

# **FULL SERVICE LAKES-WIDE TOWING CONTRACT SCHEDULE OF CONTRACT RATES AND CONDITIONS**

## **APPLICABILITY OF THIS SCHEDULE**

This Schedule of Contract Rates & Conditions is only applicable to holders of a FULL SERVICE LAKES-WIDE TOWING CONTRACT (hereinafter "FSLW Towing Contract"). To be eligible for the FSLW Towing Contract, an Owner, Operator, Charterer, Manager, or Agent must execute a FSLW Towing Contract for towing services with The Great Lakes Towing Company. This Schedule of Contract Rates & Conditions is incorporated and made a part of the applicable FSLW Towing Contract.

## **ABOUT OUR COMPANY - OVER 112 YEARS IN BUSINESS**

The Great Lakes Towing Company has the expertise needed to make towing on the Great Lakes efficient, economical and problem-free. No other towing company can match our comprehensive service and years of experience. Now in our second century in the towing business, we operate tugboats specifically designed for Great Lakes harbor towing on all five of the U.S. Great Lakes and St. Lawrence Seaway. We provide service in over 40 ports in all 8 U.S. Great Lakes' states (Michigan, Illinois, Indiana, Minnesota, Wisconsin, Ohio, Pennsylvania, and New York.) Our tractor and ocean-going conventional tugs are also operated under charter to major tugboat companies throughout the United States in East and West Coast ports from Florida to New York and California to Alaska. A Company affiliate provides tug services in Puerto Rico and in the Caribbean Islands, too. The Company has, over the years, routinely undertaken major fleet improvements to rebuild and re-engine its tugs, demonstrating its commitment to the Great Lakes region, its home since 1899. For more information about The Great Lakes Group and its affiliates, visit our website at [www.thegreatlakesgroup.com](http://www.thegreatlakesgroup.com).

## **A WORD OF CAUTION ABOUT TOWING RATES**

We realize that you have a choice of towing companies within the Great Lakes, however, there are substantial differences in the services offered, and the additional benefits and operational savings that can be realized when using the services of The Great Lakes Towing Company. Caution must be exercised in making any simplistic comparison of quoted rates between The Great Lakes Towing Company and its competitors in any select port, since "one-port" rates alone are not a true reflection of actual "bottom-line" costs on a lakes-wide "multi-port" basis. The Great Lakes Towing Company offers lakes-wide comprehensive towing service with readily available "round-the-clock" tugs and crews, with back-up capabilities. The Company's record of timely performance and safety is unmatched in the industry and this saves vessel operators substantial time and money. We are dedicated to offering the best tug service at the lowest possible cost in both the high-volume and, particularly, in the low-volume ports not serviced by any other company. Contract Rates are available to all users of tug services. Maximum savings in towing rates can be achieved by participation in our Full-Service Lakes-Wide Contract. Details about Contract Rates are available upon request.

## **THE HIGHEST INDUSTRY STANDARDS**

The Great Lakes Towing Company's fleet of tugboats are all U.S. registered and meet the highest industry and government standards. The Company is a member of THE AMERICAN WATERWAYS OPERATORS RESPONSIBLE CARRIER PROGRAM which is an independently audited code of practice to ensure safe and efficient tugboat operations -- the highest standards of towing safety in the United States. These high safety standards also contribute to our outstanding performance record and an almost "delay-free" service. This represents a savings to a vessel operator's bottom line cost of towing.

## **OTHER TOWING SERVICES AVAILABLE**

This Schedule of Rates & Conditions covers vessel harbor assistance, including icebreaking and ancillary services such as rescue and assistance to disabled, grounded or damaged vessels and barges. We also offer towing of every type of floating structure from port to port anywhere on the Lakes, barge towing within harbors, and through-cargo barge movements whose origin or destination may be other than a Great Lakes port, such as a movement of heavy-lift cargo from a Great Lakes port, down the Mississippi River system, to a Gulf port, as well as oil and hazardous material spill response services.

## **THE SHIPYARD & SHIP REPAIR FACILITY**

The Shipyard, a division of The Great Lakes Towing Company, is located on the Cuyahoga River at Cleveland, Ohio. Originally established for the construction and maintenance of the Company's own fleet of more than 50 tugboats, it has, for over the past two decades, grown to include commercial marine repair services for all types of lake and saltwater vessels, tugs, supply boats, ferries, barges, excursion vessels, and large yachts. Topside work of every kind for lakers and saltwater vessels of all sizes is performed. Dockage or winter lay berths are available. Drydocking and bottom work for vessels of up to 250 tons is performed on our drydock, as well as major steel fabrication, new construction and winter lay up work for lake carriers. The Company is proud that it is a major repair yard for the U.S. Coast Guard and other Government vessels on the Great Lakes, a tribute to its high-quality workmanship, on-time performance, and competitive pricing. Now located in our new headquarters building at our new shipyard facility in Cleveland, we have expanded our marine repair business to include new construction of tugs and barges.

THE GREAT LAKES TOWING COMPANY  
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**RATES FOR ASSISTANCE TO VESSELS IN DOCKING, UNDOCKING AND SHIFTING IN HARBORS**

RATES

<u>Buffalo<sup>++</sup></u> <u>Area</u>		<u>Non-Contract</u> <u>Base Rates*</u>	<u>Contract</u> <u>Base Rates<sup>+</sup></u>
1	Outer Harbor -- Buffalo Ship Canal, Buffalo River to Ohio Street Bridge Per Tug	\$ 5,797.00	\$ 4,022.00
2	Buffalo River -- above Ohio Street Bridge -- Lackawanna Per Tug	8,547.00	6,468.00
3	Black Rock Channel to Black Rock Lock and below the Lock Per Tug	8,547.00	6,283.00

NOTE: (1) 6-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.

Port Colborne,  
Ontario

Rates available upon request.

NOTE: (1) 6-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.  
(2) No tugs are stationed in this port.  
(3) Tow subject to prior approval by Revenue Canada.

