



**moran**

New York/New Jersey

50 Locust Avenue  
New Canaan, CT 06840

**A Division of Moran Towing Corporation**

**TELEPHONE:**

(203) 442 – 2836 (24-Hour Dispatchers)

Email: [newyork@morantug.com](mailto:newyork@morantug.com)

[www.morantug.com](http://www.morantug.com)

**Schedule of Rates, Terms and Conditions**

**Effective: March 1, 2021**

**TOWAGE AGREEMENT  
New York and New Jersey**

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

It is hereby agreed between Messrs: \_\_\_\_\_ (hereinafter called "OWNERS") and Moran New York and 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, its tributaries 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, its tributaries and other agreed locations with MORAN in accordance with the then current "Schedule of Rates, Terms and Conditions" 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 written notice received by MORAN prior to expiration of said thirty (30) day advance notice period.

This Contract shall remain in force from \_\_\_\_\_ and shall continue thereafter from year to year until cancelled by either party giving to the other notice in writing of cancellation at least thirty (30) days 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)

**SCOPE:**

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

**RATES:**

Rates for Tug assistance are based on the Vessel’s highest applicable tonnage as published in the then current edition of “Lloyds Register of Ships” at the following rates in U.S. Dollars. Should the vessel type not have an assigned tonnage, rates will be provided upon request.

**1 DOCKING OR UNDOCKING**

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.

**NOTIFICATION**

Notice for all Tug service should be given at least four (4) hours prior to the time the Tug is required.

**TANK VESSELS (up to 2 Tugs):**

Deadweight Tons:	Zone Rates:												
	1	2	3	4	5	7	8	9	10	11	12	13	14
Min 30,000	\$5,244	\$4,995	\$5,487	\$6,436	\$5,057	\$5,512	\$4,995	\$5,874	\$5,883	\$6,528	\$6,788	\$6,436	\$6,660
30,001-35,000	\$6,199	\$5,908	\$6,485	\$6,621	\$5,966	\$6,502	\$5,761	\$6,933	\$6,698	\$7,179	\$8,262	\$6,621	\$6,848
35,001-40,000	\$7,151	\$6,823	\$7,478	\$7,101	\$6,884	\$7,526	\$6,698	\$7,985.6	\$7,654	\$7,866	\$9,401	\$7,101	\$7,893
40,001-45,000	\$8,099	\$7,734	\$8,475	\$8,051	\$7,803	\$8,530	\$7,703	\$9,063	\$8,662	\$8,576	\$10,395	\$8,051	\$8,948
45,001-50,000	\$9,055	\$8,640	\$9,464	\$9,303	\$8,730	\$9,485	\$8,634	\$10,124	\$9,704	\$9,412	\$11,622	\$9,303	\$10,000
50,001-55,000	\$10,008	\$9,554	\$10,462	\$10,276	\$9,639	\$10,488	\$9,451	\$11,204	\$11,228	\$10,419	\$12,845	\$10,276	\$11,057
55,001-60,000	\$10,956	\$10,461	\$11,468	\$11,265	\$10,565	\$11,530	\$10,396	\$12,257	\$12,302	\$11,412	\$14,065	\$11,265	\$12,106
60,001-65,000	\$11,908	\$11,369	\$12,456	\$12,238	\$11,478	\$12,534	\$11,099	\$13,317	\$13,375	\$12,401	\$15,281	\$12,238	\$13,160
65,001-70,000	\$12,863	\$12,281	\$13,459	\$13,059	\$12,396	\$13,530	\$12,092	\$14,392	\$14,457	\$13,402	\$16,512	\$13,059	\$14,216
70,001-75,000	\$13,819	\$13,190	\$14,449	\$13,922	\$13,309	\$14,526	\$12,882	\$15,449	\$15,513	\$14,390	\$17,736	\$13,922	\$15,269
Each additional 5,000 tons or portion thereof add:	\$953	\$913	\$990	\$983	\$918	\$1,009	\$833	\$1,060	\$1,075	\$990	\$1,225	\$983	\$1,056

