2)(iii). Enter the owner’s name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner’s name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on line 2, “Business name/disregarded entity name.” If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys’ fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.

You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions.

You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



Patriot Contract Services, LLC.
American Ship Management, LLC.
1320 Willow Pass Rd., Suite 485, Concord, CA 94520

Phone: (925) 296-2000 Fax: (925) 689-2052

FINANCIAL REFERENCE

Principal & Chief Financial Officer

J. Collins

Bank References

WELLS FARGO BANK
BALANCE CONFIRMATION SERVICES

Mailing Address:

Regular:
P.O. Box 40028
Roanoke, VA 24022

Fax: (844) 879-0544

Street Address:

(for express deliveries only)
R4057-01G
7711 Plantation Rd.
Roanoke, VA 24019

Trade References

BAY SHIP & YACHT
2900 Main Street
Alameda, CA 94501
Phone: (510) 337-2790
Fax: (510) 337-0154
Contact: Will Litteral

GLOBAL FIRE & SAFETY, INC.
2001 PERALTA ST.; SUITE F
OAKLAND, CA 94607
Phone: (510) 834-2323
Fax: (510) 834-2326
Contact: Dave Rubino

MARINE & INDUSTRIAL SERVICES
2391 West 10th St.
Antioch, CA 94509
Phone: (925) 757-8791
Fax: (925) 757-7174
Contact: David Coleman

MARINE DESIGN AND OPERATIONS
701 Springfield Rd.
Suite 2-C
Kenilworth, NJ 07033
Phone: (908) 686-9414
Fax: (908) 686-9415
Contact: Raj Sengupta

Tax Identification Number

91-1862242 (PCS)
91-1862237 (ASM)

Dunn & Bradstreet Number

364261511 (PCS)
010481385 (ASM)

Date: 12/22/16

Insurance Schedule

If Vendor Provides Goods:

a) Vendor, at its sole cost (including the cost of all deductibles), shall procure and maintain in force the following insurance:

i) Commercial general liability insurance, with limits of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Such insurance shall cover bodily injury and property damage liability, including coverage for premises and operations; products and completed operations; broad form property damage, including property in the Vendor's care, custody and control. The policy shall be endorsed to cover the contractual indemnity obligations of these Terms and Conditions. Vendor shall name Purchaser and its affiliated and subsidiary companies under a Vendor's Endorsement, CG 2015 or equivalent; and

ii) Commercial Automobile Liability Insurance providing bodily injury and property damage liability coverage for all owned and non-owned vehicles assigned to or used in the performance of the work for a combined single limit of not less than \$1,000,000 each accident or loss.

b) The foregoing insurance policies shall name Purchaser, its affiliated companies, and the United States of America as additional assureds, and shall be endorsed to provide Purchaser with thirty (30) days' notice prior to cancellation or material change in coverage. The policies shall provide that there is no recourse against the USA for payment of premium. The foregoing insurance policies shall be issued by insurance companies with an AM Best rating of A- or better and otherwise in all ways acceptable to Purchaser, and shall be subject to Purchaser's approval as to limits, deductibles, form and substance. Vendor shall provide Purchaser with certificates of insurance evidencing the foregoing insurance policies prior to commencement of performance of the Purchase Order, and shall provide copies of all insurance policies upon request within five days. The N.Y. Suable Clause or Service of Suit U.S.A. Clause must be confirmed for any London underwriter placements. Purchaser allowing Vendor to commence providing Goods without providing the required certificates shall not be deemed to be a waiver of any of Purchaser's rights with respect to insurance.

If Vendor Provides Services:

a) Vendor, at its sole cost (including the cost of all deductibles), shall procure and maintain in force the following insurance:

i) U.S. Longshore and Harbor Workers' Compensation Act (U.S. L & H) coverage and/or workers' compensation coverage for Vendor's employees, contractors and agents as required by law;

ii) Commercial general liability insurance, with limits of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Such insurance shall cover all operations by, or on behalf of, the Vendor including all operations by a subcontractor of Vendor. Such insurance shall cover bodily injury and property damage liability, including coverage for premises and operations; products and completed operations; broad form property damage, including property in the Vendor's care, custody and control. The policy shall be endorsed to cover the contractual indemnity obligations of these Terms and Conditions.

iii) If Vendor is providing ship repair services and unless otherwise noted in the Purchase Order, Ship Repairer's Legal Liability Insurance, with limits of at least \$5,000,000, and including sudden and accidental pollution liability coverage;

iv) Commercial Automobile Liability Insurance providing bodily injury and property damage liability coverage for all owned and non-owned vehicles assigned to or used in the performance of the work for a combined single limit of not less than \$1,000,000 each accident or loss; and

b) The foregoing insurance policies shall name Purchaser, its affiliated companies, and the United States of America as additional assureds, except that the U.S. L&H/workers compensation policy shall provide for a waiver of subrogation in favor of Purchaser and its affiliated companies. The foregoing insurance policies shall be endorsed to provide Purchaser with thirty (30) days' notice prior to cancellation or material change in coverage. The foregoing insurance policies shall be issued by insurance companies with an AM Best rating of A- or better and otherwise in all ways acceptable to Purchaser, and shall be subject to Purchaser's approval as to limits, deductibles, form and substance. Vendor shall provide Purchaser with certificates of insurance evidencing the foregoing insurance policies prior to commencement of performance of the Purchase Order, and shall provide copies of all insurance policies upon request within five days. The N.Y. Suable Clause or Service of Suit U.S.A. Clause must be confirmed for any London underwriter placements. Purchaser allowing Vendor to commence performing Services without providing the required certificates shall not be deemed to be a waiver of any of Purchaser's rights with respect to insurance.

