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NC State Port Berth # 1
Morehead City, NC 28557

A Division of Moran Towing Corporation

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Schedule of Rates, Terms and Conditions
Effective September 1, 2020

TOWAGE AGREEMENT
Morehead City, North Carolina

Dated: _____

It is hereby agreed between Messrs: _____ (hereinafter called "OWNERS") and Moran Morehead City, 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 Morehead City, North Carolina of vessels owned, managed or controlled by OWNERS, and OWNERS agree to place all of their towage requirements at the Port of Morehead City, North Carolina with MORAN in accordance with the then current "Schedule of Rates, Terms & Conditions" below, 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 Morehead City
Division of Moran Towing Corporation

By: _____
Authorized Signature

By: _____
Division General Manager or 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

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

“Deadship”: shall mean 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”: the services in which a Tug is requested or required to attend upon a Vessel during transit and extended beyond the limits of standard operations. Tethering shall mean a Tug’s line is attached to the Vessel during this service.

“MORAN”: shall Moran Towing Corporation, Moran Morehead City, a division of Moran Towing Corporation, and its successors.

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

“Schedule”: shall mean 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.

“Tug” or Tugs”: shall mean the Tugboats provided or arranged by MORAN to perform the requested Tug services.

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

“Tug Station”: shall mean 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 services.

“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 MOREHEAD CITY, NC AND ITS TRIBUTARIES IN CLEAR WATER AND CLEAR BERTHS.

GENERAL:

Rates for Tug assistance are based on the Vessels highest Net Registered Tonnage (NRT) as published in the then current edition of "Lloyd's Register of Ships" at the following rates in U.S. dollars. Should the vessel type not have an assigned NRT, rates will be provided upon request.

Rates for locations in the vicinity of the Port of Morehead City, other than those set forth below, will be furnished upon request.

**1. DOCKING, UNDOCKING OR SHIFTING ASSISTANCE TO VESSELS WITH POWER:
MINIMUM CHARGE – 10,000 NRT**

- a. Docking or undocking at terminals in Morehead City harbor, not through bridges: \$.54 per NRT.
- b. Shifting alongside in the same berth: \$.7695 per NRT.
- c. When more than (2) two Tugs are required to handle a vessel and additional Tugs are available in the Port, an additional charge of fifty (50) percent of the normal docking, undocking, or shifting charge shall apply.

CONTRACTURAL DISCOUNTS ONLY APPLY TO PARAGRAPH 1 ABOVE

Terms and Conditions

All Tug services furnished are 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. TUG RELOCATION:

If it is necessary to relocate a Tug(s) from another port to provide this service, an hourly rate per Tug shall be charged for all time consumed from the Tug's departure until its return to its station at the homeport. The rate will be furnished upon request.

3. OVERTIME AND HOLIDAYS:

Overtime and holiday work for jobs billed pursuant to paragraph 1 above shall be subject to an additional charge of \$437 per hour per Tug applicable to service performed between 1600 hours and 0800 hours Monday through Friday or any time on Saturday, Sunday or holidays. There shall be a two-hour minimum charge, followed by ½-hour increments.

Holidays observed: New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day, Martin Luther King Jr.'s Birthday and any national holiday hereafter proclaimed by the President of the United States. In the event that any of the above-named holidays falls on a Saturday or Sunday, the following Monday shall be observed as such holiday.

4. RATES FOR TUGS WORKING BY THE HOUR:

The Straight Time rate for hourly work is \$1,825 per hour or pro-rata for part of an hour with a 3-hour minimum charge followed by ½-hour increments. Hourly overtime and holiday work shall be subject to an additional charge as per paragraph 3.

5. LINE HAULING SERVICES:

Running or releasing ship lines during Straight Time: \$1,027
Running or releasing ship lines during Overtime: \$1,370

6. TRACTOR TUGS:

If a tractor Tug is requested or required, the rate shall be furnished upon request.

7. NOTIFICATION:

Notice for Tug service is to be given at least three (3) hours prior to the time the Tug is required. For Tug orders on Saturdays, Sundays or Holidays, orders shall be received by 4 p.m. on the day prior to the day that the services are required.

