



McALLISTER TOWING OF NEW YORK LLC

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NEW YORK TOWING CONTRACT

Date

Messrs.
.....

We hereby agree as agents for and on behalf of McALLISTER TOWING OF NEW YORK, LLC (hereinafter "McAllister") to perform all the tugboat assistance required by all vessels owned or operated by you on time charter or otherwise, in the Port of New York and vicinity, at the rates and upon the terms and conditions as stated herein.

The owner, operator, charterer, agent, representative, or any other person ordering tug services to assist a vessel in accordance with this Contract shall be collectively referred to herein below as "Owner." By signing this Contract, any person or company who orders tug services represents and warrants that they are authorized to do so on behalf of the owner of the vessel to be assisted. Such person and/or company further agrees to indemnify and hold McAllister harmless from all damages and expenses that may be sustained or incurred by McAllister in the event and in consequence of such person or company not having such authority.

Owner agrees that during the term of this contract, McAllister may issue written notice of an adjustment to the rates, terms and conditions applicable to services provided hereunder to reflect changes in the cost of operations, working hours, conditions or in consequence of any change in law or regulations. It is understood and agreed that said notice of adjustment shall be an agreed amendment to this Contract, without need for additional signatures, unless McAllister receives written notice of rejection of said adjustment at least thirty (30) days before said adjustment is to become effective.

This mutual agreement to remain in effect from and from year to year commencing this date and thereafter until notice of cancellation by either party, by giving thirty (30) days notice prior to the annual expiration date.

McALLISTER TOWING OF NEW YORK, LLC

By

EFFECTIVE MAY 1, 2009

ACCEPTED

.....
Signature of Owners, Charterers or Agents

TERMS: Net 30 Days. In the event Owner fails to make payment when due or fails to pay entire balance due under this contract or invoice, Owner will be considered in default and will be responsible for all cost of collection including reasonable attorney's fees and court cost. In addition, Owner agrees to pay 1 1/2% interest per month on outstanding balance. McAllister hereby certifies it is an Affirmative Action Equal Opportunity Employer and complies with the requirements of the Fair Labor Standards Act.

DOCKING AND UNDOCKING CHARGES: The following schedule of rates gives 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. As an aid in determining the correct geographical zone, please refer to the zone description and the map shown on the last page.

TANK AND OBO VESSELS

FIGURES IN DEADWEIGHT TONNES*	ZONES															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
UP TO 30000	\$3359	\$3200	\$3516	\$3527	\$3240	\$ —	\$3532	\$3200	\$3763	\$3770	\$4183	\$4349	\$4122	\$4690	\$5125	\$ —
30001-35000	3972	3785	4154	4168	4154	—	4339	3690	4441	4290	4600	5293	4290	4858	5293	—
35001-40000	4582	4371	4789	4804	4789	—	5013	4224	5121	4979	5235	6078	4979	5604	5970	—
40001-45000	5192	4955	5424	5440	5424	—	5687	4758	5801	5668	5870	6863	5668	6350	6647	—
45001-50000	5802	5536	6059	6076	6059	—	6361	5292	6481	6357	6505	7648	6357	7096	7324	—
50001-55000	6412	6121	6694	6712	6694	—	7035	5826	7161	7046	7140	8433	7046	7842	8001	—
55001-60000	7019	6701	7329	7348	7329	—	7709	6360	7841	7735	7775	9218	7735	8588	8678	—
60001-65000	7628	7285	7964	7984	7964	—	8383	6894	8521	8424	8410	10003	8424	9334	9355	—
65001-70000	8242	7859	8599	8620	8599	—	9057	7428	9201	9113	9045	10788	9113	10080	10332	—
70001-75000	8852	8449	9234	9256	9234	—	9731	7962	9881	9802	9680	11573	9802	10826	11097	—
For Each 5000 Tonnes or Portion Thereof, ADD:	610	586	635	636	589	—	674	534	680	689	635	785	689	746	677	—

OTHER VESSELS

To include container, general cargo, RoRo and all other vessels except Tank and OBO

FIGURES IN NET REGISTERED TONNES*	ZONES															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
UP TO 8000	\$3332	\$3932	\$3989	\$4026	\$3454	\$3619	\$5699	\$3764	\$3043	\$3334	\$3934	\$4032	\$3541	\$3584	\$3764	\$6134
8001-9000	3774	3991	4045	4093	3874	4057	5824	4347	3456	3774	3991	4091	4007	4071	4347	6268
9001-10000	4073	4243	4294	4495	4294	4495	5956	4760	3860	4073	4175	4552	4122	4553	5383	6406
10001-11000	4183	4639	4714	4933	4714	4933	6084	5257	4266	4183	4288	5031	4267	5032	5945	6909
11001-12000	4349	5035	5134	5371	5134	5371	6220	5629	4349	4349	4458	5510	4434	5511	6365	7412
12001-13000	4495	5431	5554	5809	5554	5809	6475	6099	4463	4495	4607	5989	4626	5983	6896	7915
13001-14000	4626	5827	5974	6247	5974	6247	6734	6609	4600	4626	4742	6486	4903	6469	7474	8418
For Each 1000 Tonnes or Portion Thereof, ADD:	380	396	420	438	420	438	503	400	361	380	396	479	420	479	546	503

