



**moran**

New York/New Jersey

A DIVISION OF MORAN TOWING CORPORATION

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**Schedule of Rates, Terms and Conditions**

**Effective: April 1, 2018**

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**TOWAGE AGREEMENT**  
**Port of New York and New Jersey**

Dated: \_\_\_\_\_

It is hereby agreed between Messrs: \_\_\_\_\_ (hereinafter called "OWNERS") and Moran New York/New Jersey, a division of Moran Towing Corporation (and its successors) (hereinafter called "MORAN") that MORAN will furnish Tugs for and attend to all the towage requirements at the Port of New York and New Jersey and other agreed locations of Vessels owned, managed or controlled by OWNERS, and OWNERS agree to place all of their towage requirements at the Port of New York and New Jersey and other agreed locations with MORAN in accordance with the then current "Schedule of Rates, Terms and Conditions" (the "Contract"), as may be amended from time to time.

OWNERS agree that MORAN shall have the right at any time, upon thirty (30) days advance notice to OWNERS, to increase its rates or adjust terms or conditions, but if OWNERS do not consent to such changes they may cancel this Contract upon fifteen (15) days written notice to MORAN.

This Contract shall remain in force from \_\_\_\_\_ and shall continue thereafter from year to year until cancelled by either party giving to the other **thirty** (30) days' notice in writing prior to the annual expiration date.

**Acceptance:**  
**OWNERS**

**Moran New York/New Jersey**  
Division of Moran Towing Corporation

By: \_\_\_\_\_  
Authorized Signature

By: \_\_\_\_\_  
Vice President

ALL TUG SERVICES REQUESTED BY OR ON BEHALF OF A VESSEL ARE PERFORMED BY MORAN SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH IN THE THEN CURRENT "SCHEDULE OF RATES, TERMS AND CONDITIONS" (WHICH SCHEDULE INCLUDES LIMITATIONS AND DISCLAIMERS WITH RESPECT TO PERFORMANCE OF SAID SERVICES AND OBLIGATIONS AND OPTIONS FOR OWNERS). THE SCHEDULE IS APPLICABLE TO TUG SERVICES PERFORMED FOR ALL VESSELS WHETHER OR NOT SAID VESSELS ARE SUBJECT TO AN EXCLUSIVE TOWAGE AGREEMENT. NO TERM OR CONDITION OF THE SCHEDULE MAY BE DELETED OR AMENDED UNLESS AGREED TO IN A WRITING SIGNED BY AN OFFICER OF MORAN AND BY OWNERS. THE CURRENT SCHEDULE OF RATES, TERMS AND CONDITIONS IS PUBLISHED ON MORAN'S WEBPAGE AT [WWW.MORANTUG.COM](http://WWW.MORANTUG.COM)

**DEFINITIONS:** As used herein, the following terms shall mean:

**“Deadship”:** a Vessel that at the commencement of any services requested from and provided by MORAN does not have use of, or which will not be using, its propelling power and/or steering.

**“Escort / Tethered Tugs”:** services in which a Tug is requested or required to attend upon a Vessel during transit and provide services beyond those traditionally associated with docking/undocking of Vessels in the port. Tethering shall mean a Tug’s line is attached to the Vessel during this service.

**“MORAN”:** Moran Towing Corporation, Moran New York/New Jersey, a division of Moran Towing Corporation, and its successors.

**“Owners”:** collectively, the owner, charterer, operator and manager of the Vessel receiving Tug Services from Moran.

**“Schedule”:** the Schedule of Rates, Terms and Conditions for the applicable port that is in effect on the date that Tug Services are rendered to a Vessel. A current copy of the Schedule may be found on MORAN’s webpage at [www.moranTug.com](http://www.moranTug.com).

**“Tug” or Tugs”:** the Tugboats provided or arranged by MORAN to perform the requested Tug Services.

**“Tug Interests”:** MORAN, the Tugs, their respective owners, affiliates, operators, charterers, managers, underwriters, masters and crews.

**“Tug Station”:** the Tug’s customary berth at the MORAN facility or, if applicable, the berth or other place from which the Tug departed to perform the Tug Services and/or to which it proceeded following the provision of such Tug Services.