8. CANCELLED ORDERS:

If a Tug is ordered and is then cancelled, a charge equal to three quarters of the applicable Rate, plus any applicable additional charges will be made. If orders are cancelled prior to the minimum notification time as per paragraph 7, there will be no charge.

9. DETENTION:

The rates set forth in Paragraph 1 include waiting time of up to one-half hour measured, for docking, from the time that the Tug reports at the dock and for undocking or shifting from the time that the Tug reports at the scheduled sailing or shifting time. Waiting time in excess of one-half hour shall be charged at the applicable hourly rate for each Tug. 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 the applicable hourly rate for each Tug prorated to the nearest quarter hour. With respect to docking, undocking and shifting delays, the applicable hourly rate shall be as set forth in paragraph 4, pro-rated to the nearest quarter hour.

10. FUEL SURCHARGE:

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

TERMS AND CONDITIONS

1. 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 (\$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 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 1 (b) to extend to Tug Interests, as primary cover for any liability arising out of performance of 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 6 shall apply to all Tug services rendered to Deadships. 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.

2. 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 Schedule 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.

3. EMPLOYMENT OF OTHER TUGS

All or part of any 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 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 Tug designated or engaged by MORAN to perform services under this Schedule, and its owners, master and crews shall, while performing such services, have the benefit of all provisions herein. 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 service, it is understood and agreed that MORAN does not either expressly or impliedly warrant the seaworthiness, power or equipment of the Tugs or the competency of the crew of the Tug or Tugs engaged by MORAN to supply services under this Schedule.

4. 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 omission hereunder in the performance of services due to strikes, lockouts, labor disturbances, riots, fire, earthquakes, storms, 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.

5. DAMAGE CLAIM TIME LIMITS AND FORUM

OWNERS shall notify MORAN of any damage to the Vessel that allegedly occurred during the performance of services hereunder. Such notice shall be in writing and shall be delivered as soon as practicable, but not later than 48 hours following occurrence. MORAN shall be afforded an opportunity to inspect or survey such damage before commencement of any repairs. Any action in any forum to recover damages from Tug Interests, or any of them, shall be commenced within one 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.

6. 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 it is understood that 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 limitations of liability provided under this Schedule 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 affirmatively proven, for claims, demands, causes of action, liabilities and costs (including third party claims) arising out of or in connection with any occurrence or series of occurrences related to the provision of Tug services or line handling pursuant to this Schedule up to a maximum aggregate amount of two hundred fifty thousand dollars (U. S. \$250,000.00). 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 in this Schedule. Should OWNERS desire that Tug Interests retain liability in excess of two hundred fifty thousand dollars (U.S. \$250,000.00) they must notify MORAN in writing, whereupon MORAN will quote rates for Tug services hereunder predicated on 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, failing which the rates and liability limitations otherwise provided herein shall prevail. Nothing 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 indemnify Tug Interests from and against, any and all loss or damage sustained by OWNERS, Tug Interests or by any other vessel, property or person that results from the parting, heaving 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, OWNERS understand and agree that the rates charged hereunder are also predicated on agreement that the Tug Interests shall have no liability for any consequential, punitive, exemplary or special damages of any kind howsoever arising.
- e. OWNERS agree to indemnify, defend and hold harmless the 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) that are attributable to the acts or omissions, whether or not negligent, of the Tug Interests, or any of them, or to 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 or line handling pursuant to this Schedule to the extent that they exceed, in the aggregate, the applicable amounts set forth in subparagraph 6(b) 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 on the Vessels assisted pursuant to this Schedule, including 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 provided hereunder, 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.
- f. Nothing herein shall preclude MORAN from recovering from any responsible party for any damages sustained by any Tugs providing service hereunder.

7. 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 Schedule, 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 the 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 actions, 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 or 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.

8. 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 Schedule, 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 Schedule effective upon receipt by OWNERS of email or other written notification thereof.

9. ENFORCEABILITY

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

10. 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 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) days 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.

11. 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 service rendered in connection with this Schedule. Notwithstanding the foregoing, if any said claim, exclusive of interest, shall reasonably be expected to exceed five million dollars (\$5,000,000.00) MORAN agrees, upon request, to post as security, a letter of undertaking by its P&I club in customary form.

12. PAYMENT TERMS

Net 30 days. In the event that a 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 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 rendered 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.