*Tonnage is the highest measurement of a vessel's tonnage as published in the current edition of Lloyd's Register of Shipping. Rates for locations in the vicinity of the Port of New York, other than those set forth above, will be furnished upon request.

ADDITIONAL TUGS REQUIRED: When more than two (2) tugs are required to handle a vessel in conditions such as weather, tidal condition congestion, difficult berths, congested berths, temporary mandated USCG regulations, request by Master, Pilot or Port Agent or any other factors required, there will be an additional charge of fifty (50) percent of the normal docking or undocking charge per additional tug(s).

HOURLY RATES: The following services will be billed at an hourly rate per tug at \$905.00 two (2) hour minimum. These rates will be prorated to the nearest half (1/2) hour after the first two hours. Running time is chargeable based on the Zone Schedule below.

Transportation Assistance: Assistance in 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 above hourly rate plus applicable running time.

Attendance: Attendance to a vessel, including service at anchorage, or similar tug service shall be charged at the above hourly rate plus applicable running time.

SCHEDULE OF RUNNING TIME

Zone 1.....3/4 Hour	Zone 52 1/2 Hours	Zone 9.....1 Hour	Zone 131 1/2 Hours
Zone 2.....1 Hour	Zone 61 1/2 Hours	Zone 10.....1 Hour	Zone 142 Hours
Zone 31 1/4 Hours	Zone 73 Hours	Zone 113/4 Hour	Zone 152 1/2 Hours
Zone 41 1/2 Hours	Zone 8.....1 Hour	Zone 121 1/2 Hours	Zone 162 1/2 Hours

TRACTOR TUGS: If a tractor tug is specifically requested or required, the rate applicable to that tug shall be 150% of above schedule of rates.

CANCELLED ORDERS: There is no charge for orders cancelled before any tug gets underway to report to the location ordered by Owner. The charge for orders cancelled prior to arrival of the tug at the location ordered will be two-thirds (2/3) of the applicable rate. If orders are cancelled at least four (4) hours prior to the ordered time, there will be no charge. When an order is cancelled after any tug reports to the location ordered, the charge will be three-quarters (3/4) of the applicable rate.

DETENTION: For detention of a tug caused by the vessel not being ready or other conditions beyond our control, the time of detention will be charged at the rate of \$905.00 per hour per tug pro rated to the nearest half (1/2) hour. Detention shall also be charged for any undue delay after movement of a vessel has commenced, in proceeding toward berth or in berthing when such delay is caused by circumstances beyond the control of the tugs.

ICE CHARGES: When a tug is operating in ice conditions, whether it be docking, undocking, shifting or transporting a vessel or shifting of barges, scows or lighters, the charges 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 sailing a vessel or to clear an *ice bound slip*, for any reasons, the charge will be at an hourly rate per tug of \$1,225.00. These rates will be prorated to the nearest half (1/2) hour after the two hour minimum. No running time will be charged if the tug is used in the docking or sailing operation.

OTHER SERVICES: Prices for services rendered in connection with dead ship tow, salvage, ocean towing, and vessels aground or in distress will be separately quoted on request. These services, or services not otherwise covered by this Contract, may be governed by the terms and conditions of a BIMCO Contract or such other contract as may be agreed by the parties. However, in all such cases, all terms and conditions contained in this Contract are understood and agreed by Owner to be incorporated into and made a part of any such BIMCO Contract or such other contract as may be agreed by the parties and shall apply to all matters and issues where said BIMCO Contract or other contract is silent.

TUG INTERESTS: McAllister, its owners, officers, directors, insurers, employees, any tugs providing services pursuant to this Contract, their respective owners, affiliates, operators, charterers, managers, underwriters, masters and crews shall be collectively referred to herein below as "Tug Interests."

FORCE MAJEURE: Tug Interests shall not be responsible for any expense, loss, damage or claim whatsoever caused by or resulting from delay, failure, act or omission hereunder due to strikes, lockouts, labor disturbances, riots, fire, earthquakes, storm, lightning, epidemics, war, disorders, acts of God, acts of the public enemy, terrorists, port congestion, shortage of tugs, mechanical breakdowns, priorities in service, or any other cause whatever beyond their control.