**“Tug Services”:** any activities or services which a Tug provides to the Vessel, including but not limited to, docking, undocking, shifting, escorting, tethered escorting, hourly or standby services, line handling or any of the other such actions a Tug may be requested to provide.

**“Vessel”:** shall mean a Vessel that receives Tug Services.

**SCOPE:**

THE FOLLOWING SCHEDULE OF RATES, TERMS AND CONDITIONS SHALL APPLY FOR TUG ASSISTANCE TO VESSELS IN THE PORT OF NEW YORK/NEW JERSEY AND ITS TRIBUTARIES IN CLEAR WATER AND SAFE BERTHS.

**1 DOCKING AND UNDOCKING SERVICES IN THE PORT OF NEW YORK AND NEW JERSEY**

The following Schedule of rates sets forth the single charge for each docking or each undocking of a Vessel. This rate is obtained by referring to the Vessel’s appropriate tonnage column and extending out to the appropriate geographical zone where the work is performed. Tonnage is the Vessel’s highest applicable tonnage published in the edition of Lloyd’s Register of Shipping that is current on the date that service is rendered hereunder. As an aid in determining the correct geographical zone, please refer to the zone description and the map shown on the back of this Contract. Rates for locations in the vicinity of the Port of New York and New Jersey, other than those set forth below, will be furnished upon request.

**TANK VESSELS**

FIGURES IN DEADWEIGHT TONS	ZONES													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	25001-30000	4,682	4,460	4,899	5,746	4,515		4,921	4,460	5,245	5,253	5,829	6,061	5,746
30001-35000	5,535	5,275	5,790	5,912	5,327		5,805	5,144	6,190	5,980	6,410	7,377	5,912	6,114
35001-40000	6,385	6,092	6,677	6,340	6,146		6,720	5,980	7,130	6,834	7,023	8,394	6,340	7,047
40001-45000	7,231	6,905	7,567	7,188	6,967		7,616	6,878	8,092	7,734	7,657	9,281	7,188	7,989
45001-50000	8,085	7,714	8,450	8,306	7,795		8,469	7,709	9,039	8,664	8,404	10,377	8,306	8,929
50001-55000	8,936	8,530	9,341	9,175	8,606		9,364	8,438	10,004	10,025	9,303	11,469	9,175	9,872
55001-60000	9,782	9,340	10,239	10,058	9,433		10,295	9,282	10,944	10,984	10,189	12,558	10,058	10,809
60001-65000	10,632	10,151	11,121	10,927	10,248		11,191	9,910	11,890	11,942	11,072	13,644	10,927	11,750
65001-70000	11,485	10,965	12,017	11,660	11,068		12,080	10,796	12,850	12,908	11,966	14,743	11,660	12,693
70001-75000	12,338	11,777	12,901	12,430	11,883		12,970	11,502	13,794	13,851	12,848	15,836	12,430	13,633
FOR EACH 5000 TONS OR PORTION ADD:	851	815	884	878	820	0	901	744	946	960	884	1094	878	943

**PASSENGER VESSELS**  
NET REGISTERED TONNAGE

UP TO	25001	27501	30001	32501	35001	37501	40001	FOR EACH 2500 TONS OR PORTION
25000	27500	30000	32500	35000	37500	40000	42500	
4,352	4,665	4,980	5,288	5,608	5,928	6,249	6,569	320

**OTHER VESSELS**

(To include container Vessels, general cargo Vessels, OBO Vessels and all others except tank Vessels and passenger Vessels.)

FIGURES IN NET REGISTERED TONS	ZONES													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
7001—8000	4,645	4,911	5,160	8,551	5,160	0	8,551	5,248	4,239	4,645	5,483		4,937	4,997
8001—9000	5,177	5,442	5,745	8,739	5,745	0	8,739	6,061	4,815	5,261	5,561		5,587	5,676
9001—10000	5,708	5,973	6,329	8,936	6,329	0	8,936	6,638	5,381	5,676	5,676		6,264	6,347
10001—11000	6,239	6,505	6,913	9,129	6,913	0	9,129	7,329	5,944	5,829	5,829		6,907	7,014
11001—12000	6,770	7,036	7,498	9,332	7,498	0	9,332	7,847	6,061	6,061	6,061		7,567	7,681
12001—13000	7,302	7,567	8,083	9,716	8,083	0	9,716	8,502	6,219	6,264	6,293		8,229	8,339
13001—14000	7,833	8,099	8,668	10,103	8,668	0	10,103	9,214	6,410	6,446	6,489		8,881	9,016
FOR EACH 1000 TONS OR PORTION	531	531	585	700	585	0	700	674	504	531	585		585	667
ADD:														

