

## TERMS & CONDITIONS

These terms and conditions (these "Terms") shall apply to Services provided by Seabulk to a Customer pursuant to a Rate Schedule or when otherwise incorporated by reference into a contract with Seabulk.

**1. Defined Terms.** The following terms shall have the meanings given to them below.

**"Customer"** means individually and collectively the person or entity ordering Services, the Vessel, and the Vessel's owners, operators, agents, charterers and managers.

**"Dead Ship"** means a Vessel that cannot safely propel or steer itself.

**"Rate Schedule"** means Seabulk's current schedule of rates applicable to the port area in which the Services are to be provided as published at <http://www.seabulktowing.com/schedule-of-tariff/> on the date the Services are performed.

**"Seabulk"** means the Seabulk Company that has accepted Customer's request for, and has assumed responsibility to provide, the Services.

**"Seabulk Company"** means either Seabulk Towing Services, Inc. or Seabulk Towing, Inc., as applicable.

**"Services"** means the tug services ordered by or on behalf of Customer for which rates are provided in a Rate Schedule incorporating these Terms and any other services for which these Terms have been made applicable by Seabulk and Customer.

**"Tug(s)"** means the tug(s) operated and/or engaged by Seabulk and employed to provide the Services.

**"Vessel"** means the vessel for which Services are requested to be provided by Seabulk, including, without limitation, self-propelled vessels and barges under tow.

**2. Scope of Services and Terms.**

- (a) Upon acceptance of a Customer's request for Service, Seabulk will provide the Services promptly as requested, taking into consideration prior commitments. Seabulk reserves the right, in its sole discretion, to decline any request for Services from any existing or potential Customer.
- (b) These Terms shall not apply to rescue towing, assisting Vessels aground or otherwise in peril, salvage and any other services not specified in the Rate Schedule. Separate rates and terms and conditions for such excluded services will be provided upon request by Seabulk. Seabulk reserves the right, in its sole discretion, to decline to provide such other services to any existing or potential Customer.
- (c) In the event a Vessel is a Dead Ship at any time while Services are being provided, the Seabulk escort or assist Tug shall stand by and render additional service to the Vessel or its propelling tug as determined by the Tug Master, in his or her sole discretion, to be safe and within the reasonable capabilities of the Seabulk Tug. Customer shall pay Seabulk for any such additional service at the Dead Ship rates set forth in the Rate Schedule. In addition, such Dead Ship Services shall be provided pursuant to these Terms, except that the limitation of liability set forth in Section 8(d) shall be reduced to \$50,000 (fifty thousand dollars) for all purposes (including for purposes of Section 9(a)) and the indemnity

provisions of Section 9 shall apply with respect to such Dead Ship Services, even if Customer had previously opted out of the liability cap pursuant to Section 8(e).

- (d) Seabulk and Customer shall use due diligence to ensure that the Tug and the Vessel, respectively, comply with all applicable laws, including any vessel escort regulations for the area in which the Services are provided.
- (e) These Terms apply to the area specified in the Rate Schedule and supersede and cancel all previous Seabulk terms and conditions applicable to such area.

**3. Rates.** In consideration for the Services, Customer shall pay Seabulk in accordance with the Rate Schedule. In consideration for services not covered by the Rate Schedule, Customer shall pay such rates agreed by Seabulk and Customer.

**4. Unusual Conditions.** When circumstances beyond the control of Seabulk, such as weather, tidal conditions, difficult berths, obstructions, congestion, vessel size or configuration, requests by ship's master, pilot or port agent, or other factors require that additional Tugs be dispatched to a job, charges for Services performed by such additional Tugs shall be at the rates set forth in the Rate Schedule. When additional Tugs are dispatched and/or conditions are such that the Vessel will be delayed, Seabulk shall attempt to contact the Vessel's agent, but shall not be held liable for failure or inability to do so or for any loss, damage or expense resulting from such delay. If any vessel assist or escort involves special or unusual risks, Seabulk may require agreement on modified rates and/or terms and conditions.