Erie<sup>++</sup>, Conneaut<sup>++</sup>,  
Fairport<sup>++</sup>, Lorain<sup>++</sup>,  
Huron<sup>++</sup>, Sandusky<sup>++</sup>

	In or out of harbor and shifting Per Tug	8,099.00	5,808.00
NOTE:	(1) 12-hours minimum notice for service in these ports is requested. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible. (2) No tugs are stationed in these ports due to limited activity, therefore, in addition to the rate indicated above for tug service, an additional charge to cover running time to position tug from homeport and return to homeport -- Dock-to-Dock Per Hour	1,511.00	1,130.00

\* Non-Contract Rates are not applicable to Contract customers and are only indicated for comparative purposes to illustrate savings achieved under the Contract.

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THE GREAT LAKES TOWING COMPANY  
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			Non-Contract Base Rates*	Contract Base Rates <sup>+</sup>
Ashtabula <sup>++</sup>	In or out of harbor and shifting	Per Tug	\$ 10,366.00	\$ 5,863.00
NOTE:	(1) 6-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.			
	(2) In the event tugs are no longer stationed in this port due to limited activity, in addition to the rate indicated above for tug service, an additional charge to cover running time necessary to position tug from homeport and return to homeport -- Dock-to-Dock			
		Per Hour	1,511.00	1,130.00
Cleveland				
Area				
1	Outer Harbor -- West of Cuyahoga River to Cleveland Bulk Terminal	Per Tug	5,093.00	3,824.00
2	Outer Harbor -- East of Cuyahoga River to East Entrance Light, including Dock 20	Per Tug	5,254.00	3,748.00
3	Above Norfolk-Southern #1 Drawbridge to, but not including, Eagle Avenue vertical lift bridge -- Old River Bed	Per Tug	5,464.00	3,751.00
4	Above Eagle Avenue vertical lift bridge to, and including, Lower LTV	Per Tug	7,818.00	5,155.00
5	Above Lower LTV to, and including, Reilly Tar Dock	Per Tug	9,336.00	6,440.00
6	Above Reilly Tar Dock	Per Tug	10,348.00	7,197.00
NOTE:	(1) 4-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.			
	(2) Due to extraordinary congestion on the Cuyahoga River caused by increasing numbers of recreational boats and moored vessels, which may endanger the navigation of commercial vessels, the use of two tugs is recommended by the Towing Company for river transits, upbound and downbound in all Areas, especially Areas 1, 2, 3 and 4; however, the number of tugs to be utilized for the tow is left to the discretion of the Master of the vessel to be assisted .			

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THE GREAT LAKES TOWING COMPANY  
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**RATES FOR ASSISTANCE TO VESSELS IN DOCKING, UNDOCKING AND SHIFTING IN HARBORS**

<u>Toledo<sup>++</sup></u>		<u>Non-Contract Base Rates*</u>	<u>Contract Base Rates<sup>+</sup></u>
<u>Area</u>			
1	Docks upriver of Bay Shore plant channel to, but not including, the Norfolk-Southern Lower River Bridge (NS North) Per Tug	\$ 4,488.00	\$ 3,316.00
2	From the Norfolk-Southern Lower River Bridge to, but not including, the Norfolk-Southern Maumee Swing Bridge Per Tug	4,894.00	3,546.00
3	Norfolk-Southern Maumee Swing Bridge to the head of navigation (NS South) Per Tug	6,697.00	4,497.00
	-Pilot and personnel transport to or from anchorage		
	-If immediately preceding or following a tow Per Transfer	4,270.00	3,457.00
	-If not immediately preceding or following a tow Per Transfer	5,046.00	3,978.00
NOTE:	(1) 4-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
	(2) Due to high current area which exists south of the Norfolk-Southern Maumee Swing Bridge, the use of two tugs is recommended by the Towing Company for river transits, upbound and downbound, in Area 3, however, the number of tugs to be utilized is left to the discretion of the Master of the vessel to be assisted.		

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THE GREAT LAKES TOWING COMPANY  
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<u>Detroit</u>		Non-Contract Base Rates*	Contract Base Rates <sup>+</sup>
<u>Area</u>			
1	Detroit River from Fighting Island North Light to, but not including, Ambassador Bridge; Rouge River to, but not including, Norfolk-Southern RR Bridge      Per Tug	\$ 4,153.00	\$ 3,316.00
2	Rouge River above Norfolk-Southern RR Bridge      Per Tug	4,948.00	3,457.00
3	Detroit River -- Ambassador Bridge and above to, and including, Connors Creek. Trenton Channel below Great Lakes Steel to and including D.S.C. (ex-McLouth Steel)      Per Tug	5,095.00	3,562.00
4	Trenton Channel below D.S.C. to and including Trenton Edison      Per Tug	5,218.00	3,696.00
NOTE:	(1) 4-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
<u>Monroe<sup>++</sup></u>	In or out of harbor and shifting      Per Tug	8,254.00	5,916.00
NOTE:	(1) 6-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
	(2) No tugs are stationed in this port due to limited activity. Therefore, in addition to the rate indicated above for tug service, an additional charge to cover running time to position tug from homeport and return to homeport -- Dock-to-Dock      Per Hour	1,511.00	1,130.00
<u>Windsor, Ontario</u>	Rates available upon request.		
NOTE:	(1) 4-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
	(2) No tugs are stationed in this port.		
	(3) Tow subject to prior approval by Revenue Canada. Requests for approval must be made by a Canadian Citizen to Revenue Canada.		

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THE GREAT LAKES TOWING COMPANY  
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Lake St. Clair  
St. Clair River to  
Port Huron

Rates available upon request.

- NOTE:
- (1) 10-hours minimum notice for service in this area is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.
  - (2) No tugs are stationed in this area due to limited activity.

Saginaw

Rates available upon request.

- NOTE:
- (1) 36-hours minimum notice for service in this port is requested. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.
  - (2) No tugs are stationed in this port due to limited activity.