**Terms and Conditions**

All Tug services are furnished subject to the terms and conditions set forth in this Contract. Receipt by or on behalf of OWNERS of any service described in this Contract shall constitute acceptance by OWNERS of all the terms and conditions set forth herein. MORAN reserves the right to decline any order for service hereunder.

**2 HOURLY RATE**

In addition to the services/rates set forth in paragraph 1, the following services will be billed at an hourly rate per Tug of \$1,032.00 with a two (2) hour minimum. This rate will be prorated to the nearest quarter hour. Running time for all services is chargeable at the hourly rate based on the zone schedule below.

**Transporting**

Transporting is Tug service performed in connection with the movement of a Vessel from berth to berth, berth to anchor, anchor to berth and anchor to anchor whether or not the Tug is made fast to the Vessel and shall be charged at the hourly rate plus applicable zone running times.

**Attendance**

Attendance to a Vessel, including service at anchorage or similar Tug service, shall be charged at the above hourly rate plus applicable zone running times.

**Additional Tugs**

When additional Tugs are ordered for a docking or an undocking beyond those normally used under the prevailing conditions of weather, tide or currents at the time the service is performed, the above hourly rate shall be charged plus applicable zone running times for each additional Tug.

**3 ZONE RUNNING TIME SCHEDULE**

**ZONES FOR CALCULATING RUNNING TIME**

Zone	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Running Time in Hrs	1¼	1½	2	2¼	2½	3	3¼	1¼	1¼	1	1½	2	1½	2	2½	2½

#### **4 CANCELLED ORDERS**

The charge for orders cancelled prior to arrival of the Tug at the location ordered will be two-thirds of the applicable rate. If orders are cancelled at least four hours prior to the ordered time, there will be no charge.

#### **5 REPORTING CHARGES**

When a Tug reports to the location ordered and the orders are then cancelled, the charge will be three-quarters of the applicable rate.

#### **6 TRACTOR TUG – TETHERED MODE**

If a tug or tugs are requested or required to escort or assist a vessel tethered and operated in the direct, arrest, or indirect mode, a rate of 1.5 times the hourly rate per tug will apply for the time services are provided including the zone run time to and from the vessel. This service will be subject to two (2 hour) minimum per tug.

#### **7 DETENTION**

The rates set forth herein include waiting time of up to one-half hour measured from the time the Tug reports for the service (but not earlier than the time ordered). Waiting time in excess of one-half hour shall be charged at a rate of \$1,032.00 per hour per Tug, prorated to the nearest quarter hour. In addition, if the Vessel is delayed for any reason not attributable to MORAN after commencement of the work, all such delay shall be charged at a rate of \$1,032.00 per hour, per Tug, prorated to the nearest quarter hour.

#### **8 ICE CHARGES**

When a Tug is operating in ice conditions, when providing any Tug services, the charge will be 50 percent above the applicable rate shown on this schedule.

When it is necessary for a Tug to break ice prior to docking or undocking a Vessel, or to clear an ice bound slip, for any reason, the charge will be an hourly rate of \$1,548.00 per Tug, measured from Tug Station to Tug Station. No running time will be charged if the Tug is also used in the docking or undocking operation. Hourly rates will be pro-rated to the nearest quarter hour.