**5. Delegation; Third-Party Performance.**

- (a) If Seabulk Tugs are unavailable, or Seabulk otherwise determines, in its sole discretion, that another tug would be more appropriate to provide the requested Service, Seabulk may engage (as a sub-contractor of Seabulk) another service provider for the affected movement or tow, such engagement to constitute the provision of Services hereunder by Seabulk. In performance of any such delegated services, the third-party service provider shall be considered an independent contractor and not the agent or employee of Seabulk.
- (b) Customer agrees that any service provider performing delegated Services shall be considered an Indemnified Party (as defined in Section 9 of these Terms) and shall have the benefit of all defenses, exemptions, limitations of liability, indemnities and other benefits provided by these Terms to the party or parties providing Services hereunder.
- (c) Seabulk reserves the right to charge Customer for all out-of-pocket costs incurred by Seabulk in hiring other service providers to perform work on behalf of Seabulk to the extent such costs exceed

the amounts payable to Seabulk for such Services under the Rate Schedule or these Terms.

- (d) Seabulk shall not be liable for damages by reason of lack of availability of any of its Tugs or inability to engage another service provider, including, without limitation, any difference between the rates contained in the Rate Schedule or these Terms and the rates or terms paid or agreed by Customer to/with a third party for provision of the Services.

**6. Limited Warranty.** Seabulk warrants the exercise of reasonable care in its performance of the Services. **EXCEPT AS PROVIDED IN THE FOREGOING SENTENCE, SEABULK MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ANY WARRANTY OF WORKMANLIKE SERVICE OR PERFORMANCE OR FITNESS FOR ANY PARTICULAR PURPOSE.**

**7. Force Majeure.** Neither Seabulk nor any other Indemnified Party shall be responsible for any loss or damage or delay or failure in performing hereunder arising or resulting from an event beyond its reasonable control (a “**force majeure**” event), including but not limited to act of God; act of war; peril of the seas; mechanical breakdown; fire; act of public enemies or assailing thieves; terrorist actions; arrest or restraint of princes, rulers or peoples; strikes, lockouts or labor disturbances from whatever cause, either partial or general; riot or civil disorder; acts of public enemies; storms; epidemics; port congestion; acts of government or quasi-governmental authorities; or any other cause whatsoever beyond the reasonable control of the party claiming the benefit of this clause.

**8. LIMITATION OF LIABILITY.**

- (a) Seabulk, the Tugs, their owners, charterers, operators, managers, employees and agents shall be entitled to the benefits of any limitation of, or exoneration from, liability under any statute or rule of law in force in the jurisdiction in which the Services are rendered. Neither the provision of such Services nor anything done in connection therewith shall be deemed to give rise to a personal contract.
- (b) Neither Customer, nor Seabulk, the Tugs, their owners, charterers, operators, managers, employees or agents shall be liable for any indirect, consequential, special, exemplary or punitive damages whatsoever, whether resulting from negligence, breach of these Terms, or otherwise, and even if the possibility of such damage is foreseeable.
- (c) Any Vessel assisted, towed or escorted pursuant to these Terms assumes all risk of any and all loss or damage sustained by it or by any other vessel, property or person resulting from the parting of any hawser or other line, by whomsoever furnished, and whether the parting was due to insufficiency, negligence, wear or other cause.
- (d) Without prejudice to the immunities, defenses, exemptions, limitations and/or rights of contribution in respect of any liability that are available under these Terms or at law, Seabulk, the Tugs, their owners, charterers, operators, managers, employees and agents shall be liable, to the extent required by law, for no more than the first \$250,000 (two hundred fifty thousand dollars) (except as such amount is adjusted per Section 2(c)) for all claims, demands, causes of action, liabilities and costs (including attorneys’ fees) arising out of or resulting from a single occurrence or connected series of occurrences related to any Services

provided subject to these Terms. The parties intend for this limitation of liability to apply in all instances, including but not limited to allision, collision, personal injury, fire, explosion, grounding and oil spill of any nature whatsoever (including, without limitation, crude oil, refined products and bunkers). Customer understands and acknowledges that the rates charged for the Services reflect the liability limitations, immunities, exemptions and indemnities specified in these Terms.

