

Carver Marine Steel Works, LLC

Standard Terms & Conditions (Version 2: **2025-08-01**)

1. Application; Acceptance. These Terms apply to all quotations, proposals, work/repair orders, and service agreements (each, a "**Proposal**") issued by Carver Marine Steel Works, LLC ("**CMSW**," "**we**," "**us**"). "**Work**" means all services, labor, materials, equipment, and deliverables described in the Proposal. Customer accepts these Terms by signing the Proposal, issuing a purchase order referencing the Proposal, scheduling or delivering any vessel/equipment to CMSW's facility, or otherwise authorizing/accepting any Work. CMSW rejects any additional or different terms in any Customer document; starting/continuing Work is not assent to such terms.

2. Order of Precedence. If there is a conflict, the following controls: (1) these Terms; (2) the Proposal; (3) any other document. Customer PO terms are rejected and have no effect.

3. Scope; Changes; Standby. CMSW will perform the Work described in the Proposal. Any work not expressly included is a change and requires written approval (email sufficient). Changes, latent defects, class/flag or regulatory requirements, and Customer-requested modifications entitle CMSW to equitable price/schedule adjustments. Waiting/standby, mobilization, overtime/premium time, lack of access, interference by Customer/its contractors, or extra handling not caused by CMSW are chargeable at CMSW's then-current rates.

4. Schedule; Delays; Safety Stop-Work. CMSW will use commercially reasonable efforts to meet the agreed schedule. Schedule is extended and CMSW is excused to the extent delay is caused by force majeure, discovery conditions, class/flag or regulatory requirements, Customer changes, third-party delays, or Customer acts/omissions (including late payment). CMSW may suspend Work for unsafe conditions, noncompliance with site rules, or environmental concerns; schedule is extended and additional costs are chargeable for any suspension not caused by CMSW.

5. Prices; Escalation; Invoicing; Payment. Prices are in U.S. dollars, exclusive of taxes/fees. Unless expressly fixed, pricing is an estimate based on information then available. Documented post-Proposal increases in steel, materials, energy, fuel, or labor may be passed through via equitable adjustment. CMSW may invoice progress as milestones are achieved or every two (2) weeks, whichever occurs first. Invoices are due net thirty (30) days from invoice date. Past-due balances accrue interest at 1.5% per month (or the maximum lawful rate). **No setoff/backcharge:** Customer shall not withhold, backcharge, or set off amounts unless (i) CMSW agrees in a signed writing and (ii) liability is finally established. CMSW may suspend Work or withhold redelivery for nonpayment.

6. Adequate Assurance; Credit Protections. CMSW may at any time require reasonable assurances of payment/performance (including deposits, milestones, or security). Failure to provide assurances within five (5) days is a material breach; CMSW may suspend Work and withhold redelivery until provided.

7. Taxes & Duties. Customer is responsible for sales, use, VAT, import, customs, and similar taxes/fees (excluding CMSW's net income taxes).

8. Risk of Loss; Custody; Storage. Risk of loss to the vessel/equipment remains with Customer at all times; CMSW is not a bailee or insurer. After completion notice, Customer shall promptly arrange redelivery/collection. If the vessel/equipment remains at CMSW beyond the agreed redelivery date, dockage, caretaking, and storage apply at CMSW's then-current schedule, and risk remains with Customer.

9. Title; Liens; Security Interest. Title to parts/materials supplied by CMSW passes upon full payment. CMSW has a maritime lien and all other applicable liens for necessities furnished to the vessel and may retain possession until paid in full. For goods not subject to a maritime lien, Customer grants CMSW a purchase-money security interest in goods, parts, and materials supplied until paid; Customer authorizes CMSW to file UCC financing statements.

10. Removed Parts; Scrap; Disposal. Unless identified in the Proposal, removed parts and scrap become CMSW property upon removal. If Customer requests return, it must collect within five (5) days of notice; storage/handling apply at CMSW's rates. Hazardous removal/disposal is at Customer's cost unless otherwise agreed.

11. Customer Responsibilities. Customer shall (a) deliver the vessel/equipment in a safe, clean, accessible condition; (b) remove/secure personal property, fuels, oils, cargo, and hazardous substances not required for the Work; (c) provide accurate technical data, drawings, and class/flag requirements and access to knowledgeable personnel; (d) obtain third-party approvals not expressly assumed by CMSW; and (e) ensure its crew/representatives/contractors comply with CMSW safety, security, and environmental rules.

12. Design/Professional Services Disclaimer. Any drawings, recommendations, or methods provided by CMSW are for fabrication/repair convenience only and are not design or professional engineering services. CMSW makes no warranty of fitness for a particular purpose or compliance with class/flag unless expressly stated in the Proposal.

13. Inspection; Acceptance; Trials. Customer shall inspect Work at CMSW's facility prior to redelivery and promptly identify issues. If sea trials or operational testing are requested/required, they are at Customer's expense and risk. The vessel's departure from CMSW's facility constitutes acceptance of the Work, subject only to the express warranty below.