#### **9 DEADSHIP AND OTHER SERVICES**

Rates for Deadship moves and for all other services not covered by the above rates, will be furnished upon request. For all services rendered to Deadships, MORAN and OWNERS agree as follows:

- a. In consideration of the uncertain towage characteristics of a Deadship and of MORAN's agreement to furnish Tug Services to said Deadship hereunder, OWNERS agree (i) to maintain hull and machinery insurance in an amount at least equal to the full value of the Deadship, (ii) to maintain full form protection and indemnity insurance in an amount not less than one hundred million dollars (U.S. \$100,000,000.00) and (iii) to name Tug Interests (as hereinafter defined) as named assureds or joint members (as applicable) with waiver of subrogation in favor of said assureds in all said policies. OWNERS shall be responsible to Tug Interests (as hereinafter defined) for any deductibles maintained with respect to said insurances. OWNERS further agree to provide to MORAN proper evidence of such insurance prior to commencement of a Deadship move. For an absence of doubt, it is the intent of this subparagraph 9 (a) to extend to Tug Interests, as primary cover for any liability arising out of performance of Tug Services hereunder to a Deadship for which Tug Interests may be liable, the enumerated insurances maintained by OWNERS on the Vessel assisted.
- b. The Limitation of Liability terms set forth in Paragraph 13 shall apply to all Tug Services rendered to Deadships.
- c. OWNERS shall make all necessary arrangements for a master and, if required or deemed advisable, a duly licensed pilot to serve aboard the Deadship, and to direct the navigation of the flotilla. In the event that OWNERS utilize a pilot, the pilot shall be deemed the borrowed servant of the Deadship assisted and her owner or operator for all purposes and in every respect, his services while so engaged being the work of the Deadship assisted, her owner and operator, and being subject to the exclusive supervision and control of the Deadship's master or OWNERS' other command personnel aboard. MORAN's Tugs will act at all times in accordance with the direction of the pilot and master, as applicable, which personnel shall be solely responsible for navigating the Deadship flotilla.

#### **10 VESSELS AGROUND OR IN DISTRESS**

Rates for Tug Services to Vessels aground or in distress or when performed during heightened Coast Guard port conditions will be furnished upon request. The provision of such Tug Services to any Vessel aground or in distress or during heightened Coast Guard port conditions shall be subject to the terms and conditions of this Contract in all instances. However, MORAN reserves the right to perform such Tug Services under different terms and conditions to be agreed, dependent upon the particulars of the specific event.

#### **11 USE OF OTHER TUGS**

All or part of any Tug Service performed hereunder may be subcontracted without notice to OWNERS. Any such subcontractor shall be considered an independent contractor and not an agent, servant or employee of MORAN. If at any time MORAN Tugs are not conveniently available for the required services, MORAN will endeavor to designate or engage other Tugs to provide some or all of the service, but MORAN shall not be liable for damages in case it is not able, at any time, for any reason, to furnish such service. Any non-Moran Tug designated or engaged by MORAN to perform services requested by OWNERS and said Tugs' owners, master and crews shall have, while performing such services, the benefit of all of the terms and conditions contained in the Schedule or therefore agreed between MORAN and OWNERS. However, if for any reason, at any time MORAN is unable to have Tugs owned or specified by it on hand to serve OWNERS' Vessels, OWNERS are at liberty to engage any other Tugs to serve it at such time but without the right to charge MORAN any difference in price. In agreeing to endeavor to provide this substitute service, it is understood and agreed that MORAN does not either expressly or impliedly warrant the seaworthiness, power, equipment, or competency of the crew of the Tug or Tugs engaged by MORAN to supply the services requested by OWNERS.

## 12 FORCE MAJEURE

Tug Interests shall not be responsible or liable for any expense, loss, damage or claim whatsoever caused by or resulting from delays, failures or omissions hereunder in the performance of Tug Services due to strikes, lockouts, labor disturbances, riots, fire, earthquakes, storm, lightning, epidemics, war, disorders, acts of God, acts of the public enemy, port congestion, mechanical breakdowns, shortage of Tugs, priorities in service, or any other cause whatever beyond their control.