- (e) Notwithstanding the above, Customer may opt out of the liability cap set forth in Section 8(d) above with respect to one or more movements pursuant to the following procedure. Customer shall give Seabulk notice at least three U.S. business days before the commencement of Services in relation to the first such movement. Within one U.S. business day of its receipt thereof, Seabulk will offer Customer, in writing, rates reflecting specific increased liability limits for general and pollution-related liabilities equal to the limits of the full mutual-entry, general- and pollution-liability insurance coverages provided to Seabulk by its P&I Club as a member of the International Group of P&I Clubs. Customer must accept such offer in writing at least one U.S. business day before commencement of the subject Services, failing which the rates and liability cap otherwise provided herein shall apply to the movement(s) in question.

**9. Indemnity.**

- (a) Customer will release, defend, indemnify and hold harmless Seabulk, its directors, officers, agents, employees, insurers, shareholders, representatives, affiliated companies, subcontractors, the Tug(s) and other vessels and their owners, charterers, operators, managers, employees and agents (each individually an “**Indemnified Party**” and collectively the “**Indemnified Parties**”) from and against all claims, liabilities, penalties, fines, costs (including reasonable attorneys’ fees) and damages whatsoever (including claims of third parties) in excess of the cap specified in Section 8(d) or as adjusted per Section 8(e), regardless of any negligence of such Indemnified Party(ies) or unseaworthiness of the Tug(s), in any way arising out of or related to the provision of the Services.
- (b) The parties intend for this indemnity to apply in all instances, including but not limited to allision, collision, personal injury, fire, explosion, grounding and oil spill of any nature whatsoever (including, without limitation, crude oil, refined products and bunkers).
- (c) An Indemnified Party shall give notice (a “**Claim Notice**”) to Customer as soon as practicable after the Indemnified Party becomes aware of any fact, condition or event that may give rise to a claim for indemnification under this Section 9; however, the failure to give timely notice shall not affect rights to indemnification hereunder, except to the extent Customer is actually prejudiced by such failure.
- (d) After receipt of a Claim Notice, Customer shall have the right to defend the Indemnified Party with counsel of its choice satisfactory to the Indemnified Party unless the nature of the claim creates an ethical conflict or otherwise makes it inadvisable for the same counsel to represent the Indemnified Party and Customer; provided that (i) Customer notifies the Indemnified Party in writing that Customer will indemnify the Indemnified Party from and against the entirety of any losses the Indemnified Party may suffer, (ii) Customer provides the Indemnified Party with evidence reasonably acceptable to the Indemnified Party that Customer has

the financial resources to fulfill its defense and indemnification obligations hereunder, (iii) the claim involves only a claim for money damages and no other relief, and (iv) Customer conducts the defense of the claim actively and diligently. Customer shall not compromise or settle any claim without the written consent of the Indemnified Party. The Indemnified Party may, at its own cost, participate in the investigation, trial and defense of any claim defended by Customer and any appeal arising therefrom.

- (e) If Customer fails to promptly and diligently assume the defense after receipt of a Claim Notice hereunder, the Indemnified Party shall (upon delivering notice to such effect to Customer) have the right to undertake the defense, compromise or settlement of the claim with counsel of its own choosing at the expense of Customer.

**10. Insurance.** Customer warrants that it possesses sufficient and adequate insurance on the Vessel(s), including, without limitation, hull and machinery, P&I, and cargo and pollution coverage, to comply with applicable laws, to satisfy its obligations under these Terms, and to respond for any losses arising out of or connected in any way with the Services to be provided hereunder, with all rights of subrogation for losses under said insurances waived as to Seabulk and all other Indemnified Parties and with Seabulk and all other Indemnified Parties entitled to all benefits under said insurances of additional or co-assureds, as applicable.

