

ARROW LAUNCH SERVICE, INC. & ARROW MARINE SERVICES, INC.

STANDARD TERMS AND CONDITIONS OF SERVICES

1. GENERAL. These Standard Terms and Conditions of Services, and any term and condition herein not expressly waived or modified **in writing** by Arrow Launch Service, Inc. and/or Arrow Marine Services, Inc. and/or any sister company or division (collectively referred to as "Arrow"), shall become a part of any invitation to bid, request for quotation, purchase order or request for service, or contract as may be submitted to or awarded to Arrow, and apply to and are to be fully incorporated into each and every contract for services or sale of goods ("Contract"), entered into between Arrow and Customer as if fully stated in such Contract, whether such Contract is written or not in writing or partially not in writing. Service provided by Arrow is subject to these terms and conditions. Any conflicting terms and conditions, including additional terms or clauses not mutually agreed to, contained within a Customer-provided form, including without limitation, a purchase order or request for service, are hereby rejected. By accepting service without written objection thereto, Customer is presumed to have agreed to be bound by these terms and conditions. Waiver by Arrow of any term or covenant herein shall not be deemed a waiver of future compliance of the terms and covenants herein, and any and all other terms and covenants shall remain in full force and effect. These Terms and Conditions shall remain in effect as to all contracts between Arrow and Customer unless and until they are modified in writing signed by Arrow by any specific agreement or written notice of amendment of these Terms and Conditions is provided to Customer by Arrow. Providing a copy of these Terms and Conditions by mail, email, and/or posting on the web site of Arrow and notice of any amendment thereof to Customer or any agent of Customer shall be deemed to be notice to Customer.

Customer shall comply with all applicable laws (including United States Customs and Immigration and pollution statutes and regulations), governing transportation of persons and goods and storage of goods. In the event of breach of law by Customer or by any person placed on board an Arrow Launch Service vessel by Customer (including by any passenger, guest and contractor of Customer), Customer shall indemnify and hold harmless Arrow for any loss, damage or expense incurred by Arrow as a result thereof.

2. LAUNCH SERVICE. Launch services shall be governed by tariffs of Arrow filed with the Washington Utilities and Transportation Commission in effect when the services are rendered.

3. WAREHOUSING, STORAGE, DRAYAGE AND CARRIAGE OF GOODS SERVICES. Warehousing, storage, drayage and carriage of goods of Customer is governed by the following terms, unless specifically agreed to the contrary in writing.

3.1 It is agreed that any property of Customer warehoused, stored, drayed or carried by water by Arrow shall be at rates as may be agreed between the parties. Rates distributed to Customer from time to time shall govern, unless specifically agreed to the contrary. All such property may be moved, packed, stored, shipped, forwarded or otherwise handled at Customer's

risk and expense with respect to damage or loss not directly caused by failure of Arrow to use ordinary care, and then only upon the basis of Customer's declared valuation of the goods, except in the case of carriage of goods by water, which shall be governed by the United States Carriage of Goods by Sea Act, as amended ("COGSA"). The burden of proving any such failure shall be on Customer. With respect of carriage of goods by water, Arrow shall be entitled to all exclusions from liability and limitations of liability allowed to carriers by COGSA, which is incorporated herein by this reference.

3.2 Arrow's rates in part are based upon the value of goods as declared by Customer, regardless of actual value, and on the space occupied by the goods. The basic rate (except for goods carried by water) is based upon a declared value not to exceed ONE DOLLAR PER POUND, which shall be the value for all purposes and in no event that Arrow's liability, if any, for loss or damage, exceed such declared value. Should Customer declare higher value than ONE DOLLAR PER POUND, such value must be declared by Customer in writing before delivery of the goods to Arrow. In the latter event, the rate will be computed by adding to Arrow's basic rate the rate of \$5.00 per month for each \$100.00 valuation, or fraction thereof, specifically declared by Customer.