Note to Vendor

The following areas have been the subject of some confusion in the past. We wish to clarify that Vendors must comply with the following terms and conditions:

1. **Invoices:** To be paid, Vendor must have current, accurate and complete vendor information on file with Purchaser. All invoices must be submitted promptly, not later than fifteen (15) business days from the completion of the Services rendered and/or Goods delivered. All invoices must be submitted with the correct Purchase Order number referenced on the invoice. Purchaser shall not be required to pay partial invoices or make advance payments unless doing so is agreed upon in advance and that agreement is stated on the Purchase Order. Normal payment terms are Net 30 days after receipt of proper invoice by Purchaser at its Concord, CA office. The invoice for services must show start and completion dates, the general statement of work performed and parts provided. A Receipt Confirmation must accompany the invoice in order for payment to be made. For Services, the Receipt Confirmation must be signed by the Port Engineer; for Goods, the Receipt Confirmation must be signed by the Port Engineer, Storekeeper, Captain, Chief Engineer, Chief Mate or Chief Steward. Any invoice received without this Receipt Confirmation will be returned. Vendor's invoices shall indicate insurance, delivery or transportation charges and taxes, if any, separately from the purchase price of the Goods at the place of origin.
2. **Tax Exempt:** Marad vessels are not tax exempt.
3. **Purchase Orders:** PCS' purchase order is entitled "Order for Supplies and Services." Every Purchase Order is unique and the Vendor should read the scope of work carefully. Any questions concerning the issued purchase order should be direct to the PCS Purchasing Agent who issued the purchase order. If work performed during the course of a repair will exceed the scope of work stated on the purchase order, the vendor must submit a written Condition Report to the Port Engineer and obtain an updated purchase order signed by PCS prior to proceeding with a that additional work; payment will no be due until thirty (30) days after receipt of the new invoice. If the purchase order is not updated prior to that additional work being performed, PCS shall have no obligation to pay for the additional work. Only an authorized PCS Purchasing Agent can commit funds. DO NOT accept a verbal authorization form the Port Engineer or from Vessel personnel.
4. **Notice to the Government:** Please be advised that PCS is now required to notify the Government of any vendor whose invoicing causes delays when closing out a task order or funding a document.

IMPORTANT: The terms listed above are only some of the terms and conditions applicable to the sale of goods or services to PCS. The complete set of terms and conditions is contained in PCS' Terms and Conditions Governing Orders for Supplies and Services.

VENDOR PACKET

Please complete the enclosed Vendor Information Form and return it to us so that we can process your company as a vendor for Patriot Contract Services, LLC. This form requires you to provide the following:

- Full name of company, address, phone and fax numbers.
- Full names of principals.
- Local contact name, phone and fax numbers.
- Business size/type (ex. large, small, disadvantaged, woman-owned) and nature of business.
- Federal Tax ID number, if your company is NOT a Corporation. If your company is a corporation, please state so in your response.
- Bank information.
- Certificates of Insurance, if your company is going to provide services or products aboard our vessels. See attached insurance schedule page for requirements.
- Three industry references for like work. Include company name, phone and fax numbers.
- Signed confirmation of acceptance of PCS' Terms and Conditions Governing Orders for Supplies and Services.

Please feel free to attach any pre-printed vendor background information from your company. However, our forms must be completed in order to approve your company as a PCS vendor and to process payment.

We have enclosed pertinent information regarding PCS for your review.

Thank you very much for your cooperation. Should you have any questions, please do not hesitate to contact PCS.



PATRIOT CONTRACT SERVICES, LLC

TERMS AND CONDITIONS **GOVERNING ORDERS FOR SUPPLIES AND SERVICES**

A. GENERAL PROVISIONS APPLICABLE TO GOODS AND SERVICES.

It is understood and agreed that the following terms and conditions stated in this Part A are applicable to both the sale of Goods and/or Services to Purchaser, its vessels, equipment and/or other property:

1. Definitions. "Vendor" means the person, partnership, corporation or other entity undertaking to supply the goods or services which are subject to the Purchase Order either in its own name or through an authorized agent. The term "Goods" shall mean the goods supplied pursuant to the Purchase Order. The term "Services" includes all design, delivery, installation, inspection and testing specified or required to furnish the Goods and/or provide the repair, improvements, and/or other work as specifically described on the Purchase Order. The term "Property" includes the vessel, equipment and/or other items of Purchaser for which Vendor is to provide Services. "Purchaser" means Patriot Contract Services, LLC or any subsidiary or affiliate for which Patriot Contract Services, LLC is acting as purchasing agent. "Purchase Order" means the Patriot Contract Services purchase order pertaining to the purchase and sale of the Goods and/or Services.

2. Entire Agreement. The Purchase Order and any attachments thereto or referred to specifically therein, these Terms and Conditions Governing Orders for Supplies and Services (these "Terms and Conditions"), and the Note to Vendor provided in the Vendor Packet, together constitute the entire agreement between the parties with respect to the subject matter thereof, and no terms or conditions contained in any written or other acceptance, quote or confirmation thereof by Vendor, which are in addition to, or different from, those set forth herein, shall in any way affect or act to modify or amend any of the terms and conditions thereof. Vendor's acceptance of the Purchase Order is limited to the terms and conditions thereof, unless Purchaser expressly agrees to any such proposal or term in writing. Vendor, and its subcontractors and suppliers, are bound by Purchaser's contract with the government (the "Prime Contract") insofar as any of that Prime Contract's terms and conditions relate in any way, directly or indirectly, to the services or goods being provided by Vendor. Without limiting the foregoing sentence, Vendor shall be bound to the FAR and DFARS clauses listed in section 7 of this Part A of these



Terms and Conditions.