## 13 DAMAGE CLAIM TIME LIMITS AND FORUM

OWNERS shall notify MORAN of any claim, including damage to a Vessel that allegedly occurred during performance of the requested Tug Services hereunder. Such notice shall be in writing and shall be delivered as soon as practicable, but not later than 48 hours following the alleged occurrence. MORAN shall be afforded an opportunity to inspect or survey any alleged damage before commencement of any repairs. Notwithstanding any statute or rule of law providing for a longer period within which to file suit, any action in any forum to recover damages or any other forms of redress from Tug Interests, or any of them, shall be commenced within one (1) year after the occurrence giving rise to the claim, failing which said claim shall be deemed waived. This Schedule shall be governed by and construed in accordance with the Maritime Law of the United States and, to the extent not in conflict therewith, by the laws of the state of New York, excluding its conflict of laws rules. The parties agree that any proceeding involving this Schedule or the Tug Services performed hereunder shall be brought in the United States District Court for the Southern District of New York or, if said court shall not have jurisdiction thereof, then in a state court of competent jurisdiction sitting in New York County, New York. Tug Interests and Owners irrevocably waive their right to trial by jury with respect to any claim or dispute arising in whole or in part out of the terms and conditions of this contract or the provision of Tug Services to a Vessel.

## 14 LIMITATION OF LIABILITY

a. The furnishing of any service or anything done in connection therewith, shall not be construed to be or to give rise to a personal contract, and Tug Interests shall have the benefit of all exemptions from, and limitations of, liability to which an owner of a Vessel is entitled under the Limitation of Liability Statutes of the United States.

MORAN WARRANTS THE EXERCISE OF REASONABLE CARE IN THE PERFORMANCE OF TUG SERVICES BUT DISCLAIMS ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF WORKMANLIKE SERVICE.

b. Unless entitled to immunity or to defenses to, exemptions from, and/or limitations of liability provided herein or under any applicable law, rule or regulation that would reduce their liability to an amount less than that hereinafter set forth, Tug Interests shall be liable, only to the extent of their negligence, which negligence shall not be assumed but shall be proven affirmatively, for claims, demands, causes of action, liabilities and costs (including any and all third party claims) arising out of or in connection with any occurrence or series of occurrences related to the provision of Tug Services requested by OWNERS, up to a maximum aggregate amount of two hundred thousand dollars (U. S. \$200,000.00). OWNERS understand and agree that Tug Services provided hereunder are rendered at all times under the supervision and command of OWNERS' servants, (including the Master of the Vessel being assisted and docking pilots), or of State pilots, none of whose actions or inactions may be imputed to the Tug Interests. OWNERS further understand and agree that the rates charged by or on behalf of MORAN for Tug Services are predicated upon the limitations of liability and the indemnities set forth herein. Should OWNERS desire that Tug Interests retain liability in excess of two hundred thousand dollars (U. S. \$200,000.00) they must notify MORAN in writing, whereupon MORAN will quote rates for Tug Services hereunder predicated on the requested higher liability limits. Any such quote must be accepted by OWNERS in writing at least twenty-four (24) hours prior to commencement of Tug Services to the Vessel being assisted, failing which the Rates and liability limitations otherwise provided herein shall apply. Nothing stated herein shall be construed to waive or limit the right of Tug Interests to assert any defenses to liability available to them or to avail themselves of any rights of limitation or exemption from liability under any applicable law, rule or regulation.

c. OWNERS and any Vessel assisted hereunder assume all risk of, and shall defend and indemnify Tug Interests from and against, any and all loss or damage sustained by OWNERS, the Vessel assisted, Tug Interests or by any other Vessel, property or person that results from the parting, heaving, pulling on as directed, or sudden movement of any hawser or other line, by whomsoever furnished or howsoever caused.

d. Notwithstanding anything to the contrary in this Schedule or elsewhere, the rates charged hereunder also are predicated on the fact that Tug Interests shall have no liability for any consequential, punitive, exemplary or special damages of any kind howsoever arising. OWNERS agree to indemnify, defend and hold harmless Tug Interests from and against any and all claims, demands, causes of action, liabilities and costs (including attorneys' fees, penalties, fines and third party claims of whatever nature) asserted against Tug Interests for their acts or omissions, whether or not negligent, or for the unseaworthiness of any Tug and which arise out of or in connection with any occurrence or series of occurrences related to the provision of Tug Services requested by OWNERS to the extent that they exceed, in the aggregate, the applicable limitation amounts set forth in subparagraph 13(c) above. The parties intend for this indemnity to apply in all instances including, without limitation, allision, collision, personal injury, fire, explosion, grounding, oil spills and third party claims. OWNERS warrant that they possess sufficient and adequate insurance including Vessel hull and machinery, P&I, cargo and pollution coverage to comply with all applicable laws and to respond for any losses arising out of or connected in any way with the Tug Services requested, with all rights of subrogation for losses under said insurances waived as to Tug Interests, and with Tug Interests entitled to all benefits under said insurances of a named assured or joint member, as applicable.