The maximum liability of Arrow for goods carried by water shall be \$500 per package or, for goods not carried in packages, per customary freight unit, unless a higher value is declared by Customer prior to delivery to Arrow, in which case the freight rate will be computed by adding to Arrow's basic rate the rate of \$5.00 per package or customary freight unit each \$100.00 valuation, or fraction thereof.

4. PROVISIONS AND WATER. Provisions and water may be provided to vessels as requested by Customer. PROVISIONS AND WATER ARE PROVIDED TO CUSTOMER BY ARROW WITHOUT WARRANTY, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY SPECIFIC PURPOSE. WATER SHALL BE FROM A MUNICIPAL WATER PROVIDER, BUT MAY BE STORED AND/OR CARRIED IN TANKS AND TRANSFERRED THROUGH EQUIPMENT THAT IS NOT APPROVED FOR POTABLE USES. ACCORDINGLY, WATER SHALL BE CONSIDERED BY AND ACCEPTED BY CUSTOMER AS NON-POTABLE.

5. PRIVATE HIRE OF VESSELS. Launches and unmanned barges of Arrow and its subcontractor(s) may be available for hire for specific uses by Customer.

5.1 With respect to the barge WOLF PACKER, Customer is familiar with the characteristics and condition of the WOLF PACKER, and its rental is without warranty as to its suitability for any specific purpose. With respect to private hire of an unmanned barge provided by Arrow, Customer will be responsible for towing the Barge to and from its usual berth, at Customer's expense. Customer will be responsible for any damage to the Barge beyond normal wear and tear which occurs during the period Customer is in possession of the Barge which results from the activities of Customer or its contractors/subcontractors.

5.2 Arrow Launch may agree to provide its launches for special projects involving more than carrying personnel of Customers and their contractors and subcontractors as passengers, such as when such personnel perform ship-side inspections, maintenance or repairs, and/or loading/unloading of supplies, tools and equipment, to other vessels from an Arrow launch. Unless otherwise agreed, rates for special service of a launch shall be based on launch service rates per Arrow's tariffs then in effect.

5.3 When personnel of Customer or of any contractor or subcontractor of Customer are aboard any of Arrow's vessels to perform ship-side inspections, maintenance or repairs, and/or loading/unloading of supplies, tools and equipment, such personnel (other than "seamen" employed by Customer who, as such, are exempt from coverage under such legislation) shall be insured under the U.S. Longshore & Harbor Workers' Compensation Act and/or the Washington state workers' compensation act, at Customer's risk and expense.

5.4 With respect to personnel and of Customer or of contractors or subcontractors placed by Customer on board the WOLF PACKER or any of Arrow's launches to perform inspections, maintenance or repairs, and/or loading/unloading of supplies, tools and equipment to or from any vessel or Arrow, and with respect to any supplies, tools or equipment of Customer while aboard an Arrow vessel used in such special projects, Customer shall indemnify and hold harmless Arrow Launch for any claim against Arrow arising from the presence of such personnel or supplies, tools or equipment of Customer on board the Arrow vessel.

6. WARRANTY AND DISCLAIMER OF ADDITIONAL WARRANTIES, LIMITATION OF REMEDIES.

6.1 Arrow warrants the workmanship of any services provided and quality of goods sold or provided to be free from defects in material and workmanship for a period of 6 months after date services are rendered or goods are delivered. Customer must notify Arrow at its principal place of business of any claimed deficiency within ten days of notice of the claimed deficiency or this warranty terminates and is of no force or effect. Customer shall be entitled to any additional warranty or warranties provided by any supplier or independent contractor, but Arrow shall have no liability under such additional warranties. The foregoing warranties with respect to work performed and goods which may be sold are in lieu of, and Arrow specifically disclaims, any and all other warranties, express or implied, including any warranty of workmanlike service, merchantability or of fitness for a particular purpose, usage or trade.