3. Changes and Termination.

(a) Changes Ordered by Purchaser: Purchaser shall have the right to order changes from time to time in the performance required of Vendor under the Purchase Order by issuing a new Purchase Order. No change shall be made by Vendor in its performance unless and until such change is specified in writing in a new Purchase Order signed by a Purchasing Agent of Purchaser. Upon receipt of a new Purchase Order, Vendor shall without delay conform its performance to the new Purchase Order.

(b) Termination by Purchaser: Purchaser may terminate the Purchase Order in whole or in part at any time and for any reason (including without limitation on account of defects in materials, workmanship or quality, or if the Vendor fails to comply with or perform any of the terms and conditions, provisions, promises or warranties of the Purchase Order), by written notice, stating the extent and effective date of such termination. Upon receipt of notice Vendor will, as and to the extent directed by Purchaser, stop work under the Purchase Order and the placement of further purchase orders and subcontracts outstanding thereunder, and take any necessary action to protect property in Vendor's possession in which Purchaser has or may acquire an interest. In the event Purchaser terminates the Purchase Order for default, Vendor shall also be liable for all damages and costs of Purchaser resulting from such default, regardless of any action taken or not taken by Purchaser to cancel the Purchase Order entirely or in part. Purchaser's sole liability to Vendor in case of termination other than termination for default of Vendor shall be reimbursement of Vendor's expenses incurred up to and including the date of termination.

(c) Work Beyond Agreed Scope: If Services will exceed the scope of work stated on the Purchase Order, the Vendor must submit a written Condition Report to the Port Engineer and obtain an updated Purchase Order signed by PCS prior to proceeding with that additional work. If the Purchase Order is not updated prior to that additional work being performed, Purchaser shall have no obligation to pay for the additional work. Only an authorized Patriot Contract Services Purchasing Agent can issue a Purchase Order or commit funds. Vendor may not accept a verbal authorization from the Port Engineer or from vessel personnel.

4. Acceptance of Shipments and Inspection. All Goods and Services covered by the Purchase Order are subject to inspection by Purchaser at any time or place and may be rejected if not strictly in accordance with all terms, conditions and provisions therein 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 the Purchase Order will, at Purchaser's option, be held for Vendor's instructions at Vendor's risk, or will be returned to Vendor. Vendor will be responsible for transportation charges on returned shipments both ways. Any prior payment made by Purchaser 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 Purchase Order from Purchaser. At Purchaser's option, inspection and tests before delivery may be made by Purchaser or Purchaser's customers at Vendor's premises or elsewhere, at reasonable times and places, and Vendor will provide sufficient safe and proper facilities for such inspection or testing; but, notwithstanding any inspections and/or tests, the Goods and Services covered by the Purchase Order are subject to rejection upon final test, inspections and use upon delivery to the premises or vessel of Purchaser or Purchaser's customer. Purchaser's count shall be accepted as final on all shipments whether or not accompanied by a packing list.

5. Indemnity. To the fullest extent permitted under law, Vendor shall indemnify, hold harmless and defend Purchaser from and against any or all suits, legal proceedings, claims, demands, damages, costs and expenses of whatsoever kind or nature (including, but not limited to, court costs and reasonable attorneys' fees) arising out of any personal injury (including death) or property damage or loss (including without limitation damage to the vessel) relating to any defect in the Goods or Services or relating to any act or omission (whether or not negligent), fault, negligence or default of Vendor or any person, firm, corporation or other entity acting on Vendor's behalf, in connection with or incident to the Purchase Order, even if the same be, or is alleged to be, due wholly or in part to the negligence of Purchaser or anyone acting on its behalf, except for damage or injury caused directly by the willful misconduct of Purchaser. Vendor shall immediately give notice to Purchaser of any damage Vendor causes to the vessel, and of any potential claim against or legal action involving the Purchaser. Vendor shall indemnify Purchaser against any liquidated damages imposed upon Purchaser as a result of Vendor's acts or omissions.

6. Federal Contractor Requirements.

(a) Vendor and Purchaser, each for its own part, shall comply with and give all representations and further assurances required by any law or regulation, including (without limitation) those relating to federal contracts and subcontracts, to the extent applicable to the Purchase Order, including (without limitation) the following: (1) the Walsh-Healey Public Contracts Act, as amended (41 U.S.C. §§ 35-45), and regulations thereunder; (2) the Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. §§ 327-333), and regulations thereunder; (3) the Service Contract Act (41 U.S.C. §§ 351-358) and regulations thereunder; (4)



the Buy American Act (41 U.S.C. § 10a); and (5) all applicable safety, health and environmental regulations.

(b) Unless the Purchase Order is exempt therefrom, Vendor and Purchaser each hereby certifies to the other, in accordance with 41 C.F.R. 60-1.8(b), that it does not and shall not maintain any facilities provided for its employees in a segregated manner or permit its employees to perform Services, at any location under its control, where segregated facilities are maintained, and that it shall require its nonexempt subcontractors to furnish a similar certification prior to the award of any non-exempt subcontract.

(c) Vendor shall comply with all security requirements of Purchaser or the U.S. Government.

(d) Vendor shall notify Purchaser immediately if Vendor is debarred, suspended, or proposed for debarment as a federal contractor.

(e) Purchaser and the Vendor each hereby certifies to the other that each will make a good faith effort to maintain a Drug Free Workplace. Controlled Substances are defined in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812), and are further defined at 21 CFR 1308.11 through 1308.15.

7. FAR and DFAR Flow-Down Clauses.

(a) Incorporation of FAR and DFAR Clauses.