Calcite

Rates available upon request.

- NOTE:
- (1) 24-hours minimum notice for service in this port is requested. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.
  - (2) No tugs are stationed in this port due to limited activity.

Sault Ste. Marie Canal & Soo Locks

Assistance each direction through Locks, at Master's discretion. Per Tug

Non-Contract  
Base Rate\*  
\$ 5,196.00

Contract  
Base Rate<sup>+</sup>  
\$ 3,474.00

- NOTE:
- (1) 4-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.

Ashland

Rates available upon request.

- NOTE:
- (1) 36-hours minimum notice for service in this port is requested. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.
  - (2) No tugs are stationed in this port due to limited activity.

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THE GREAT LAKES TOWING COMPANY  
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<u>Duluth, Superior</u>		Non-Contract Base Rates*	Contract Base Rates <sup>+</sup>
<u>Area</u>			
1	Duluth Entry to East Gate Basin to, but not including, John A. Blatnik Bridge	\$ 4,042.00	\$ 3,265.00
	Per Tug		
2	East Gate Basin to Superior Front Channel to and including, the Superior Entry	4,466.00	3,139.00
	Per Tug		
3	John A. Blatnik Bridge to and including the Missabe Cross Channel	6,721.00	4,438.00
	Per Tug		
4	Above Missabe Cross Channel	6,721.00	4,438.00
	Per Tug		
NOTE:	(1) 4-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
<u>Two Harbors</u>	In or out of harbor and shifting	4,042.00	3,265.00
	Per Tug		
NOTE:	(1) 12-hours minimum notice for service in this port is requested. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
	(2) No tugs are stationed in this port due to limited activity, therefore, in addition to the rate indicated above for tug service, an additional charge to cover running time necessary to position tug from homeport and return to homeport -- Dock-to-Dock		
	Per Hour	1,511.00	1,130.00

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THE GREAT LAKES TOWING COMPANY  
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<u>South Chicago</u>		<u>Non-Contract Base Rates*</u>	<u>Contract Base Rates<sup>+</sup></u>
<u>Area</u>			
1	Outer Harbor from Calumet Harbor Entrance Lights to, but not including, 5 RR Bridges	\$ 4,871.00	\$ 3,443.00
	Per Tug		
2	5 RR Bridges to, but not including, 106th Street Bridge	5,309.00	3,693.00
	Per Tug		
3	106th Street Bridge to, and including, Semet Solvay Slip	5,309.00	3,693.00
	Per Tug		
4	Above Semet Solvay Slip to, and including, Turning Basin #3	5,547.00	3,861.00
	Per Tug		
5	Above Turning Basin #3 to, but not including, N&W RR Bridge	6,131.00	3,947.00
	Per Tug		
6	Above N&W RR Bridge to head of navigation	6,866.00	4,745.00
	Per Tug		
NOTE:	(1) 4-hours minimum notice for service in this port requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
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<u>Burns Harbor<sup>++</sup></u>		4,948.00	3,443.00
	Per Tug		
NOTE:	(1) 6-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
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<u>Chicago</u>			
<u>Indiana Harbor</u>			
<u>Buffington, Gary</u>			
	In or out of harbor and shifting	4,871.00	3,443.00
	Per Tug		
NOTE:	(1) 6-hours minimum notice for service in these ports is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
	(2) No tugs are stationed in these ports due to limited activity, therefore, in addition to the rate indicated above for tug service, an additional charge to cover running time to position tug from homeport and return to homeport -- Dock-to-Dock		
	Per Hour	1,511.00	1,130.00

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THE GREAT LAKES TOWING COMPANY  
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**RATES FOR ASSISTANCE TO VESSELS IN DOCKING, UNDOCKING AND SHIFTING IN HARBORS**

<u>Milwaukee<sup>++</sup></u>		<u>Non-Contract Base Rates*</u>	<u>Contract Base Rates<sup>+</sup></u>
<u>Area</u>			
1	Outer Harbor (Breakwater Entrance Lights to Inner Pier Lights) Per Tug	\$ 5,280.00	\$ 3,892.00
2	Milwaukee River -- to head of navigation bounded at Kinnikinnick River by Chicago and N&W RR Bridge and at Menominee River by Chicago, Milwaukee, St. Paul & Pacific RR Bridge (includes Municipal Mooring Basin) Per Tug	6,062.00	3,810.00
3	The Kinnikinnick River or the Menominee River to the head of navigation above the boundaries stated in Area 2 Per Tug	6,619.00	4,193.00
NOTE:	(1) 4-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
<u>Kenosha, Racine, Holland, Ludington<sup>++</sup></u>	In or out of harbor and shifting Per Tug	5,779.00	3,892.00
NOTE:	(1) 6-hours minimum notice for service in Kenosha and Racine is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
	(2) 20-hours minimum notice for service in Holland and Ludington is requested. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
	(3) No tugs are stationed in these ports due to limited activity, therefore, in addition to the rate indicated above for tug service, an additional charge to cover running time to position tug from homeport and return to homeport -- Dock-to-Dock Per Hour		
		1,511.00	1,130.00
<u>Waukegan, Michigan City St. Joseph, Benton Harbor</u>	Rates available upon request.		
NOTE:	(1) 12-hours minimum notice for service in these ports is requested. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
	(2) No tugs are stationed in these ports due to limited activity.		