Nothing herein shall preclude MORAN from recovering from any responsible party for any damages sustained by any Tug providing the requested services.

## **15 PILOTAGE**

- a. MORAN does not furnish pilots or pilotage so that whenever any licensed pilot, or a captain of any Tug which is furnished to or is engaged in the service of assisting a Vessel, participates in directing the navigation of such Vessel, or in directing the assisting Tugs, from on board such Vessel or from elsewhere, it is agreed that he becomes the borrowed servant of the Vessel assisted and her owner or operator for all purposes and in every respect, his services while so engaged being the work of the Vessel assisted, her owner and operator, and being subject to the exclusive supervision and control of the Vessel's personnel. Any such service performed by any such person is beyond the scope of his employment, if any, for MORAN and Tug Interests shall not be liable for any act or omission of any such person. The provisions of this paragraph may not be changed or modified in any manner whatsoever except by written instrument signed by an officer of MORAN.
- b. With respect to Vessels that are not owned by the person or company ordering the Tug service, it is understood and agreed that such person or company warrants that it has authority to bind the Vessel owners to all the provisions of this Contract and agrees to indemnify and hold Tug Interests harmless from all damages and expenses that may be sustained or incurred in the event and in consequence of such person or company not having such authority.
- c. In consideration of MORAN transporting a docking and/or state pilot without charge to and/or from the Vessel being assisted hereunder, OWNERS agree that they shall indemnify, defend, and hold harmless Tug Interests from and against any and all claims, demands, causes of action, liabilities and costs (including attorney's fees) incurred in connection with or arising out of any claim by or on behalf of a pilot for personal injury or death sustained while being transported by MORAN to or from the Vessel being assisted, excepting only any injury sustained by said pilot to the extent attributable to the gross of willful negligence of MORAN. As used herein, the term "being transported by MORAN" shall include, without limitation, all time when the pilot is (i) present on MORAN's shoreside premises enroute to or from the Vessel being assisted, and (ii) boarding or disembarking from a Tug or other Vessel supplied by or on behalf of MORAN. As used herein, the term "pilot" shall also include any assistant pilot, trainee or other person who may accompany the pilot in any capacity.

## **16 FUEL SURCHARGE**

All rates published in this Schedule are subject to prevailing fuel surcharges.

## **17 SECURITY**

OWNERS acknowledge MORAN's long term and substantial presence in the port and waive any right to demand that MORAN post security in connection with any claim by or on behalf of OWNERS or the Vessel being assisted for any expense, loss or damage claimed to have arisen, in whole or in part, as a result of any Tug Service rendered in connection with this Contract. Notwithstanding the foregoing, if any said claim, exclusive of interest, shall reasonably be expected to exceed five million dollars (U.S. \$5,000,000.00) MORAN agrees, upon request, to post as security, a letter of undertaking by its P&I club in customary form.

## **18 ENFORCEABILITY**

If any provision of this Schedule is found void or unenforceable, the remaining terms and conditions shall remain in full force and effect.

## **19 CHANGE IN CONDITIONS**

Should the U.S Coast Guard or any other U.S., state or government agency, port authority, terminal or association (including any pilot or pilot association), or any designee of any of the foregoing, issue any regulation or requirement that obligates MORAN to make capital improvements to the Tugs, to provide Tugs with higher horsepower or different operational capabilities or that obligates MORAN to operate the Tugs in a different manner or with a different crew complement that increases its operating costs, MORAN shall have the right to propose amendments to the Rates, Terms and Conditions set forth in the Schedule in order to reflect the new requirements and, as applicable, mitigate the costs thereof. If OWNERS or those acting on behalf of the Vessel object to any said amendments the implementation thereof shall be stayed for a period of thirty (30) days and the parties shall negotiate in good faith to achieve a mutually satisfactory outcome. If the parties are unable to reach agreement within said thirty (30) day period, the amendments, as proposed by MORAN, shall come into effect and the objecting party may terminate its obligations to MORAN with respect to future Tug Services.