**11. Notice of Damage and Claim.** Notice of any alleged damage or injury caused by any Tug or the provision of the Services must be given to Seabulk within a reasonable time (not to exceed 48 hours) after the alleged occurrence. If a claim will be made upon Seabulk based on such alleged damage or injury, written notice of such intention must be given within thirty (30) days of such occurrence. In the absence of either one or both notices provided for above, no claim arising out of such occurrence shall be valid, and no suit may be maintained in respect thereof. In any event, Seabulk shall be discharged from any liability of any nature whatsoever unless suit is brought within one year after the occurrence for which a claim is made. In addition to the foregoing requirements, no such claim shall be valid and no suit may be maintained on account of any such damage or injury unless Seabulk is given a reasonable opportunity to inspect and survey the damage for which claim is made prior to the commencement of any repairs.

**12. Taxes.** Seabulk shall not be responsible for any transportation, use, sales or any similar federal, state or local taxes due from the operation or use of any Tug to provide the Services, and any such taxes shall be for Customer's account; provided, however, Seabulk shall pay all taxes applicable to its ownership of any Tug.

**13. Pilotage.** Seabulk does not provide pilots or pilotage services. Compliance with all pilotage and vessel manning requirements with respect to the Vessel(s) is the responsibility of Customer. In the event a pilot, whether mandatory or voluntary, is aboard the Vessel to assist in the movement or docking/undocking of the Vessel, the pilot is deemed to be acting on behalf of the Vessel and Customer. Customer assumes all risk of loss for personal injury or death of any person or damage to or destruction of any property to the extent arising out of or in connection with the acts or omissions of the pilot. Customer also agrees to indemnify, defend and hold the Indemnified Parties harmless from and against all claims, liabilities, penalties, fines, costs (including reasonable attorneys' fees) and damages whatsoever (including claims

of third parties) arising out of or resulting from any act or omission of the pilot and the terms of Section 9 hereof shall apply to such indemnity obligation, provided that the indemnity obligation shall begin with the first dollar of any such claim, liability, penalty, fine, cost or damage.

**14. Customer Due Diligence.** Prior to the commencement of the Services hereunder, Customer shall have exercised due diligence to ensure that the subject Vessel is ready and in all respects fit for movement.

**15. Customer Authority.** Any person (corporate or individual) ordering Services for a Vessel not owned by such person hereby warrants its authority to bind the Vessel and its owners, operators, agents, charterers and managers to all the provisions of the Rate Schedule and these Terms. Such person or entity agrees to indemnify, defend and hold the Indemnified Parties harmless from and against all losses, damages and/or expenses (including costs and attorneys' fees) that may be suffered or incurred by any Indemnified Party due to the absence of such authority.

**16. Severability.** If any of these Terms is held to be invalid by a court of competent jurisdiction or agency having authority over the subject matter of these Terms (or, in the case of an agreed arbitration or mediation, any arbitrator or mediator), the remaining provisions of these Terms shall be unaffected and continue in full force and effect.

**17. Waiver.** No failure by Seabulk to demand the strict and literal performance of or compliance with any provision, condition, or requirement herein shall be deemed to be a waiver thereof, or of strict and literal performance of and compliance with any other provision, condition, or requirement herein, nor to be a waiver of, or in any manner release Customer or the Vessel(s) from, strict compliance with any provision, condition, or requirement in the future. No waiver by Seabulk hereunder shall be enforceable unless in writing signed by Seabulk.

**18. Choice of Law and Forum; WAIVER OF JURY TRIAL.**

- (a) These Terms shall be governed by the federal general maritime laws of the United States of America and, to the extent those laws are not applicable, the laws of the State of Florida, excluding the conflicts of law provisions thereof that would direct the substantive laws of another state to apply.
- (b) Any and all disputes arising out of or in connection with the Services or otherwise arising out of these Terms shall be brought exclusively in the United States District Court for the Middle District of Florida, Tampa Division, to which jurisdiction and venue Customer agrees. In the event, and only in the event, the aforesaid District Court lacks jurisdiction, the aforesaid disputes shall be brought in the state court located in Tampa, Florida.
- (c) IT IS MUTUALLY AGREED BY AND AMONG SEABULK, CUSTOMER AND ANY INDEMNIFIED PARTY THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY PURSUANT TO THESE TERMS.