The Federal Acquisition Regulation (FAR) and Department of Defense FAR Supplement (DFARS) clauses referenced below in subsection (d) are incorporated herein by reference, with the same force and effect as if they were stated in full text, and are applicable, including any note following the clause citation, to this purchase of Goods and/or Services. If the date or substance of any of the clauses listed below is different than the date or substance of the clause actually incorporated in the prime contract in connection with which the purchase is being made, the date or substance of the clause incorporated by said prime contract shall apply instead.

When applying FAR or DFARS clauses to the Purchase Order, all appropriate terms shall be substituted and supplemented to retain the intent of the clause after it has been flowed down to Vendor, e.g.: “Purchaser” shall be substituted for “Government” or “United States”; “Purchaser’s Purchasing Agent” shall be substituted for “Contracting Officer,” “Administrative Contracting



Officer” and/or “ACO”; “and Purchaser” shall be inserted after “Government” or “Contracting Officer” as appropriate; and “or Purchaser” shall be inserted after “Government” as appropriate.

Terms relating to FAR and /or DFARS clauses shall have the meanings stated in FAR Part 2 (48 CFR Part 2).

The full text of the FAR and DFARS clauses can be found at:
<https://www.acquisition.gov/far/>.

(b) Amendments Required by the Prime Contract.

Vendor shall, at the request of Purchaser, accept amendments to the Purchase Order to incorporate additional provisions herein or to change provisions hereof, as Purchaser may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Purchase Order causes an increase or decrease in the estimated price of, or the time required for, performance of any part of the Work under the Purchase Order, an equitable adjustment shall be made pursuant to Part A, section 3 (“Changes and Termination”) of these Terms and Conditions.

(c) Preservation of the Government’s Rights.

If Purchaser furnishes designs, drawings, special tooling, equipment, engineering data or other technical or proprietary information (Furnished Items) which the U.S. Government owns or has the right to authorize the use of, nothing herein shall be construed to mean that Purchaser, acting on its own behalf, may modify or limit any rights the Government has to authorize the Purchaser’s use of such Furnished Items in support of other U.S. Government prime contracts.

(d) FAR and DFARS Flow-Down Clauses.

(1) Flow-Down Clauses for Commercial Items. The following FAR clauses apply to each purchase of Goods and/or Services that are Commercial Items as defined in the FAR (see 48 CFR Part 2.101), provided the threshold for application for each clause, if any, is reached:



- 52.203-15 Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009
- 52.219-8 Utilization of Small Business Concerns
- 52.222-26 Equal Opportunity (subcontracts above \$10,000)
- 52.222-35 Equal Opportunity for Veterans (subcontracts above \$100,000)
- 52.222-36 Affirmative Action for Workers with Disabilities (subcontracts above \$15,000)
- 52.222-40 Notification of Employee Rights Under the National Labor Relations Act (subcontracts above \$10,000)
- 52.222-50 Combating Trafficking in Persons
- 52.244-6 Subcontracts for Commercial Items and Commercial Components (Jul 2004)
- 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels

(2) Flow-Down Clauses for Non-Commercial Items. In addition to the clauses listed in section 7(d)(1) immediately above, the following FAR and DFARS clauses apply to each purchase of Goods and/or Services that are Non-Commercial Items, provided the threshold for application for each clause, if any, is reached:

FAR Clauses:

- 52.203-7 Anti-Kickback Procedures (subcontracts above \$150,000)
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (subcontracts above \$150,000)
- 52.215-2 Audit and Records – Negotiation
- 52.227-11 Patent Rights – Ownership by the Contractor

DFARS Clauses:

- 252.227-7013 Rights in Technical Data – Non-Commercial Items
- 252.227-7016 Rights in Bid or Proposal Information
- 252.227-7037 Validation of Restrictive Markings on Technical Data

(3) Flow-Down Clauses for Service Contracts. The following FAR clauses apply to



each purchase of Services:

- 52.236-13 Accident Prevention
- 52.222-41 Service Contract Act of 1965 (if applicable to prime contract)

(4) In addition to the clauses listed in subsections (d)(1) through (d)(3) above, the following FAR and DFARS clauses apply to each purchase of Goods and/or Services if the threshold for application for a given clause, if any, is reached, and if a version of a given clause is incorporated into the prime contract to which the Purchase Order pertains:

FAR Clauses:

- 52.203-6 Restrictions on Subcontractor Sales to the Government (Jul 1995)
- 52.204-2 Security Requirements (Aug 1996)
- 52.209-6 Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment
- 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and other Eligible Veterans (Dec 2001)
- 52.223-14 Toxic Chemical Release Reporting (Aug 2003)
- 52.224-1 Privacy Act Notification (Apr 1984)
- 52.224-2 Privacy Act (Apr 1984)
- 52.227-1 Authorization and Consent (Jul 1995)
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (Aug 1996)
- 52.227-14 Rights in Data – General (Jun 1987)
- 52.229-3 Federal, State and Local Taxes (Apr 2003)
- 52.233-1 Disputes (Alt I)(July 2002)
- 52.233-3 Protest after Award (Aug 1996)(Alt I)
- 52.237-3 Continuity of Services
- 52.243-1 Changes – Fixed Price (Aug 1987)(Applicable Alt clause depends on which Govt contract is involved)
- 52.245-1 Government Property
- 52.245-2 Government Property (Fixed-Price Contracts)(May 2004)
- 52.246-4 Inspection of Services – Fixed Price



- 52.249-2 Termination for Convenience (May 2004)
- 52.249-8 Default (Fixed-Price Supply and Service)(Apr 1984)

DFARS Clauses:

- 252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (March 1999)
- 252.211-7003 Item Identification and Evaluation (Jan 2004)
- 252.225-7001 Buy American Act and Balance of Payments Program (Apr 2003)
- 252.243-7001 Pricing of Contract Modifications (Dec 1991)
- 252.243-7002 Requests for Equitable Adjustment (Mar 1998)(applicable to LMSR and Martin prime contracts)
- 252.247-7023 Transportation of Supplies by Sea (May 2002)
- 252.247-7024 Notification of Transportation of Supplies by Sea (Mar 2000)

8. 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 Vendor at no additional cost to Purchaser unless authorized herein.