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THE GREAT LAKES TOWING COMPANY  
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**RATES FOR ASSISTANCE TO VESSELS IN DOCKING, UNDOCKING AND SHIFTING IN HARBORS**

<u>Green Bay<sup>++</sup></u>		<u>Non-Contract Base Rates*</u>	<u>Contract Base Rates<sup>+</sup></u>
Area			
1	Grassy Island Light to, but not including, Main St. Bridge Per Tug	\$ 5,779.00	\$ 3,765.00
2	Main St. Bridge to, but not including, the Chicago, Milwaukee, St. Paul & Pacific RR Bridge Per Tug	6,454.00	4,037.00
3	Chicago, Milwaukee, St. Paul & Pacific RR Bridge to, but not including, the Chicago & North Western RR Bridge Per Tug	7,040.00	4,422.00
4	Chicago & North Western RR Bridge to the Fort James Paper Co. Per Tug	7,955.00	4,981.00
	In addition to the rates indicated above for tug service, an additional amount shall be charged if the tow begins and/or ends at Long Tail Point Per Tug	1,669.00	1,287.00
	In addition to the rates indicated above for tug service, an additional amount shall be charged if the tow begins and/or ends at the Outer Light Per Tug	2,243.00	1,733.00
NOTE:	(1) 4-hours minimum notice for service in this port is requested during Navigating Season; 12 hours during off season. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
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<u>Manitowoc<sup>++</sup></u>	In or out of harbor and shifting Per Tug	5,779.00	3,892.00
NOTE:	(1) 12-hours minimum notice for service in this port is requested. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
	(2) No tugs is stationed in this port due to limited activity, therefore, in addition to the rate indicated above for tug service, an additional charge to cover running time to position tug from homeport and return to homeport -- Dock-to-Dock Per Hour	1,511.00	1,130.00

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THE GREAT LAKES TOWING COMPANY  
SCHEDULE OF CONTRACT RATES & CONDITIONS

**RATES FOR ASSISTANCE TO VESSELS IN DOCKING, UNDOCKING AND SHIFTING IN HARBORS**

Marinette/ Menominee <sup>++</sup>	Area	Non-Contract Base Rates*	Contract Base Rates <sup>+</sup>
	In or out of harbor and shifting		
	1 Menominee River, Marinette Harbor to, but not including, Ogden St. Bridge	\$ 5,779.00	\$ 3,765.00
	2 Menominee River, Ogden St. Bridge to head of navigation		
	Per Tug	6,454.00	4,034.00
NOTE:	(1) 12-hours minimum notice for service in these ports is requested. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
	(2) No tugs are stationed in these ports due to limited activity, therefore, in addition to the rate indicated above for tug service, an additional charge to cover running time to position tug from homeport and return to homeport -- Dock-to-Dock	1,511.00	1,130.00
	Per Hour		
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Sturgeon Bay	Rates available upon request.		
NOTE:	(1) 12-hours minimum notice for service in this port is requested. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
	(2) No tugs are stationed in this port due to limited activity.		
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Port Inland <sup>++</sup>	Area	Non-Contract Base Rates*	Contract Base Rates <sup>+</sup>
	In and out of harbor and shifting	5,779.00	3,765.00
NOTE:	(1) 24-hours minimum notice for service in this port is requested. It is recommended that all orders for tug and ancillary services be given between 0830-1700, whenever operationally possible.		
	(2) No tugs are stationed in this port due to limited activity, therefore, in addition to the rate indicated above for tug service, an additional charge to cover running time to position tug from homeport and return to homeport -- Dock-to-Dock	1,511.00	1,130.00
	Per Hour		

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THE GREAT LAKES TOWING COMPANY (hereinafter "Great Lakes")  
SCHEDULE OF CONTRACT RATES & CONDITIONS

COMPUTATION OF TOWING CHARGES AND EXPLANATION OF RATES  
FOR ASSISTANCE TO VESSELS IN DOCKING, UNDOCKING AND SHIFTING IN HARBORS

Towing charges for vessel assistance in docking, undocking and shifting in harbors are computed by applying a vessel factor to the applicable base rates contained herein for specific ports and, where indicated, for specific areas within ports (unless the rate for service rendered is listed as an hourly rate, flat rate or minimum charge) as follows:

- a. Determine the vessel factor by multiplying the vessel's length overall in feet by the vessel's breadth in feet and dividing by ten (10), and then, use the resultant number to find the applicable vessel factor from the TABLE OF FACTORS FOR ALL VESSELS contained herein. The overall length of a tug/barge unit shall be computed by adding overall length of the tug to the overall length of the barge, except integrated or articulated notched tug/barge units, which shall be computed by using the overall length of the combined tug/barge unit with the tug in the notch of the barge.
- b. This vessel factor is then multiplied by the applicable base rate for a port/area.
- c. Vessel dimensions are obtained first from "Lloyd's Register of Shipping", or second from "Record of the American Bureau of Shipping"; or when not listed in either of the foregoing source publications, the best information available is used.
- d. To convert from meters to feet use a multiplier of 3.281.
- e. The following example using the vessel M/V ABC illustrates how towing charges are computed.
  - i. The length overall and the breadth of the vessel are taken from Lloyd's Register of Shipping:  
M/V ABC: LOA       176.78m   X 3.281 = 580 feet  
          BREADTH 22.86m   X 3.281 = 75 feet
  - ii. The LOA in feet is multiplied by the BREADTH in feet:  
          580 feet   X 75 feet = 43,500
  - iii. The resultant figure is divided by 10:  
          43,500   ÷ 10       = 4,350
  - iv. Looking up the resultant figure in the TABLE OF FACTORS FOR ALL VESSELS yields a vessel factor of 1.42 for the M/V ABC. This vessel factor is then multiplied by the applicable base rate for a port or a specific area within a port.  
  
          Base rate X 1.42 = towing charge in U.S. dollars
- f. Base rates are established on an area concept, unless otherwise specified. Towing charges which are limited to a single area will be computed using the base rate shown for that area. When assistance involves two or more areas, the towing charges will be computed based on the highest base rate of the areas involved.
- g. Rates are for each tug used on each move in any service, unless otherwise indicated.
- h. Hourly rates (except minimum charges, where shown) are computed in increments of one full hour.

