



**moran**

**Port Arthur/Beaumont**

8740 Old Yacht Club Road  
Port Arthur, TX 77642

**A Division of Moran Towing Corporation**

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**Schedule of Rates, Terms and Conditions**  
**Effective December 1, 2021**

**EXCLUSIVE TOWAGE AGREEMENT**  
**Sabine District and Vicinity**

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

It is hereby agreed between Messrs: \_\_\_\_\_ (hereinafter called "OWNERS") and Moran Port Arthur/Beaumont, 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 within the Sabine District and its tributaries, and its tributaries and other agreed locations of vessels owned, managed or controlled by OWNERS, and OWNERS agree to place all of their towage requirements within the Sabine District, and 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 Port Arthur / Beaumont**  
Division of Moran Towing Corporation

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

By: \_\_\_\_\_  
Division Vice President or General Manager

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 SABINE DISTRICT AND ITS TRIBUTARIES IN CLEAR WATER AND SAFE BERTH FOR EXISTING DOCKS ON THE EFFECTIVE DATE.

**1 RATES FOR ONE TUG ASSISTING ONE VESSEL: (Includes only one docking or one undocking or one turn if applicable)**

	Sabine Jetty	Sabine Anchorage	Keith Lake Bend	Texas Isle	Valero	Port of Port Arthur	PABTEX	Neches River Inter.	Total	Port Neches	Smith's Bluff	Stanolind	Beaumont	Trinity/CBI	Port of Orange	Pier Road
Sabine Jetty	0	5,459	6,368	6,811	7,420	7,420	8,548	9,428	9,658	10,089	10,647	11,570	12,235	12,885	11,570	12,235
Sabine Anchorage	5,459	0	5,459	6,368	6,811	6,811	7,994	8,548	9,022	9,445	9,950	10,647	11,443	12,235	10,647	11,443
Keith Lake Bend	6,368	5,459	0	5,459	6,368	6,368	7,362	7,994	8,548	9,022	9,658	10,373	11,199	11,906	10,373	11,199
Texas Isle	6,811	6,368	5,459	0	4,460	4,705	6,811	7,362	7,695	8,470	9,022	10,334	10,961	11,570	10,089	10,961
Valero	7,420	6,811	6,368	4,460	0	6,811	7,420	7,994	8,548	9,022	9,950	10,647	11,443	12,235	10,647	11,443
Port of Port Arthur	7,420	6,811	6,368	4,705	6,811	0	6,368	6,555	6,811	7,362	8,548	9,658	10,089	10,647	9,428	10,465
PABTEX	8,548	7,994	7,362	6,811	7,420	6,368	0	5,459	6,368	6,811	7,362	8,548	9,658	10,089	7,994	8,548
Neches River Inter.	9,428	8,548	7,994	7,363	7,994	6,555	5,459	0	4,704	6,592	7,083	7,994	9,122	9,951	7,421	7,994
Total	9,658	9,022	8,548	7,695	8,548	6,811	6,368	4,705	0	6,368	6,811	7,362	8,548	9,658	7,994	8,548
Port Neches	10,089	9,428	9,022	8,470	9,022	7,362	6,811	6,590	6,368	0	6,368	6,811	7,362	8,548	8,548	9,658
Smith's Bluff	10,647	9,950	9,658	9,022	9,950	8,548	7,362	7,083	6,811	6,368	0	6,368	6,811	7,362	10,089	10,647
Stanolind	11,570	10,647	10,373	10,334	10,647	9,658	8,548	7,994	7,362	6,811	6,368	0	6,368	6,811	10,647	11,570
Beaumont	12,235	11,443	11,199	10,961	11,443	10,089	9,658	9,122	8,548	7,362	6,811	6,368	0	6,368	11,570	12,235
Trinity	12,885	12,235	11,906	11,570	12,235	10,647	10,089	9,950	9,658	8,548	7,362	6,811	6,368	0	12,235	12,885
Port of Orange	11,570	10,647	10,373	10,089	10,647	9,428	7,994	7,420	7,994	8,548	10,089	10,647	11,570	12,235	0	6,368
Pier Road	12,235	11,443	11,199	10,961	11,443	10,647	8,548	7,994	8,548	9,658	10,647	11,570	12,235	12,885	6,368	0

- Assisting Vessel from Sea Buoy to Sabine Jetties, in addition to the above matrix \$8,551
- Assisting Vessel from Sabine Buoys 29/30 to Sabine Jetty, in addition to the above matrix \$3,541
- Assisting Vessel from Beaumont Basin to dock Neches Industrial Park and ExxonMobil Coke \$5,459
- Assisting Vessel from Beaumont Basin to dock ExxonMobil Chemical \$4,706
- Assisting Vessel shifting berth to berth, same area \$5,889
- Assisting Vessel to turn or assist in area other than in the immediate vicinity of berth and dock (includes, but not limited to, service of Vessels above Texas Island to any facility behind Texas Island) \$4,464
- Assisting Vessel to undock and turn or assist in area other than in the immediate vicinity (this also includes, but is not limited to sailing from Sun # 5) \$4,464
- Assisting Vessel to line shift, berth to berth, at same dock (add 25% for this service in Orange, Texas) (Minimum charge for Sabine Pass, Texas to be equivalent to Sabine Jetty to Sabine Anchorage) \$3,541
- Docking or undocking or turning one Vessel (add 25% for docking or undocking only in Orange, Texas) (Minimum charge for Sabine Pass, Texas to be equivalent to Sabine Jetty to Sabine Anchorage) \$3,366