14. Warranty; Exclusions; Exclusive Remedy; Disclaimers.
(a) **Warranty.** CMSW warrants Work will be performed in a workmanlike manner consistent with industry standards and that CMSW-supplied materials will be new and free from defects in workmanship and material for **thirty (30) days** from the earlier of redelivery or substantial completion.
(b) **Exclusions.** Normal wear, corrosion/erosion/cavitation; misuse; improper operation/maintenance; accident; external events; Customer-provided designs/specs/materials/instructions; and third-party work after redelivery.
(c) **Exclusive Remedy.** CMSW's sole obligation and Customer's exclusive remedy is repair/re-performance of defective Work or refund of the price paid for the defective portion, at CMSW's option. Warranty work is performed at CMSW's facility; Customer bears towing, docking, transport, launch, and related costs.
(d) **Disclaimers.** To the fullest extent permitted by law, CMSW disclaims all other warranties, express or implied, including merchantability and fitness for a particular purpose.

15. Limitation of Liability. IN NO EVENT IS CMSW LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR INDIRECT DAMAGES, INCLUDING LOSS OF USE, DELAY, DEMURRAGE, TOWAGE, LOST PROFITS/REVENUE, OR CUSTOMER'S LIQUIDATED DAMAGES, HOWEVER CAUSED. CMSW'S AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THE WORK SHALL NOT EXCEED THE AMOUNT PAID TO CMSW FOR THE SPECIFIC WORK DIRECTLY GIVING RISE TO THE CLAIM. These limits apply regardless of theory and even if advised of the possibility.

16. Indemnity. Customer shall indemnify, defend, and hold harmless CMSW, its affiliates, and their employees/agents from and against all third-party claims, losses, liabilities, and expenses (including reasonable attorneys' fees) arising out of: (a) the condition, operation, loading/unloading, navigation, or seaworthiness of the vessel/equipment; (b) Customer's breach of these Terms; (c) Customer-provided designs/specs/materials; or (d) hazardous materials brought by or on behalf of Customer.

17. Insurance. Customer shall maintain Hull & Machinery and P&I (or equivalent) with limits customary for the vessel/equipment and operations, naming CMSW and its affiliates as additional insureds and providing waivers of subrogation. Certificates shall be furnished on request. CMSW maintains workers' compensation and general liability as required by law.

18. Environmental; Hazardous Materials. Customer warrants the vessel/equipment is free of hazardous or radioactive materials (including asbestos, PCBs, contaminated bilge/sludge) except as disclosed in writing before delivery. Unless otherwise agreed, Customer is responsible for removal, handling, and disposal of hazardous substances and any contamination caused by the vessel/equipment.

19. Force Majeure; Cyber/IT Events. CMSW shall not be liable for failure or delay due to causes beyond its reasonable control, including acts of God, flood, fire, war, terrorism, labor disputes, epidemics/pandemics, supply-chain disruptions, cyber incidents, telecommunications failures, data corruption, or governmental actions. Performance is excused for the duration; schedules will be adjusted accordingly.

20. Compliance; Export Controls; Sanctions; Anti-Corruption. Customer represents that it, its owners, and the vessel are not subject to applicable sanctions and will comply with all export control, sanctions, and anti-corruption laws. CMSW may suspend/terminate if a sanctions/compliance concern arises; Customer shall pay for Work performed and costs incurred.

21. Confidentiality. Non-public technical, commercial, or pricing information exchanged in connection with the Work is confidential and shall not be disclosed except to the receiving party's personnel/contractors under obligations of confidentiality or as required by law.

22. Subcontracting; Relationship; Third-Party Beneficiaries. CMSW may subcontract portions of the Work. CMSW is an independent contractor. There are no third-party beneficiaries.

23. Notices; E-Signatures. Notices may be given by email with confirmation of transmission and are effective upon sending during business hours (next business day if sent after hours). Electronic signatures and records are legally binding.

24. Government Customers; Immunity. If Customer is a governmental/public entity, it represents it has authority to arbitrate and **waives sovereign immunity** to the extent necessary to (i) arbitrate, (ii) confirm/enforce awards, and (iii) obtain provisional relief.

25. Claims Procedure; Time Bars; Inspection Opportunity. Customer shall give CMSW written notice of any claim within **ten (10) days** after discovery and make the vessel/equipment reasonably available for CMSW inspection before any repair by others; failure to do so **bars the claim** to the extent CMSW is prejudiced. Any arbitration must be commenced within **nine (9) months** after the cause of action accrues.

26. Dispute Resolution; Governing Law; Venue; Waivers. Senior executives shall first confer in good faith. If unresolved within thirty (30) days, **any dispute shall be finally resolved by binding arbitration administered by the American Arbitration Association (AAA) under its Commercial Arbitration Rules.** Seat/venue: **Albany, New York**; one arbitrator. **U.S. general maritime law** governs; where maritime law is silent, **New York law** applies without regard to conflict-of-laws rules. Either party may seek provisional or injunctive relief in the state or federal courts located in Albany County, New York, to aid arbitration or enforce awards. **No class/collective proceedings; claims must be brought individually. To the extent any dispute is litigated, the parties waive jury trial.**

27. Assignment; Survival; Interpretation. Customer may not assign without CMSW's prior written consent. Sections relating to payment, liens/security, warranty limits, limitation of liability, indemnity, confidentiality, time bars, dispute resolution, and governing law survive. These Terms are the product of arm's-length negotiation and shall not be construed against either party as drafter.

28. Entire Agreement; Amendments; Severability; Waiver; Headings. These Terms and the Proposal constitute the entire agreement and supersede prior discussions. No amendment is binding unless in a writing issued by CMSW (including updated Terms posted at the URL and identified by version date) or signed by both parties. If any provision is invalid, the remainder remains in full force. A waiver of one breach is not a waiver of any other. Headings are for convenience only.

Contact: Legal Department, Carver Companies, 26 Corporate Circle, Albany, NY 12203.