9. Time. Time is hereby declared to be of the essence of the Purchase Order.

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

11. Advertising. Vendor shall not, without first obtaining the written consent of Purchaser, in any manner advertise or publish the fact that Vendor has either contracted to furnish or has sold to Purchaser the Goods or Services.

12. Taxes. Unless otherwise expressly provided on the face of the Purchase Order, the Vendor shall pay all United States, County, City or other taxes, assessments or duties assessed, made or levied against the material to be used in the performance of the work covered by the specifications, or imposed in consequence of its sale to the Vendor.



13. Transportation Costs. If the Purchase Order calls for payment of any transportation costs by Purchaser, Purchaser shall in no event be liable or accountable for any amount in excess of the actual costs of transportation. Vendor shall be accountable for and shall pay any excess transportation costs arising from Vendor's failure to make delivery to the f.o.b. point or to follow shipping instructions furnished by Purchaser.

14. No Consequential Damages. Neither Purchaser, nor its parent, subsidiary or affiliated companies, nor their officers, directors or employees shall be liable to Vendor for any consequential or indirect damages, including without limitation loss of profits, demurrage and loss of use, whether resulting from negligence or breach of this contract or otherwise, even where the possibility of such damages was foreseeable by either or both parties.

15. Invoices and Payment. To be paid, Vendor must have current, accurate and complete vendor information on file with Purchaser. All invoices must be submitted promptly, not later than 15 business days from the completion of the Services rendered and/or Goods delivered. All invoices must be submitted with the correct Purchase Order number referenced on the invoice. Purchaser shall not be required to pay partial invoices or make advance payments unless doing so is agreed upon in advance and that agreement is stated on the Purchase Order. Normal payment terms are Net 30 days after receipt of proper invoice by Purchaser at its Concord, CA office. The invoice for services must show start and completion dates, the general statement of work performed and parts provided. A Receipt Confirmation must accompany the invoice in order for payment to be made. For Services, the Receipt Confirmation must be signed by the Port Engineer; for Goods, the Receipt Confirmation must be signed by the Port Engineer, Storekeeper, Captain, Chief Engineer, Chief Mate or Chief Steward. Any invoice received without this Receipt Confirmation will be returned. Vendor's invoices shall indicate insurance, delivery or transportation charges and taxes, if any, separately from the purchase price of the Goods at the place of origin.

16. Purchase Orders. Every Purchase Order is unique and the Vendor should read the scope of work carefully. A Purchase Order must be issued before performance can begin. Any questions concerning the issued Purchase Order should be directed to the Patriot Contract Services Purchasing Agent who issued the Purchase Order.

17. Patent Infringement. Vendor shall defend, indemnify and hold harmless Purchaser and its subsidiary and affiliated companies, and each of their directors, officers and employees, against all liability, damage and expense, including without limitation court costs and reasonable



attorneys' fees, caused by actual or claimed trademark, patent or copyright infringement in connection with the manufacture, sale or use of the Goods or the Services provided (except to the extent that any specifications of Purchaser prevent Vendor from supplying non-infringing Goods and Vendor has notified Purchaser in writing of same). In the event of infringement Vendor shall, at its option, either procure Purchaser's right to continue using the Goods or promptly replace the Goods or any part of them with a non-infringing substitute satisfactory to Purchaser.

18. Conflict of Contract Terms. The provisions set forth herein shall, unless specifically stated in writing to the contrary, apply to all Goods supplied and Services performed by Vendor, its employees, agents or representatives. In the event that the United States of America is a party to a contract with Purchaser which covers Goods or Services to be provided by Vendor, the terms and conditions in such a contract shall prevail over inconsistent terms and conditions contained herein.

19. Miscellaneous. Acceptance of this contract by Vendor is hereby expressly limited to the terms and conditions hereof and no terms or conditions contained in any written or other acceptance hereof by Vendor, which are in addition to, or different from, those set forth herein, shall in any way affect or act to modify or amend any of the terms and conditions hereof. The Purchase Order shall be governed by the laws of the State of California, excluding any conflict of laws provisions, except that any provision in these Terms and Conditions that is (i) incorporated in full text or by reference from the Federal Acquisition Regulations (FAR); or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR; or (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the federal government. It is further agreed that all disputes shall exclusively be resolved in the Superior Court of the State of California, Contra Costa County, or in the U.S. District Court for the Northern District of California, and the parties hereto agree to submit to the jurisdiction and venue of those courts. Additionally, the parties hereto agree that any and all costs of the prevailing party in any dispute, including, without limitation, reasonable attorney's fees, court costs and expert witness fees, shall be borne by the losing party. Neither party shall assign its rights or delegate its duties under the Purchase Order without the prior written consent of the other. No change or amendment of the Purchase Order shall be made except by a written amendment or revised Purchase Order. If any provision of the Purchase Order is determined by a court of competent jurisdiction to be void or unenforceable, such provision shall be severed and the balance of the Purchase Order shall remain in full force and effect. A waiver of any failure of performance of any of the terms and conditions of the Purchase Order shall be limited to the acts



constituting such failure of performance. The party entitled to the benefit of the waived performance shall be as fully entitled thereto as to further performance as if there had been no waiver.