THE GREAT LAKES TOWING COMPANY (hereinafter "Great Lakes")  
SCHEDULE OF CONTRACT RATES & CONDITIONS

COMPUTATION OF TOWING CHARGES AND EXPLANATION OF RATES  
FOR ASSISTANCE TO VESSELS IN DOCKING, UNDOCKING AND SHIFTING IN HARBORS

- i. Additional towing charges applicable for vessel assistance in docking, undocking and shifting, as well as, additional charges and charges for ancillary and other services are contained in other pages of this SCHEDULE OF CONTRACT RATES & CONDITIONS.
- j. Rates or towing charges for services not indicated in the SCHEDULE OF CONTRACT RATES & CONDITIONS are available upon request.

TABLE OF FACTORS FOR ALL VESSELS

Factors to be applied to Base Rates contained herein

LENGTH-OVERALL TIMES BREADTH DIVIDED BY TEN

<u>At</u> <u>Least</u>	<u>But</u> <u>Less</u> <u>Than</u>	<u>Multiply</u> <u>Rate</u> <u>By</u>	<u>At</u> <u>Least</u>	<u>But</u> <u>Less</u> <u>Than</u>	<u>Multiply</u> <u>Rate</u> <u>By</u>	<u>At</u> <u>Least</u>	<u>But</u> <u>Less</u> <u>Than</u>	<u>Multiply</u> <u>Rate</u> <u>By</u>
	3801	1.24	4601	4701	1.51	5501	5601	1.78
3801	3901	1.27	4701	4801	1.54	5601	5701	1.81
3901	4001	1.30	4801	4901	1.57	5701	5801	1.84
4001	4101	1.33	4901	5001	1.60	5801	5901	1.87
4101	4201	1.36	5001	5101	1.63	5901	6001	1.90
4201	4301	1.39	5101	5201	1.66	6001	6101	1.93
4301	4401	1.42	5201	5301	1.69	6101	6201	1.96
4401	4501	1.45	5301	5401	1.72	6201	6301	1.99
4501	4601	1.48	5401	5501	1.75	6301	7001	2.25

THE GREAT LAKES TOWING COMPANY  
SCHEDULE OF CONTRACT RATES & CONDITIONS

ADDITIONAL CHARGES & ADJUSTMENTS

	Non-Contract Rates*	Contract Rates
<u>Propulsion and Steering</u>		
All rates listed herein are predicated upon the towing service being rendered in assistance of a vessel using both its own propulsion and steering. For a vessel not using both its own propulsion and steering, rates are increased by fifty percent (50%).		
<u>Cancelled Orders</u>		
A charge for cancelled towing service orders will be made, once crews have been called out for the service. In addition to the aforementioned cancellation charge, an Overtime Charge will also be made if overtime is incurred, as well as additional applicable ice charge for running in ice as provided in Appendix A hereto.		
a. In a harbor where tugs are <u>stationed</u>		
Cancellation Charge Per Tug	\$ 2,350.00	\$ 1,735.00
Cancellation Overtime Charge Per Hour	474.00	349.00
b. In a harbor where tugs are <u>not stationed</u> -- In lieu of the Cancellation or Overtime Charge in (a) above:		
Running time from homeport and return --		
Dock-to-Dock	Per Hour 1,485.00	1,095.00
	Minimum Charge 5,948.00	4,376.00
c. When a minimum charge is specified herein, the Cancellation Charge shall, in lieu of the aforementioned charges, be the same as the applicable minimum charge shown.		
<u>Running Time to Ports Where No Tugs Are Stationed</u>		
Running time charge per tug in conjunction with harbor towing or shifting in ports where no tugs are stationed		
Dock-to-Dock	Monday - Saturday Per Hour 1,511.00	1,130.00
	Sundays & Holidays Per Hour 1,983.00	1,359.00
<u>Towlines - Contract</u>		
Towline charges are incorporated in rates shown. No additional charge for use of tug's towline.		
<u>Towlines – Non-Contract</u>		
Vessels are required to provide their own towlines and fastenings. Towlines and fastenings furnished by the vessel shall be adequate for the purpose. If a vessel elects use of a Great Lakes' furnished towline, and/or fastenings, a ten percent (10%) towline charge will be made.		
<u>Equipment &amp; Personnel</u>		
Use of Great Lakes' materials, personnel, equipment and services, including but not limited to, use of personnel for securing lines or unsecuring lines on a barge or vessel; use of pumps, air compressors, etc., will be for the account of the vessel or equipment served and will be charged for in addition to the applicable towing rate, hourly rate, flat rate or minimum charge for tug service. Rates available upon request.		

\* Non-Contract Rates are not applicable to Contract customers and are only indicated for comparative purposes to illustrate savings achieved under the Contract.

THE GREAT LAKES TOWING COMPANY  
SCHEDULE OF CONTRACT RATES & CONDITIONS

ADDITIONAL CHARGES & ADJUSTMENTS

	Non-Contract Rates*	Contract Rates
<u>Intermediate Stops</u>		
<p>When a vessel temporarily stops at a point other than the dock to which it is assigned solely for tug's convenience and later moves to its proper destination, the rate for the move will be the same as it would have been had there been no interruption in the movement. However, when it is necessary to make an intermediate stop for any reason, other than for the convenience of the tug, the applicable rate will be assessed and charges computed for each movement of the vessel.</p>		
<u>Standby or Waiting Time</u>		
<p>A charge will be assessed for every hour or fraction of standby or waiting time (in addition to the towing charge), however, when a tug is ordered to report for service, one hour free waiting time prior to the tow will be given, in which event a charge will be assessed for every hour or fraction of standby or waiting time thereafter, in addition to the towing charge. A Standby Charge will be made for any undue delay after the movement of the vessel has commenced when such delay is caused by circumstances beyond the control of the tug.</p>		
Monday-Saturday Per Hour	\$ 380.00	\$ 311.00
Sundays & Holidays Per Hour	474.00	393.00
<u>Pilot and Personnel Transport</u>		
<p>A charge for pilot and personnel transport service to or from vessel will be made if tug is called out specifically for the transport service, and that same tug is not used for a tow of that vessel immediately preceding or immediately following the transport service. In addition to the aforementioned transport service charge, an Overtime Charge will also be made if overtime is incurred.</p>		
Unless otherwise specified herein,		
Transport Charge Per Transport	3,064.00	2,415.00
Transport Overtime Charge Per Hour	474.00	349.00

\* Non-Contract Rates are not applicable to Contract customers and are only indicated for comparative purposes to illustrate savings achieved under the Contract.

