

Alaska Railroad Corporation

TERMS & CONDITIONS

1. Complete Agreement Acceptance of this order is expressly limited to the following terms and conditions. This purchase order and any written instructions contain the complete and final agreement between ARRC and Seller. No other agreement shall be binding on the ARRC unless agreed to.
2. **Price Increase** Unless ARRC consents in writing this order may not be filled at a price higher than set out on its face, or in the absence of a stated price, at a higher price than that previously quoted or charged to ARRC.
3. **Packing, Marking and Shipping** (a) All goods shall be properly packaged to prevent damage or deterioration and to obtain the lowest transportation rates. ARRC will pay no charge for preparation, crating, dunnage or other materials unless separately stated on this order. (b) Each packing slip, bill of lading, invoice, container, tag and correspondence shall bear the applicable purchase order number. (c) A weatherproof master packing slip shall accompany each shipment and shall be included in one of the packages marked "Packing Slip Inside" or in the case of carload shipment be conspicuously displayed on the inside of the car. (d) The original bill of lading shall be mailed to the ARRC Purchasing Department.
4. **Improper Delivery** If for any reason the Seller fails to make timely deliver, ARRC may approve a revised delivery schedule, request shipment via air or expedited routing (at Sellers expense) or terminate this order without liability. Seller will not be liable for damages resulting from delays due to causes beyond Sellers reasonable control provided Seller promptly notifies ARRC when any such delay becomes apparent. The remedies provided in this paragraph shall be cumulative and in addition to any other remedies ARRC may have.
5. **Inspection** All goods are subject to inspection and acceptance by ARRC within a reasonable time after they arrive at destination. ARRC shall notify Seller if any goods are rejected. At ARRC's election rejected goods may be held for the Sellers account or returned to Seller at Seller's risk and expense. No replacement or correction of nonconforming goods shall be made by Seller without written authorization from ARRC.
6. **Warranty** Seller warrants that the specified supplies covered by this order will conform to the specifications, drawings, samples or other description furnished or specified by ARRC, and will be fit and sufficient for the purpose intended, merchantable, of good material and workmanship, and free from defects.
7. **Termination at Option of ARRC** ARRC, at its option, may terminate part or all of this purchase order by written notice to Seller. Upon termination, (a) as to goods or services completed prior to receipt of notice, ARRC shall pay seller the pro-rated portion of the total purchase price, (b) as to work in progress prior to receipt of notice ARRC shall pay Seller only for direct expenditures on work specifically identified in this order (in no event shall ARRC be liable for incidental, consequential, or punitive damages, overhead, or other direct or indirect costs, or lost profits). In any event, all completed goods shall be property of ARRC and shall be held by Seller until receipt of shipping instructions from ARRC. Payments made under this paragraph shall not exceed the aggregate price specified in this order.
8. **Changes** ARRC may by written order make changes in drawings and specifications, method of packing and shipping, and the time and place of delivery of goods. Seller shall notify ARRC within ten days after receipt of the order if the change will affect the time of performance or the amount to be paid by ARRC, and an adjustment will be negotiated.
9. **Compliance with Laws and Regulations** Seller agrees that in the performance of this order it will comply with the requirements of all applicable statutes and regulations and will indemnify and save the ARRC harmless from any claim, loss or damage arising from the Seller's violations on them.
10. **Miscellaneous**
 - a. Any assignment of this order or any interest in it without the prior written approval of ARRC shall be void.
 - b. No waiver of any provision of the purchase order shall constitute a waiver of any other provision, or a waiver of any subsequent default by Seller.
 - c. "Usage of Trade" shall not be applicable to this order unless consistent with its terms.
11. Contractor shall submit an invoice that references the purchase order number on it to the ARRC for payment. Invoices shall be sent to the Alaska Railroad Corporation, Accounts Payable Dept, PO Box 107500, Anchorage, AK 99510-7500.