6.2 EXCEPT AS MAY OTHERWISE BE SPECIFICALLY PROVIDED HEREIN, THE SOLE REMEDY OF CUSTOMER FOR ANY BREACH OF WARRANTY OR ANY OTHER OBLIGATION ARISING FOR ANY SERVICES OR GOODS PROVIDED BY ARROW, ITS PRINCIPALS, AGENTS, SUBCONTRACTORS, VESSELS AND/OR EMPLOYEES SHALL BE REFUND OF THE COMPENSATION PAID TO ARROW FOR THE SERVICE OR GOODS IN ISSUE. **ARROW, ITS PRINCIPALS, AGENTS, SUBCONTRACTORS, VESSELS AND/OR EMPLOYEES SHALL IN NO EVENT BE LIABLE TO CUSTOMER OR TO ANY THIRD PARTY FOR ANY CLAIMS FOR LOSS OR DAMAGE FOR ANY**

REASON WHATSOEVER, INCLUDING FOR BREACH OF WARRANTY, OR FOR NEGLIGENCE OR STRICT LIABILITY IN TORT, FOR ANY INCIDENTAL, CONTINGENT, SPECIAL OR CONSEQUENTIAL OR COMMERCIAL DAMAGES OF CUSTOMER (INCLUDING LOSS OF USE AND/OR LOSS OF PROFITS AND/OR LOSS, DAMAGE OR INJURY OR DEATH TO ANY PERSON OR ANY OTHER PROPERTY) ARISING FROM SERVICES PROVIDED OR TO BE PROVIDED UNDER CONTRACT OR OTHERWISE, OR OUT OF GOODS SOLD AND/OR INSTALLED BY ARROW OR ANY SUPPLIER OR SUBCONTRACTOR OF ARROW AND/OR THE USE OR OPERATION OF, OR IN ANY WAY CONNECTED WITH, THE SERVICES PROVIDED OR TO BE PROVIDED BY ARROW, FROM WHATEVER CAUSE.

7. PAYMENT.

7.1 All invoices shall be due and payable in net cash within thirty (30) days following the date of the invoice unless otherwise specified. **Interest of 1.5% per month (18% per annum), or, if a lesser amount is the maximum allowed by applicable law, the maximum amount allowed by applicable law, will be added to any past due account.**

7.2 In the event any invoice of Arrow is not paid when due and at the sole discretion of Arrow any unpaid account is referred to an attorney for collection, Customer shall be liable for all reasonable attorney fees incurred by Arrow in such collection proceedings, together with any costs of suit, arbitration or other action.

7.3 All claims against any invoice must be reported to Arrow within ten days of invoice.

8. CERTIFICATIONS OF CUSTOMER. By offering any goods or other material for transportation or warehousing or storage aboard the vessels or other facilities of Arrow, Customer certifies that such goods are fully and accurately described by the proper shipping name and are properly classified, packaged, marked and labeled/placarded, and are in all respects in proper condition for transport and/or storage according to applicable governmental regulations. By such offering, Customer further certifies that the goods or other material is not regulated as a hazardous waste, dangerous waste, or a hazardous or dangerous material, unless otherwise described on an accompanying hazardous or dangerous waste or material manifest. If offering used oil, Customer certifies that such used oil meets the definition of used oil in 40 CFR Part 279 and WAC 173-303-515. Customer agrees to indemnify and hold harmless Arrow for any damages, costs, attorneys fees, and expert fees arising out of or in any way related to a breach of the above certifications.

9. FORCE MAJEURE.

Arrow shall not be liable for loss, damage or delay in shipment or delivery due to failure of happening of any event or condition rendering performance of any contract commercially impracticable or to any causes beyond Arrow's direct control, including but not limited to, act of God, any act or omission of Customer, civil or military authorities, fire, flood, wind, storm, earthquake, volcanic eruptions, strikes, lockouts or other labor disturbances, civil commotion, war, quarantine, restrictions, epidemics, delays in transportation, late delivery by Arrow's suppliers or subcontractors, fuel or other energy shortages.