THE GREAT LAKES TOWING COMPANY  
SCHEDULE OF CONTRACT RATES & CONDITIONS

ADDITIONAL CHARGES & ADJUSTMENTS

	Non-Contract Rates*	Contract Rates
<b><u>Winter Season - Contract</u></b>		
For the performance of services in any port during the "Winter Season" (commencing at the official closing of the St. Lawrence Seaway and terminating with the official opening of the St. Lawrence Seaway), the towing rates, additional charges and ancillary services charges (excluding Ice Work, "Hot" charges, Fuel Adjustments, Towlines and Equipment & Personnel charges) will be subject to a fifteen percent (15%) charge. In addition to the aforementioned Winter Season charge, a daily charge will be assessed for each tug which is required to remain "hot", in a standby status stationed in a homeport, for any reason, during Winter Season. No charge is made for the day in which a tow actually takes place.		
(a) In a harbor where tugs are <u>stationed</u> :		
One (1) Tug "Hot" Standby Status Per Day		\$ 442.00
Two (2) Tugs "Hot" Standby Status Per Day		525.00
(b) In a harbor where tugs are <u>not stationed</u> :		
Rates available upon request.		
<b><u>Winter Season – Non-Contract</u></b>		
For the performance of services in any port during the "Winter Season" (commencing on November 15 and terminating on April 15, the towing rates, additional charges and ancillary services charges (excluding Ice Work, "Hot" charges, Fuel Adjustments, Towlines and Equipment & Personnel charges) will be subject to a twenty-five percent (25%) charge. In addition to the aforementioned Winter Season charge, a daily charge will be assessed for each tug which is required to remain "hot", in a standby status stationed in a homeport, for any reason, during Winter Season. No charge is made for the day in which a tow actually takes place.		
(a) In a harbor where tugs are <u>stationed</u> :		
One (1) Tug "Hot" Standby Status Per Day	\$ 563.00	
Two (2) Tugs "Hot" Standby Status Per Day	628.00	
(b) In a harbor where tugs are <u>not stationed</u> :		
Rates available upon request.		
<b><u>Overtime</u></b>		
For services (including Cancelled Orders and Pilot and Personnel Transport charges) started (regardless of when the order for tug services was placed) on weekdays (Monday through Friday) after 6:00 p.m. and before 6:00 a.m., Saturdays, Sundays and Holidays, a per tug charge will be made in addition to the towing charge. Holidays included are New Year's Day, Martin Luther King Jr.'s Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day and Christmas Day. In the event any of these Holidays fall on Saturday or Sunday, the following Monday shall be observed as the Holiday.		
Weekdays Per Tug	933.00	713.00
Saturdays Per Tug	933.00	713.00
Sundays and Holidays Per Tug	1,856.00	1,418.00

\* Non-Contract Rates are not applicable to Contract customers and are only indicated for comparative purposes to illustrate savings achieved under the Contract.

THE GREAT LAKES TOWING COMPANY  
SCHEDULE OF CONTRACT RATES & CONDITIONS

ADDITIONAL CHARGES & ADJUSTMENTS

Taxes

All taxes properly assessable are in addition to the rates and charges shown in this Schedule of Contract Rates & Conditions. Applicable sales taxes will be charged, unless certificate evidencing an exemption from such taxes is provided, in writing.

Dock-to-Dock

Whenever "Dock-to-Dock" is used herein to determine an additional charge, the times shown on the tug's Official Log/Trip Sheet, as signed by the Master of the tug, will be used to compute the charge for the time when the tug(s) departed until the time the tug(s) returned and secured in its homeport.

Fuel Adjustment

If the cost of No. 2 diesel fuel to Great Lakes, in any port, exceeds sixty cents (US\$0.60) per gallon, the towing rates, additional charges, ice rates and ancillary services charges (excluding towlines and equipment charges) will be subject to a fuel adjustment charge expressed as a percent of such towing rates or charges.

Crew Travel Adjustment

For the land transport of tug personnel to and from any port where a full tug crew complement is not assigned to that port due to limited activity, the towing rates, additional charges, and ancillary services charges will be subject to a fifteen percent (15%) charge.

THE GREAT LAKES TOWING COMPANY  
SCHEDULE OF CONTRACT RATES & CONDITIONS

ADDITIONAL CHARGES FOR  
ANCILLARY SERVICES - ALL PORTS

		Non-Contract Rates*	Contract Rates
<u>On-Site Work, Wrecking, Salvage or Assisting Disabled Vessels</u>			
On-Site Work of every nature, including bottom work, towage, escort (or service of any kind) of vessels and all other services incident thereto.	Per Hour	\$ 1,970.00	\$ 1,458.00
<u>Minimum Charge</u>			
(a) In a harbor where tugs are stationed	Minimum Charge Per Tug	5,912.00	4,373.00
(b) Outside a harbor where tugs are stationed	Minimum Charge Per Tug	7,884.00	5,827.00
<u>Running Time for On-Site Work</u>			
In addition to the rates indicated above for On-Site Work of every nature, an additional charge for running time necessary to position tug at the site and return;			
Dock-to-Dock.	Per Hour	1,485.00	1,095.00
<u>Replacement Cost of Lost or Damaged Equipment for On-Site Work</u>			
In addition to the rates indicated above for On-Site Work, the replacement cost of towlines or other gear furnished by Great Lakes and subsequently lost or damaged in On-Site Work will be added to the charge for the service.			
<u>On-Site Supervisor</u>			
In addition to the rates indicated above for On-Site Work of every nature, an additional charge will be assessed if Great Lakes deems it necessary to utilize an On-Site Supervisor to direct its operations.			
	Minimum Charge 0-4 Hours	892.00	635.00
	4-8 Hours	1,787.00	1,268.00
	Overtime (in excess of 8 hours) Per Hour	224.00	163.00
<u>Hazardous Work</u>			
An additional charge of ten percent (10%) on all charges will be made for Ancillary Services performed under hazardous conditions.			