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. Conforming Goods. Vendor shall, at its own risk and expense, furnish the Goods in strict accordance with the specifications of Purchaser appearing on the face of the Purchase Order or incorporated therein by reference. The Goods shall have been manufactured or fabricated in a workmanlike manner using merchantable parts and materials. Vendor shall provide brand-name Goods unless otherwise specified on the Purchase Order. The Goods shall also be suitably packaged for normal transportation and handling and shall bear all markings and labels required by applicable law and regulation, all at no extra cost to Purchaser. No charges shall be accepted by the Purchaser for crating, boxing, cartage, drayage, storage, or like services, unless specifically agreed to in writing prior to performance hereunder. Vendor shall not utilize any of the following as packing materials: asbestos, excelsior, newspaper, shredded paper (including without limitation waxed paper, computer paper and similar materials) or loose fill polystyrene. Vendor shall indemnify Purchaser against all liability, loss and expense including without limitation attorneys' fees and court costs, arising out of the failure of the Goods to conform to the condition warranted under these Terms and Conditions or failure of Vendor to perform any term, covenant, condition or provision of these Terms and Conditions.

2. Delivery and Delay. If a delivery date or a period within which delivery is to occur is provided on the face of the Purchase Order, Vendor shall deliver the Goods by that date and time; such delivery date and time is a material term hereof. Unless otherwise stated in the Purchase Order or otherwise agreed in advance, Goods must be delivered between the hours of 8 a.m. to 11 a.m. or 1 p.m. to 4 p.m. The Vendor shall promptly notify Purchaser's Port Engineer in the event the goods will not be delivered on time; such notice shall not however relieve Vendor of liability for failure to meet the prescribed deadline. Purchaser may, at its option, cancel the Purchase Order or any part of it by giving Vendor actual notice thereof if, for any reason, delivery of the Goods in accordance with the terms of sale is materially delayed. Materiality shall be determined with reference to Purchaser's intended use of the Goods and not Purchaser's assets or business. If no delivery date or period of delivery is specified on the Purchase Order,



Purchaser may cancel the Purchase Order or any part of it if the Goods are not delivered in accordance with the terms of a written notice given to Vendor by Purchaser advising of Purchaser's intent to cancel unless delivered by a specified date. Purchaser may refuse to accept Goods or any part of them which do not conform to applicable specifications or warranties or any of the terms or conditions hereof. Purchaser shall have the right, upon reasonable notice and during Vendor's normal business hours, to have access to Vendor's premises for the purpose of inspection of work in progress in connection with the Goods. Whenever any event or potential event delays or threatens to delay timely delivery of the Goods, Vendor shall give prompt notice thereof to Purchaser. Shipping tickets and/or packing slips must show in detail any Goods shipped and must accompany all deliveries. If required by Purchaser, Vendor shall furnish a bill of sale and certificate of no liens for the Goods in a form satisfactory to the Purchaser.

3. Warranties.

(a) Vendor warrants that at the time of transfer of title to the Goods to Purchaser (1) Vendor has good and marketable title to the Goods and the Goods shall be free and clear of all defects of title, liens or security interests; (2) the Goods are being sold in compliance with the Robinson-Patman Act; (3) the Goods are conforming goods in all respects and are free from defects in workmanship, design and materials; and (4) the Goods are merchantable, of the quality specified, and fit for the purposes intended. All implied warranties of the California Commercial Code and warranties implied by usage of trade are reserved by Purchaser and incorporated herein.

(b) If, upon inspection by Purchaser, or through failure of the Goods in use, any defects in workmanship, design or materials appear within 1 year of receipt by Purchaser, Vendor shall at its expense promptly cause the repair or replacement of all such defects to the satisfaction of Purchaser. Without limiting any other rights or remedies granted to Purchaser by law, all of which are reserved, Purchaser shall be entitled to recover from Vendor all damages resulting from Vendor's breach of contract or breach of warranty, including but not limited to incidental and consequential damages.

4. Risk of Loss; Title.

(a) Risk of Loss of the Goods shall be borne by the party holding the title thereto at the time of loss; provided, however, nothing herein is intended to relieve Vendor of any responsibility for harm suffered by Purchaser by reason of loss or damage to the Goods in transit caused by acts or omissions of Vendor constituting a defense by the transporting carrier.



Purchaser and Vendor shall each cooperate fully with the other or its insurer in connection with the filing and enforcing of claims for loss or damage to the Goods while in transit.

(b) Title and risk of loss to the Goods shall pass to Purchaser upon Purchaser's acceptance of delivery at the place specified on the face hereof.

5. Non-Exclusivity. It is expressly understood and agreed that the Purchase Order and any amendments or extensions thereof, do not constitute a “requirements contract” under the California Commercial Code (or any other similar or related law), nor does it constitute any obligation by either party hereto to deal exclusively with the other.

6. Insurance. The following insurance requirements apply to Vendors providing Goods:

(a) Vendor, at its sole cost (including the cost of all deductibles), shall procure and maintain in force the following insurance:

(i) Commercial general liability insurance, with limits of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Such insurance shall cover bodily injury and property damage liability, including coverage for premises and operations; products and completed operations; broad form property damage, including property in the Vendor’s care, custody and control. The policy shall be endorsed to cover the contractual indemnity obligations of these Terms and Conditions. Vendor shall name Purchaser and its affiliated and subsidiary companies under a Vendor’s Endorsement, CG 2015 or equivalent; and

(ii) Commercial Automobile Liability Insurance providing bodily injury and property damage liability coverage for all owned and non-owned vehicles assigned to or used in the performance of the work for a combined single limit of not less than \$1,000,000 each accident or loss.

