



McALLISTER TOWING OF PHILADELPHIA, INC.

4 SOUTH KING STREET, GLOUCESTER, NJ 08030
TEL. (856) 456-7200
FAX: (856) 456-7272
E-MAIL: philadelphia@mcallistertowing.com
WEBSITE: www.mcallistertowing.com

PHILADELPHIA/DELAWARE RIVER TOWING CONTRACT

Date

Messrs.
(hereinafter "Owners")

We hereby agree as agents for and in behalf of McALLISTER TOWING OF PHILADELPHIA, INC., (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 Philadelphia and vicinity, at the rates and upon the terms and conditions as stated herein.

Owners agree that during the term of this contract McAllister may, thirty (30) days after notice to Owners, adjust rates, terms and conditions to reflect changes in cost of operations, working hours, conditions or in consequence of any law regulation or decisions.

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 PHILADELPHIA, INC.

By

ACCEPTED

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

EFFECTIVE NOVEMBER 1, 2007

TERMS: Net 30 days. In the event customer fails to make payment when due or fails to pay entire balance due under this contract or invoice, customer 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 1½% 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 ACT OF 1938 as amended.

I. SCHEDULE OF RATES, TERMS AND CONDITIONS under which McAllister Towing of Philadelphia, Inc. furnishes tug-boat services of docking or undocking in clear water and clear berth.

Docking or undocking is defined as assisting the movement of a vessel from the stream off the pier to a berth, or from a berth to the stream off the pier.

ZONE	EACH TUG
(1) Delair R/R Bridge to Gloucester Point	\$730.00
(2) Eagle Point to Thompson Point	\$1,080.00
(3) North of Girard Point to Point Breeze, Chester, PA to Claymont, DE	\$1,367.00
(4) Wilmington, DE, Deepwater Point, NJ	\$1,748.00
(5) North of Delair R/R Bridge to Burlington, NJ	\$2,192.00
(6) North of Burlington, NJ to Morrisville, PA and Delaware City, DE.	\$2,437.00

II. TONNAGE CHARGE: In addition to the charges in Paragraph (I) in all Zones add \$.1243 per net registered ton. The net tons used will be the highest net tons as published in the current edition of "Lloyd's Register of Shipping".

III. ADDITIONAL SERVICES: For the following additional services not otherwise covered herein, the rate shall be \$424.00 net per hour for each tug, and will include running time of tug from and to tug station at Philadelphia when applicable.

- a. For assisting a vessel from or to any anchorage.
- b. For the use of tugs holding a vessel for more than one-half hour after the vessel is alongside the berth.
- c. For any undue delay after movement of vessel has commenced, when the cause of such delay is beyond the control of the tugs.
- d. For transporting a vessel without power between points outlined in Paragraph (I). This is in addition to the charges for the undocking and/or the docking.
- e. For attendance to a vessel.
- f. For shifting small craft such as lighters, scows, barges, etc.

IV. OTHER SERVICES: For tug services in the Delaware River and Bay south of Reedy Point, or in the Chesapeake and Delaware Canal, an hourly rate of \$472.00 per tug will apply, including running time of tug from and to tug station at Philadelphia.

V. ICE CONDITIONS: For tug services running through or assisting through ice, in addition to the tariff rate, there shall be a charge of \$216.00 per hour for each tug, including running time to and from the vessel or other floating equipment.

VI. VESSELS AGROUND OR IN DISTRESS: The terms and conditions of this contract do not apply to services rendered in connection with salvage, nor to vessels aground or in distress. These services shall be governed solely by the terms and conditions of a BIMCO form contract utilized by McAllister.

VII. OCEAN AND COASTWISE TOWING: Prices for ocean, coastwise and inland waterways towage and for any services not specifically covered by this schedule will be quoted upon request, which includes explosives.

VIII. DEADSHIP MOVES: Rates for deadship moves will be furnished upon request.

CANCELLATION CHARGE: The charge for cancelled orders will be two thirds (2/3) of the applicable rate. If orders are cancelled at least four hours prior to the ordered time, there will be no charge.

REPORTING CHARGE: If tugs are ordered into service by or in behalf of vessel for a movement or service expected to be performed or required, and the movement or service is not performed or required by the vessel, the tugs shall be paid at the rates in this schedule applying to the particular services, the same as if the tugs had performed the services.

FORCE MAJEURE: McAllister, the tugs, their respective owners, affiliates, operators, charterers, managers, underwriters, masters and crews (collectively the "Tug Interests") shall not be responsible for any expense, loss, damage or claim 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 tugs are not conveniently available for the required services, McAllister will endeavor to designate or engage other tugs to provide such service, but Tug Interests shall not be liable for damages in case we are not able, at any time, for any reason, to furnish such services. Any tug designated or engaged by McAllister to perform services under this contract, and its owners, master and crews shall, while performing such service, have the benefit of all contract provisions herein. However, if for any reason, at any time, McAllister is unable to have tugs owned or specified by us on hand to serve Owner's vessel, Owner is at liberty to engage any other tugs to serve it at such time but without the right to charge McAllister at any difference in price. In agreeing to endeavor to provide this service it is understood and agreed Tug Interests do not expressly or implicitly warrant the seaworthiness, power, equipment or competency of the crew of the tug or tugs supplied by McAllister in the performance of this contract.

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. **MCALLISTER WARRANTS THE EXERCISE OF REASONABLE CARE IN THE PERFORMANCE OF TUG SERVICES BUT DISCLAIMS ALL OTHER WARRANTIES EXPRESS OR IMPLIED.**

Unless entitled to immunity or to defenses to, exemptions from and limitations of liability provided under this contract 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 pursuant to this contract up to a maximum aggregate amount of two hundred thousand dollars (U.S. \$200,000.00). 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 the Tug Interests. Owner further understands and agrees that the rates charged by or on behalf of McAllister 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 \$200,000.00 it should 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 them or to avail themselves of any rights of limitation or exemptions 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 the 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 harmless the Tug Interests 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 the Tug Interests, or any of them, 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, allision, collision and third party claims. Owner warrants that it 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 an additional or coassured, as applicable.

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

PILOTAGE: McAllister does not furnish pilots or pilotage to vessels making use of or having available their own propelling power, so that whenever any licensed pilot, or 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, 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 or 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 McAllister and neither those furnishing the tugs or lending any such person, nor the Tug Interests 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 rendered, 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 this company.

MISCELLANEOUS: 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 the authority to bind the vessel owner to all provisions of the preceding paragraphs and agrees to indemnify and hold Tug Interests harmless from all damages and expenses that may be sustained or incurred in the event and in consequence of such person or company not having such authority. 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 Schedule are subject to prevailing fuel surcharge.

EFFECTIVE DATE: The above rates, terms and conditions supersede all previously published schedules and are effective from November 1, 2007.

DISCOUNT: All charges net except when services are performed under contract, in which case rates under Paragraphs (I), (II), (III) and (IV) are subject to a five percent (5%) contractual discount.