## **20 CONTRACT TERMINATION**

If at any time during the term hereof, MORAN reasonably concludes that the solvency or financial condition of OWNERS is threatened it may, in its sole discretion, cancel this Contract, such cancellation to take effect immediately upon receipt by OWNERS of email or other written notification thereof. If, subsequent to cancellation, OWNERS provide to MORAN evidence concerning their ability to meet their current and future financial obligations, MORAN may, in its sole discretion, elect to reinstate the Contract effective upon receipt by OWNERS of email or other written notification thereof.

## **21 PAYMENT TERMS**

Net 30 days. In the event that full payment is not made when due, MORAN shall be entitled to recover all costs of collection, including reasonable attorney's fees and court costs, and interest of 1½% per month on all outstanding balances. Payments received by or on behalf of OWNERS shall be applied as follows: First to satisfy all fees, costs (including attorney's fees) and interest due and owing on any invoice issued to OWNERS, commencing with the oldest such invoice, and second, to satisfy all Tug service charges arising hereunder commencing with the oldest open invoice and then to each subsequent invoice. Notwithstanding anything contained herein, in providing services to the assisted Vessel, MORAN is relying upon the credit of the Vessel, and maintains its right to assert a lien against said Vessel for any amounts due for the services rendered, including those referenced above.

### 13. PILOTAGE

MORAN does not furnish pilots or pilotage to vessels making use of or having available their own propelling power, so that whenever any licensed pilot, or a captain of any tug which is furnished to or is engaged in the service of assisting a vessel making use of or having available her own propelling power, participates in directing the navigation of such vessel, or in directing the assisting tugs, from on board such vessel or from elsewhere, it is agreed that he becomes the borrowed servant of the vessel assisted and her owner or operator for all purposes and in every respect, his services while so engaged being the work of the vessel assisted, her owner and operator, and being subject to the exclusive supervision and control of the vessel's personnel. Any such service performed by any such person is beyond the scope of his employment, if any, for MORAN and Tug Interests shall not be liable for any act or omission of any such person. The provisions of this paragraph may not be changed or modified in any manner whatsoever except by written instrument signed by an officer of this company.

With respect to vessels that are not owned by the person or company ordering the tug service, it is understood and agreed that such person or company warrants that it has authority to bind the vessel owner to all the provisions of the preceding paragraphs, and agrees to indemnify and hold Tug Interests harmless from all damages and expenses that may be sustained or incurred in the event and in consequence of such person or company not having such authority.

### Payment Terms

Net 30 days. In the event that payment is not made when due, in whole or in part, MORAN shall be entitled to recover all costs of collection, including reasonable attorney's fees and court costs, and interest of 1 1/2% per month on all outstanding balances.

#### ZONES FOR RATE SCHEDULE USE

- 1 - 69th Street, Brooklyn to Gowanus Canal
- 2 - Erie Basin and The Battery to the Williamsburg Bridge
- 3 - Williamsburg Bridge to Queensboro Bridge
- 4 - Queensboro Bridge to Hunts Point and Bowery Bay
- 5 - The Battery to Pier 97 and Pier 7 - Jersey City to Days Point
- 6 - Pier 97 and Days Point to George Washington Bridge
- 7 - George Washington Bridge to Yonkers
- 8 - South of Pier 7, Jersey City to Bayonne Terminal
- 9 - Staten Island Ferry Terminal to Verrazano Bridge
- 10 - Staten Island Ferry Terminal and Constable Hook to Bayonne Bridge
- 11 - Bayonne Bridge to Goethals Bridge, and Newark Bay to New Jersey Turnpike Extension Bridge
- 12 - New Jersey Turnpike Extension Bridge to Polaski Skyway Bridge in Passaic River and Turning Basin in Hackensack River
- 13 - Goethals Bridge to Tufts Point in Arthur Kill
- 14 - Tufts Point to Ferry Point, Perth Amboy and Ward Point, Staten Is.
- 15 - Raritan River, South Amboy Reach to Titanium Reach
- 16 - Leonardo, New Jersey