**OTHER VESSELS (Container, General Cargo, Bulker, Ro/Ro, and all other Vessels – up to 2 Tugs):**

Net Registered Tons:	Zone Rates:												
	1	2	3	4	5	7	8	9	10	11	13	14	
Min 8,000	\$5,202	\$5,500	\$5,779	\$9,121	\$5,779	\$9,577	\$5,878	\$4,748	\$5,202	\$6,141	\$5,529	\$5,597	
8,001-9,000	\$5,798	\$6,095	\$6,434	\$9,322	\$6,434	\$9,788	\$6,788	\$5,393	\$5,892	\$6,228	\$6,257	\$6,357	
9,001-10,000	\$6,393	\$6,690	\$7,088	\$9,531	\$7,088	\$10,008	\$7,435	\$6,027	\$6,357	\$6,357	\$7,016	\$7,109	
10,001-11,000	\$6,988	\$7,286	\$7,743	\$9,737	\$7,743	\$10,224	\$8,208	\$6,657	\$6,528	\$6,528	\$7,736	\$7,856	
11,001-12,000	\$7,582	\$7,880	\$8,398	\$9,955	\$8,398	\$10,452	\$8,789	\$6,788	\$6,788	\$6,788	\$8,475	\$8,603	
12,001-13,000	\$8,178	\$8,475	\$9,053	\$10,363	\$9,053	\$10,882	\$9,522	\$6,965	\$7,016	\$7,048	\$9,216	\$9,340	
13,001-14,000	\$8,773	\$9,071	\$9,708	\$10,777	\$9,708	\$11,315	\$10,320	\$7,179	\$7,220	\$7,268	\$9,947	\$10,098	
Each additional 1,000 tons or portion thereof add:	\$595	\$595	\$655	\$747	\$655	\$784	\$755	\$564	\$595	\$655	\$655	\$747	

**PASSENGER VESSELS (up to 2 Tugs):**

<b>Net Registered Tons:</b>	Minimum 25,000tons	25,001-27,500	27,501-30,000	30,001-32,500	32,501-35,000	35,001-37,500	37,501-40,000	40,001-42,500	Each additional 2,500 tons or portion thereof add:
Rate:	\$4,642	\$4,976	\$5,312	\$5,640	\$5,982	\$6,324	\$6,665	\$7,007	\$342

Contract discounts only apply to Docking / Undocking rates above. Tug services provided to a Vessel on an hourly basis are not subject to a discount.

Should a Vessel lose her ability to maneuver (power or steering) during the Docking or Undocking evolution, said Vessel will incur an additional minimum charge of two (2) hours at the hourly rate of \$1,200 per Tug pro-rated to the nearest half (1/2) hour.

**2 HOURLY RATES – Subject to a two (2) hour minimum per Tug**

Hourly rates are applicable to certain services as set forth herein. Unless otherwise provided, such rates will be billed at an hourly rate per Tug of \$1,200 pro-rated to the nearest half (1/2) hour. For purposes of calculating hourly rates, running times noted in paragraph 3 each way shall be charged to and from the place where Tug services are rendered.

**TRANSPORTING**

Hourly rate plus applicable zone running time shall be charged for all Tug services performed in connection with the movement of a Vessel from berth to berth, berth to anchor, anchor to berth and anchor to anchor; whether the Tug is made fast to the Vessel.

**ATTENDANCE**

Hourly rate plus applicable zone running time each way shall be charged for all Tug services in attending to a Vessel, including service at anchorage or similar Tug services.

**ADDITIONAL TUGS**

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

**ESCORTING, VERRAZANO NARROWS ESCORT AND TRACTOR TUG TETHERED ESCORING**

When Tug(s) are requested or required to provide escorting services to a Vessel, including meeting and departing from Verrazano Narrows, the applicable Escorting rate noted below shall be charged plus zone run time to and from the service location.

- Escorting: .....\$1,200 per hour per Tug
- Tractor Tug tethered escorting: .....\$2,000 per hour per Tug

**DETENTION**

The rates set forth herein include waiting time of up to one-half (1/2) hour, measured for docking, from the time that the Tug is ordered alongside by the Pilot or Master of the Vessel and, for undocking, from the time that the Tug reports at the scheduled sailing time. Waiting time more than one-half (1/2) hour shall be charged at an hourly rate of \$1,200 per Tug, pro-rated to the nearest half (1/2) hour. In addition, if the Vessel is delayed for any reason not attributable to MORAN after commencement of the service, all such delay shall be charged at an hourly rate of \$1,200 per Tug, pro-rated to the nearest half (1/2) hour.

**3 ZONE RUNNING TIME AND DESCRIPTION**

- Zone 1 .....1.25hrs..... 69<sup>th</sup> Street Brooklyn to Gowanus Canal
- Zone 2 .....1.50hrs..... Erie Basin and the Battery to the Williamsburg Bridge
- Zone 3 .....2.00hrs..... Williamsburg Bridge to Queensboro Bridge
- Zone 4 .....2.50hrs..... Queensboro Bridge to Hunts Point and Bowery Bay
- Zone 5 .....2.00hrs..... The Battery to Pier 97 and Pier 7 – Jersey City to Days Point
- Zone 6 .....2.75hrs..... Pier 97 and Days Point to George Washington Bridge
- Zone 7 .....3.25hrs..... George Washington Bridge to Yonkers
- Zone 8 .....1.25hrs..... South of Pier 7, Jersey City to Bayonne Terminal
- Zone 9 .....1.25hrs..... Staten Island Ferry Terminal to Verrazano Bridge
- Zone 10 .....1.00hrs..... Staten Island Ferry Terminal and Constable Hook to Bayonne Bridge
- Zone 11 .....1.50hrs..... Bayonne Bridge to Goethals Bridge and Newark Bay to New Jersey Turnpike Extension Bridge
- Zone 12 .....2.00hrs..... New Jersey Turnpike Extension Bridge to Pulaski Skyway Bridge in Passaic River and Turning Basin in Hackensack River
- Zone 13 .....1.50hrs..... Goethals Bridge to Tufts Point in Arthur Kill
- Zone 14 .....2.00hrs..... Tufts Point to Ferry Point, Perth Amboy and Ward Point Staten Island
- Zone 15 .....2.50hrs..... Raritan River, South Amboy Reach to Titanium Reach
- Zone 16 .....2.50hrs..... Leonardo, New Jersey