(b) The foregoing insurance policies shall name Purchaser, its affiliated companies, and the United States of America as additional assureds, and shall be endorsed to provide Purchaser with thirty (30) days' notice prior to cancellation or material change in coverage. The policies shall provide that there is no recourse against the USA for payment of premium. The foregoing insurance policies shall be issued by insurance companies with an AM Best rating of A- or better and otherwise in all ways acceptable to Purchaser, and shall be subject to Purchaser's approval as to limits, deductibles, form and substance. Vendor shall provide Purchaser with



certificates of insurance evidencing the foregoing insurance policies prior to commencement of performance of the Purchase Order, and shall provide copies of all insurance policies upon request within five days. The N.Y. Suable Clause or Service of Suit U.S.A. Clause must be confirmed for any London underwriter placements. Purchaser allowing Vendor to commence providing Goods without providing the required certificates shall not be deemed to be a waiver of any of Purchaser's rights with respect to insurance.

(c) If Vendor fails to procure and/or maintain any of the insurance required of it by this section, it shall indemnify Purchaser to the extent Purchaser suffers or incurs loss, damage, liability, or expense which would not have been suffered or incurred except for such failure. If Vendor shall, by any act or omission, vitiate or invalidate any of the aforesaid policies required to be obtained by such party, Vendor shall indemnify Purchaser to the extent Purchaser otherwise would have been covered or protected by said insurance.

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. Vendor Status/Workmanship. Except as otherwise provided in the Purchase Order or any specifications covering the work to be performed by the Vendor, the Vendor as an independent contractor and not as an agent or employee of Purchaser shall furnish all labor, materials, supplies, equipment, facilities and services required to perform and fully complete, and shall perform and fully complete, all Services to meet the requirements of the American Bureau of Shipping, the United States Coast Guard, and all governmental agencies or other regulatory agencies having jurisdiction, and to the satisfaction of Purchaser, in order that the vessel at the time of the completion of the work may have the highest classification and rating for a vessel of its type by the American Bureau of Shipping, insofar as the classification and rating of the vessel may be dependent upon the Services. All workmanship and/or material is to be of the best quality and in accordance with the best commercial marine practices.

2. Vendor Removals. Unless otherwise provided herein, if the removal or shifting of any parts of the vessel or her fittings, stores, etc., is required for the carrying out of the Services, the same shall be done by the Vendor and all such removals shall be subsequently replaced and any damage or loss resulting therefrom shall be made good by the Vendor at its expense. Should any portion of the vessel's structure, housing, fixtures, or equipment require alteration in order to



carry out the Services, the Vendor shall make such alteration together with necessary replacement without additional cost to Purchaser.

3. Commercial Marine Practice. The Vendor shall be responsible for and shall pay all expenses of shifting, dry docking, wharfage, towage, dockage, running lines, water testing and/or refilling tanks and/or boilers, or disposal and removal of garbage and other such items to the extent the same are the Vendor's responsibility in accordance with normal commercial marine practice. Should the Services make it impracticable to use the ship's machinery and/or boiler plant for supplying steam and/or electric lighting, the Vendor shall supply such steam and/or electric lighting as may be necessary without extra charge. Where Vendor is responsible for shifting or towing, Vendor shall provide necessary tow preparation, towing gear, tugs, pilots, riding crew, and line handlers plus all required equipment and permits to pick up the vessel at its lay berth and deliver to Vendor's facility as a Dead Ship. It shall be the Vendor's responsibility (no less than 48 hours prior to towing) to:

- 1.) Obtain USCG load-line exemption and "Permit to Proceed."
- 2.) Obtain standard towing liability insurance.
- 3.) Provide documents to the SM COTR that verify that items (1) and (2) above have been completed.

For all tows to/from Vendor's repair facility, Vendor shall provide an independent marine consultant recognized by Vendor's insurance carrier and comply with recommendations for suitability for a tow trip.

All vessel moves shall be for the Vendor's Account. All disconnections and re-connections of services to the vessel are for the Vendor's Account. Vendor is to install shaft and rudder locks prior to each tow. Any alterations to D/H System or weather closures required for tow shall be restored to original configuration upon the vessel's return to lay berth. The riding crew shall be equipped with three (3) portable radio transceivers of same frequency, one at the vessel's bow, one at the stern, and one with attendant alongside the Pilot on the bridge.

The Vendor is responsible for coordination with the port authorities and the cognizant authority at the lay berth. Vendor shall provide tugs, pilots and line handlers for all arrivals, departures, and as required to shift the vessel for performance of Services during the contract period, and shall provide labor to handle lines and gangway for all moves.

4. Tank Cleaning. All tanks under alteration and/or repair shall be cleaned and/or washed



and/or steamed out by the Vendor as may be necessary before any work is done thereto, and the oil or water tightness of the portion of the tanks affected by repairs shall be proven to the satisfaction of the American Bureau of Shipping and Purchaser.

5. Vessel Closures in Drydock. While at drydock, the Vendor shall be responsible for the proper closing of all openings in the vessel's underwater body and the keeping of the crew adequately informed thereon, provided however, that that crew shall notify the Vendor prior to making any changes in openings, transfers of weights, or shifts of ballast.

6. Warranties.

(a) Vendor 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 workmen, materialmen, subcontractors or others arising by, through or under Vendor. Vendor shall discharge all such liens and other claims at once. Vendor hereby waives all liens, including without limitation maritime liens and whether possessory or otherwise, in its favor which would otherwise attach to the Property.