EMPLOYMENT OF OTHER TUGS: If at any time McAllister tugs are not conveniently available for the desired services, McAllister will use its best efforts to designate or engage other tugs from other sources to provide tug service, but Tug Interests shall not be liable for damages if McAllister is unable, at any time, for any reason, to furnish such services, either through its own tugs or by engaging tugs from any other source. Tug Interests shall, while performing any service pursuant to this contract, have the benefit of all contract provisions herein and shall be considered third party beneficiaries of this Contract and all limitations of liability herein. Further, Tug Interests do not expressly or implicitly warrant the seaworthiness, power, equipment, performance or competency of the Master, crew or any tugs used or engaged by Tug Interests in the performance of this Contract, but which are otherwise not owned, operated or controlled by Tug Interests.

If for any reason, at any time, McAllister is unable or otherwise unwilling, in its sole discretion, to provide tugs to serve Owner's vessel, Owner is at liberty to engage tugs from any other owner or operator. In such circumstance McAllister shall have no obligation to reimburse Owner for any price differential or any other cost incurred by Owner.

LIMITATION OF LIABILITY: The furnishing of any service or anything done in connection therewith shall not be construed to be or 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 Statutes of the United States. TUG INTERESTS WARRANT THE EXERCISE OF REASONABLE CARE IN THE PERFORMANCE OF TUG SERVICES BUT DISCLAIM ALL OTHER WARRANTIES EXPRESS OR IMPLIED.

Unless entitled to defenses or limitations of liability provided under this Contract or under any applicable law, rule or regulation that would reduce its 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 must 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 pursuant to this Contract up to a maximum aggregate amount of two hundred fifty thousand dollars (U.S. \$250,000.00). Owner understands and agrees that tug services provided hereunder are rendered at all times under the supervision and command of Owner's 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 Tug Interests. Owner further understands and agrees that the rates charged by or on behalf of Tug Interests for tug services are predicated upon the limitations of liability and the indemnities set forth in this Contract. Should Owner desire that Tug Interests retain

liability in excess of two hundred fifty thousand dollars (U.S. \$250,000.00) it will notify McAllister in writing, whereupon McAllister will quote rates for tug services hereunder predicated on higher liability limits. Any such quote must be accepted by Owner 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 prevail. Nothing herein shall be construed to waive or limit the right of Tug Interests to assert any defenses to liability available to it or to avail itself of any rights of limitation or exemption from liability under any applicable law, rule or regulation.

Notwithstanding anything to the contrary in this Contract or elsewhere, Owner understands and agrees that the rates charged hereunder are also predicated on Owner's agreement that Tug Interests shall have no liability for any consequential, punitive, exemplary or special damages of any kind howsoever arising.

Owner agrees to indemnify, defend and hold Tug Interests harmless from and against any and all claims, demands, causes of action, liabilities and costs (including attorney's fees and third party claims of whatever nature) in excess of the applicable amounts set forth above that are attributable to the acts or omissions, whether or not negligent, of Tug Interests, or to 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 pursuant to this Contract. Except as set forth below, the parties intend for this indemnity to apply in all instances including, without limitation, allisions, collisions and third party claims. Owner warrants that Owner possesses sufficient and adequate insurance on the vessels assisted pursuant to this Contract, 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 additional or coassureds, as applicable.

Nothing herein shall preclude Tug Interests from recovering from any responsible party for any damages sustained by any tugs, or their Masters or crews, providing services hereunder.

PILOTAGE: Tug Interests do 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 services of assisting a vessel making use of or having available her own propelling power at the commencement of such service, participates in directing the navigation of such vessel, or in directing the assisting tugs, from onboard such vessel or from elsewhere, it is agreed that he becomes the borrowed servant of the vessel assisted and her owner, operator and charterer 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 Tug Interests and neither those furnishing the tugs or lending any such person, nor McAllister shall be liable for any act or omission of any such person. For the purposes of this paragraph, vessels making use of or having available their own propelling power shall be deemed to include tug/barge units and vessels of any description having, at any time the service is commenced, another tug in assistance. The provisions of this paragraph may not be changed or modified in any manner whatsoever except by written instrument signed by an officer of McAllister.

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

FUEL SURCHARGE: All rates published in this Contract are subject to prevailing fuel surcharge.

EFFECTIVE DATE: The above rates, terms and conditions supersede all previously published Contracts and are effective from May 1, 2009.

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 Pulaski 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 Island
- 15 — Raritan River, South Amboy Reach to Titanium Reach
- 16 — Leonardo, New Jersey