\* Non-Contract Rates are not applicable to Contract customers and are only indicated for comparative purposes to illustrate savings achieved under the Contract.

THE GREAT LAKES TOWING COMPANY  
SCHEDULE OF CONTRACT RATES & CONDITIONS

ADDITIONAL CHARGES FOR  
ANCILLARY SERVICES - ALL PORTS

		Non-Contract Rates*	Contract Rates
<u>Anchors and Mooring</u>			
Pulling and placing vessel's anchor and holding up, mooring vessels.			
	Per Hour	\$ 1,485.00	\$ 1,095.00
<u>Minimum Charge</u>			
(a) In a harbor where tugs are stationed	Minimum Charge Per Tug	4,457.00	3,281.00
(b) Outside a harbor where tugs are stationed	Minimum Charge Per Tug	5,943.00	4,377.00
 <u>Running Time for Anchors and Mooring</u>			
In addition to the rates indicated above for Anchors and Mooring, an additional charge to cover running time necessary to position tug for required service and return; Dock-to-Dock.	Per Hour	1,485.00	1,095.00
<hr style="width: 20%; margin: 10px auto;"/>			
<u>Standby Other Than for Vessel Assistance in Docking.</u>			
<u>Undocking and Shifting in Harbors</u>			
Standing by to assist vessels when specifically ordered, except in conjunction with Harbor Towing.			
	Per Hour	1,332.00	987.00
	Minimum Charge	3,996.00	2,960.00
<hr style="width: 20%; margin: 10px auto;"/>			
<u>Standby for Shifting and Holding Vessel at Dock or in River</u>			
	Per Hour	1,332.00	987.00
	Minimum Charge	3,996.00	2,960.00
<hr style="width: 20%; margin: 10px auto;"/>			
<u>Hourly Rates</u>			
For services not otherwise specified, including Running Time, when specifically ordered, time charged from time tug leaves its homeport dock until return;			
Dock-to-Dock.	Per Hour	1,511.00	1,130.00
<u>Minimum Charge</u>			
(a) In a harbor where tugs are stationed	Minimum Charge Per Tug	4,533.00	3,390.00
(b) Outside a harbor where tugs are stationed	Minimum Charge Per Tug	6,044.00	4,520.00

\* Non-Contract Rates are not applicable to Contract customers and are only indicated for comparative purposes to illustrate savings achieved under the Contract.

THE GREAT LAKES TOWING COMPANY  
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ADDITIONAL CHARGES FOR  
ANCILLARY SERVICES - ALL PORTS

Extra Personnel

A charge will be made if extra personnel are required to perform requested duties beyond Great Lakes' normal 3-man crew complement.

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Non-Self-Propelled Barges, Crafts and Other Equipment

Rates, Terms and Conditions are available upon request.

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Oil/Hazardous Material Spill Response Plans and Services

The towing and ancillary services offered herein may not be used to satisfy any Oil/Hazardous Material Spill Response Plan, whether for submission to governmental agencies or for any other purposes, without the express written consent of Great Lakes in a separate ADDENDUM to the Full Service Lakes-Wide Towing Contract ("Towing Contract").

In addition to and separate from towing and ancillary services listed in this Schedule of Contract Rates & Conditions provided under the Towing Contract, a separate comprehensive Lakes-Wide Response Contract combining Great Lakes' towing and ancillary services with firefighting, fendering equipment, transfer hoses and equipment, and portable pumps for cargo lightering operations, to meet oil/hazardous material spill requirements and other emergency and environmental clean-up services is available.

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Interport, Over-the-Lakes Towing, and  
Towage or Assistance Outside of Harbor Limits

Rates, Terms and Conditions are available upon request.

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Terms of Payment for Ancillary Services

All charges for ancillary services are due and payable upon completion of services.

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Dock-to-Dock

Whenever "Dock-to-Dock" is used herein to determine an ancillary charge, the times shown on the tug's official Regulation Log Trip Sheet or Master's Daily Report, as signed by the Master of the tug, will be used to compute the charge for the time when the tug(s) departed until the time the tug(s) returned and secured in its homeport.

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Ice Work

Rates for Ice Work as specified in Appendix A hereto.

THE GREAT LAKES TOWING COMPANY  
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TERMS AND CONDITIONS

1. **Terms of Payment and Notices** -- All charges, unless otherwise specified herein, are due and payable by local agent thirty (30) days from date of service; owner, charterer, operator or manager having either placed local agent in funds prior to a request for service, or owner, charterer or manager authorizes and directs local agent to guarantee timely payment on its behalf for services rendered. No reductions in charges, additional charges and any other charges and expenses due Great Lakes shall be made, it being the intent hereof that any controversies, disputes, or differences shall be settled separately by the parties directly. Past due charges are subject to a finance charge of two percent (2%) per month from the date of service until paid. Invoices are payable in United States funds only, to The Great Lakes Towing Company (hereinafter called "Great Lakes") at 4500 Division Avenue, Cleveland, Ohio 44102-2228, or to such special agent as may be appointed therefor by Great Lakes. All services are rendered to the vessel assisted and a maritime lien is reserved on any vessel served for all charges which may accrue hereunder whether or not such charges are billed to the owner, charterer, operator, manager or agent. In the event the charges hereunder shall not be paid in accordance with these terms, the owner and/or operator of the vessel to which the services have been rendered shall pay all expenses of collection, including costs, disbursements, actual attorney's fees and interest. Rates, charges, terms and conditions contained herein are subject to change without notice.