(b) In case any work done or material furnished shall, within one (1) year from the date of the acceptance of the work or materials by Purchaser, prove defective or deficient, and be so reported to the Vendor within that time, such defects or deficiencies shall, at the Vendor's expense, be made good to the satisfaction of Purchaser. Without limiting any other rights or remedies granted to Purchaser by law, all of which are reserved, Purchaser shall be entitled to recover from Vendor all damages resulting from Vendor's breach of contract or breach of warranty, including but not limited to incidental and consequential damages. Purchaser will, if and when practicable, afford the Vendor an opportunity to correct such defects or deficiencies; but when, because of the condition or location of the vessel or other Property or for any other reason, it is impracticable or undesirable to return the vessel to the Vendor, such correction shall be effected at the Vendor's expense at such other location or locations and by such other contractor or contractors as Purchaser may determine.

7. Care of the Property. At all times during the term of the Purchase Order, Vendor shall protect the Property from any and all damage. At all times while any Property is on Vendor's premises, Vendor 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 the sole negligence of Purchaser. In case any of the vessel's machinery, equipment or fittings, such as winches, pumps, rigging, or pipe lines, is used by the Vendor, Vendor shall be held responsible for their reconditioning, if necessary, and shall make good any



damage resulting from such use.

8. Vendor Safety Responsibilities. The Vendor shall perform all Services in a safe manner. The Vendor shall inspect all work areas and use its best efforts to prevent accidents, injury or damage to all employees, persons and property and to the portion of the vessel upon which the work is done; and the Vendor further agrees that through its foremen, supervisors, or other responsible representatives it will notify Purchaser at once if any condition is or creates an unsafe, dangerous or improper place in which to work and the Vendor assumes the responsibility for seeing that such condition is corrected before proceeding with the Services.

9. Owner's Salvage/Scrap Rights. All salvage, scrap and other material removed from the vessel shall be the property of Purchaser unless otherwise specified.

10. Insurance. The following insurance requirements apply to Vendors providing Services:

(a) Vendor, at its sole cost (including the cost of all deductibles), shall procure and maintain in force the following insurance:

(i) U.S. Longshore and Harbor Workers' Compensation Act (U.S. L & H) coverage and/or workers' compensation coverage for Vendor's employees, contractors and agents as required by law;

(ii) Commercial general liability insurance, with limits of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Such insurance shall cover all operations by, or on behalf of, the Vendor including all operations by a subcontractor of Vendor. Such insurance shall cover bodily injury and property damage liability, including coverage for premises and operations; products and completed operations; broad form property damage, including property in the Vendor's care, custody and control. The policy shall be endorsed to cover the contractual indemnity obligations of these Terms and Conditions.

(iii) If Vendor is providing ship repair services and unless otherwise noted in the Purchase Order, Ship Repairer's Legal Liability Insurance, with limits of at least \$5,000,000, and including sudden and accidental pollution liability coverage;

(iv) Commercial Automobile Liability Insurance providing bodily injury and property damage liability coverage for all owned and non-owned vehicles assigned to or used in the performance of the work for a combined single limit of not less than \$1,000,000 each



accident or loss; and

(b) The foregoing insurance policies shall name Purchaser, its affiliated companies, and the United States of America as additional assureds, except that the U.S. L&H/workers compensation policy shall provide for a waiver of subrogation in favor of Purchaser and its affiliated companies. The foregoing insurance policies shall be endorsed to provide Purchaser with thirty (30) days' notice prior to cancellation or material change in coverage. The policies shall provide that there is no recourse against the USA for payment of premium. The foregoing insurance policies shall be issued by insurance companies with an AM Best rating of A- or better and otherwise in all ways acceptable to Purchaser, and shall be subject to Purchaser's approval as to limits, deductibles, form and substance. Vendor shall provide Purchaser with certificates of insurance evidencing the foregoing insurance policies prior to commencement of performance of the Purchase Order, and shall provide copies of all insurance policies upon request within five days. The N.Y. Suable Clause or Service of Suit U.S.A. Clause must be confirmed for any London underwriter placements. Purchaser allowing Vendor to commence performing Services without providing the required certificates shall not be deemed to be a waiver of any of Purchaser's rights with respect to insurance.

(c) If Vendor fails to procure and/or maintain any of the insurance required of it by this section, it shall indemnify Purchaser to the extent Purchaser suffers or incurs loss, damage, liability, or expense which would not have been suffered or incurred except for such failure. If Vendor shall, by any act or omission, vitiate or invalidate any of the aforesaid policies required to be obtained by such party, Vendor shall indemnify Purchaser to the extent Purchaser otherwise would have been covered or protected by said insurance.

11. Inspection by Vendor. The nature and location of the Services and all conditions which may affect their completion have been carefully inspected and considered by Vendor, who assumes all risk of loss and unanticipated expense, however caused and whether or not foreseeable.

12. Financial Capability Requirement. The Vendor shall supply, upon request of Purchaser, evidence satisfactory to Purchaser that the Vendor is financially able to satisfy all of its obligations relative to the Services.

13. Notice to Proceed/Performance Period. The Vendor shall perform the Services within the time period set forth on the Purchase Order. Performance time shall commence at the time set forth in the Purchase Order (or if no time is specified, time shall commence when the



Purchase Order is awarded) and to cease only when all Services specified therein have been completed to the satisfaction of Purchaser and all Vendor's equipment, tools and all rubbish have been removed from the vessel or other place of work. The Vendor's time is subject to extension in case of strike, or labor difficulties, or fire or explosion or causes beyond the Vendor's control. The Vendor shall promptly notify Purchaser's Port Engineer in the event performance will not be completed on time; such notice shall not however relieve Vendor of liability for failure to meet the prescribed deadline. It is mutually agreed that the waiving of, or the granting extension of time on one or more items of the Services shall not abrogate the contract as a whole, nor shall it relieve the Vendor from the obligation of complying with all the other terms and conditions of the Purchase Order and these Terms and Conditions in the time and manner specified. The issuance of requisitions for additional work shall in no way relieve the Vendor from complying with the terms of the contract unless specifically agreed in writing.