## 2 DELAY TIME

The Rates set out in Paragraph 1 are based upon voyages to be completed within the times specified below. If a voyage is not completed within the specified time, MORAN shall be compensated for all additional time used at the rate of \$1,200 per Tug per hour or pro-rated for part of an hour. All times are rounded up to the nearest half hour.

- a) Between Beaumont or Stanolind anchorage area and Sabine or Sabine Jetty, 7 hours allowed for voyage.
- b) Between Smith's Bluff or Port Neches, or Total and Port Arthur, 3 hours allowed for voyage.
- c) Between Port Arthur and Sabine or Sabine Jetty, 3 hours allowed for voyage.
- d) Between Sabine and Sabine Sea Buoy, 2 hours allowed for voyage.
- e) Between Orange and Sabine or Sabine Jetty, 7 hours allowed for voyage.
- f) Between Beaumont, or Stanolind anchorage area or Orange and Port Arthur, 5 hours allowed for voyage.
- g) Between Smith's Bluff, or Port Neches, or Total, and Sabine or Sabine Jetty, 5 hours allowed for voyage.
- h) Between Orange and Beaumont, 6 hours allowed for voyage.

## 3 DETENTION

The Rates set forth in Paragraph 1 include waiting time of up to one-half hour measured, for docking, from the time the Tug reports to the dock and, for undocking, from the time the Tug reports at the scheduled sailing time. Waiting time for each Tug in excess of one-half hour shall be charged at a rate of \$1,200 per Tug per hour, pro-rated to the half 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 \$1,200 per Tug per hour, pro-rated to the half hour. All detention in excess of two hours shall be invoiced under special services below. These charges are not subject to any discounts.

## 4 CANCELLATION

When a Tug is ordered and is then cancelled, a charge of \$1,200 per Tug will be made for every hour, or pro rata for any part thereof, that has elapsed from the time each Tug leaves its Tug Station until it arrives back at its Tug Station. All times are rounded up to the nearest half hour. These charges are not subject to any discounts.

## 5 DISTANCES IN MILES

Whistle Buoy Sabine Entrance	0.0	Port Neches Docks	34.3
Sabine	6.8	Smith's Bluff Docks	37.3
Port Arthur Canal	9.9	Reserve Fleet	40.9
Sabine-Neches Canal	16.2	Oil Tanking	44.4
Motiva, Port Arthur	16.8	ExxonMobil	49.1
Valero	18.0	Beaumont City Docks	49.7
Martin Luther King Bridge	19.9	Trinity Shipyard	50.2
Neches River	28.3	Sabine River	32.3
Total	30.3	Orange City Docks	39.5

## 6 HOLIDAYS / OVERTIME

A 35% additional charge is added to all Rates for work performed during any Overtime Period. If the holiday falls on Saturday, the additional charge will be applicable to work performed on the Friday prior to the holiday. If the holiday falls on Sunday, the additional charge will be applicable to work performed on the Monday following the holiday. When service is ordered to be performed during an Overtime Period and is not completed until after termination of the Overtime Period, the Vessel shall be charged at the additional rate. When service is ordered to be performed during the regular period and is not completed until after an Overtime Period has commenced, the Vessel shall be charged at the additional rate.

## 7 USE OF TRACTOR TUGS

When services of a tractor Tug are used in a single Tug assist or are specifically required or requested, the effective Rate and any applicable hourly rate shall be increased by 10%.

## **8 SPECIAL SERVICES**

When a Tug not engaged in towing is called to render immediate assistance or special services to a Vessel in the harbor, the charge for this type of service will be \$2,600.00 per hour, per Tug, minimum two hours, with additional hours Per Tug prorated to the next half hour for any part thereof, plus any additional costs incurred by Tug interests for the provision of such Special Services. Special Services are provided subject to all terms and conditions herein. Time starts when a Tug leaves from the Tug Station where she then is located, and time stops when Tug arrives at its designated Tug Station following completion of services. These charges are not subject to a discount.

## **9 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 Port Arthur / Beaumont 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.

**“Overtime Period”:** shall mean the period between 7:00pm and 7:00am on weekdays and any time on Saturday, Sunday or a holiday (including an day when holiday rates are applicable).

**“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.

**“Tug Services”:** any activities or services which a Tug provides the Vessel including but not limited to, docking, undocking, shifting, escort, 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.

### 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.