**4 HOLIDAYS**

Services performed on a Holiday shall be charged the applicable rate plus an additional 35% per Tug. If a Tug service commences on a regular day and concludes on a Holiday, or vice versa, the Holiday rate shall apply.

Holidays observed: New Year's Day, Martin Luther King Birthday, President's Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, Christmas, and any National Holiday hereafter designated by the Federal government.

**5 CANCELLATION - REPORTING**

When Tug orders are cancelled or changed after the Tug has been dispatched from its Tug Station, but before it commences performance of the requested service, three quarters (3/4) of the applicable rate will be charged. Cancellation / Reporting rates are subject to hourly zone running time and Holiday rate provisions.

**6 TRACTOR TUGS**

When a tractor Tug is requested or required, the rate charged for that Tug shall be increased by fifty percent (50%) over the applicable rate and/or hourly rate set forth herein excluding Tractor Tug tethered escorting.

**7 PEAK HOUR SERVICE**

Service requested between the hours of 03:00-08:00 and 15:00-20:00 may be assessed a twenty-five (25%) surcharge per Tug.

**8 ICE CHARGES**

When a Tug providing services to a Vessel is operating in ice conditions, the rate charged for that Tug shall be increased by fifty percent (50%) over the applicable rate and /or hourly rate set forth herein.

When it is necessary for a Tug to break ice in connection with docking or undocking a Vessel, or to clear an ice bound slip for any reason, said service will be charged at an hourly rate of \$2,500.00 per Tug, measured from Tug station to Tug station. No running time will be charged if the Tug used to break ice is also used in the Docking and Undocking operation. The hourly rate applicable to ice breaking will be pro-rated to the nearest half (1/2) hour.

**9 TAXES**

Any transportation, use, sales or any similar federal, state or local taxes or fees levied with respect to the provision of services hereunder shall be paid by OWNERS. Any such exactions shall appear as a separate line item on MORAN'S service invoices

**10 FUEL SURCHARGE**

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

## TERMS AND CONDITIONS

**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 upon the limits of standard operations. Tethering shall mean a Tug’s line is attached to the Vessel during all or part of this service.

**“MORAN”:** shall mean Moran Towing Corporation, Moran New York/New Jersey Division (and its successors).

**“OWNERS”:** shall mean, collectively, the Vessel and the owner, charterer, operator, agent 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 said Schedule may be found on MORAN’s webpage at [www.morantug.com](http://www.morantug.com)

**“Tug” or “Tugs”:** shall mean the tugboats provided or arranged by MORAN to perform the requested 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 requested services and/or to which it proceeded following the provision of such services.

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

### 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:

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 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 paragraph 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.

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 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 DELEGATION**

If at any time MORAN Tugs are not conveniently available to perform all or part of any service requested hereunder, MORAN reserves the right to delegate performance of said service, or part thereof, to another service provider without notice to OWNERS and without warranty by MORAN as to the seaworthiness or suitability of service provider's tugs or the competency of its crews. OWNERS agree that such service provider shall be considered an independent contractor and not an agent, servant or employee of MORAN and that said service provider, while performing such delegated service, shall have the benefit of all defenses, exemptions and limitations of liability set forth in this Schedule. If for any reason, MORAN is unable to have Tugs and/or delegated tugs 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 or otherwise to claim any damages resulting from MORAN'S inability to provide the requested service. MORAN reserves the right to recover all costs, without discount, incurred by delegating performance of any service hereunder to another service provider.

### **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, pilot requests, unusual tidal conditions 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 by MORAN 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, penalties and costs (including third party claims) arising out of or in connection with any occurrence or series of connected 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, by 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 connected 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, fossil fuel spills or other pollution incidents (including, without limitation, penalties and obligations arising out of violation of any applicable pollution law or regulation or being named a responsible party thereunder) 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 party responsible 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 OWNERS shall indemnify, defend and hold harmless Tug Interests for any and all damages arising out of 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, on board 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 contract, such cancellation to take effect immediately upon receipt by OWNERS of email or other written notification thereof. If, subsequent to cancelation, 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 this contract 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 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 OWNERS may terminate this contract on thirty (30) days advance written notice to MORAN.

## **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, which OWNERS agree shall be acceptable security.

## **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.