2. **Service Availability** -- Great Lakes will make every reasonable effort to provide requested service. However, Great Lakes does not guarantee the availability of towing service at any location and reserves the right to suspend service without notice. Should suspension of service be necessary, Great Lakes will use its best efforts to give as much advance notice as possible, given the circumstances.

3. **Substitution of Tugs** -- Great Lakes will endeavor to supply a tug or tugs for the requested service, and if Great Lakes tugs are not available for any reason, will further endeavor to designate or engage other tugs to provide requested service; however, Great Lakes and the tug shall not be liable for damages in case they are unable, at any time, for any reason, to furnish such service. Any tug designated or engaged by Great Lakes to perform services under this Schedule of Contract Rates & Conditions, and its owner, charterer, operator, manager and agent, Master and crew, shall while performing such service, have the benefit of all provisions contained herein just as though it was a Great Lakes tug. Hereafter the word "tug" will include both singular and plural, whether owned, chartered, operated, managed, employed, used or engaged in connection with the towing service. In agreeing to endeavor to provide towing service, it is understood and agreed that Great Lakes and the tug make no warranties, express or implied, as to the seaworthiness, fitness for intended service, power, equipment or crew competency or workmanlike performance or service for any tug supplied, designated or engaged by Great Lakes in performance under this Schedule of Contract Rates & Conditions.

4. **Service** -- All services rendered by Great Lakes and the tug shall be rendered pursuant to this Schedule of Contract Rates & Conditions unless agreed to otherwise, in writing, signed by all parties thereto prior to commencement of the service rendered, the rates and the terms and conditions of this Schedule of Contract Rates & Conditions having been considered and mutually agreed upon.

5. **Care** -- Great Lakes and the tug will exercise reasonable care in the performance of towing services rendered pursuant to paragraph "6. **General**" hereafter, and make no warranties whatsoever and specifically disclaim any warranties, express or implied, including warranties of tug seaworthiness, merchantability, fitness for intended purpose and workmanlike performance or service.

6. **General** -- Services furnished under this Schedule of Contract Rates & Conditions are limited to the furnishing of tug power. Great Lakes and the tug do not furnish pilotage. No representations or warranties are made as to the adequacy of any tug to accomplish the undertaking in which it is engaged to serve and while any tug is engaged in assisting in any movement of a vessel it shall be under the command of and subject to the direct command, supervision and control of the person aboard and directing the movement of the said vessel, regardless of the number of tugs furnished. The tug, its Master and crew, shall, during such movements, in respect to the performance of services rendered in the towing, assisting, or handling of such vessel, (except a "deadboat" movement - an unmanned vessel or barge not under command or without motive power or steering available, unless such movement is under the direction of a dockmaster or persons, aboard or ashore, other than employees of Great Lakes), be the servants of the vessel being assisted and its owner, charterer, operator, manager and agent; and the said vessel being assisted and its owner, charterer, operator, manager and agent agree to indemnify and save and hold harmless Great Lakes, its officers, directors, employees and insurers, and the tug, its Master, crew, owners, charterers, operators, managers, insurers and agents, and parties at interest therein, their heirs, legatees, personal representatives, successors and assigns, and each of them, from any and all liability of every nature whatsoever for damages, including both compensatory

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and punitive damages, and all costs, disbursements and attorneys fees attendant thereto, while said tug is being operated in pursuance of or obedience to the command, supervision and control of the person aboard and directing the movement of the vessel, and, upon demand therefor, will defend Great Lakes, its officers, directors, employees and insurers, and the tug, its Master, crew, owners, charterers, operators, managers, insurers and agents, and parties at interest therein, their heirs, legatees, person representatives, successors and assigns, with regard thereto from any third-party claim or lawsuit. Only towing service for a deadboat, as defined above will be performed on the basis that the tug furnished shall be in command of and responsible for the vessel movement. Nothing in this paragraph shall be construed to relieve either the vessel served or its owner, charterer, operator, manager and agent from any liability for negligence on the part of the vessel served, its Master and crew, or the vessel owner, charterer, operator, manager and agent and/or the vessel served for any causally connected unseaworthiness of the vessel served. Owner, charterer, operator, manager and agent of the assisted vessel warrant that they possess sufficient and adequate insurance on the assisted vessel, including hull and machinery insurance protection and indemnity insurance, cargo insurance, and oil, chemical and hazardous material pollution insurance, to comply with all Federal, State and local statutes, and full coverage for market loss arising out of or in any way connected with the towing service with all rights of subrogation for losses under all coverages herein waived and Great Lakes entitled to all the benefits of a named "additional assured" under all coverages. Notwithstanding the undertakings of the vessel owner, charterer, operator, manager and agent made herein to fully indemnify, save and hold harmless, and defend Great Lakes, its officers, directors, employees and insurers, and the tug, its Master, crew, owners, charterers, operators, managers, insurers and agents, and parties at interest therein, their heirs, legatees, personal representatives, successors and assigns, if that condition should be declared void by statute, regulation or by judicial decision, or its application to certain circumstances be held invalid, then the liability of Great Lakes, its officers, directors, employees and insurers, and the tug, its Master, crew, owners, charterers, operators, managers, insurers and agents, and parties at interest therein, their heirs, legatees, personal representatives, successors and assigns, for damages of any nature whatsoever arising out of the service, including damages for negligence, breach of contract and breach of warranty, whether compensatory or punitive or both, damages for demurrage as specified in Paragraph "9. Delays", herein or otherwise, and oil, chemical and hazardous material pollution and clean-up, shall not exceed a total of Ten Thousand Dollars (\$10,000.00), the rates and the terms and conditions for services having been predicated upon this basis. Upon written notice from the owner, charterer, operator, manager or agent of the vessel to, and received by, Great Lakes, prior to the commencement of the service, the above-mentioned limitation of liability upon claims for damages may be amended, and liability may be increased in increments of ten percent (10%) with consequent increase in rates for total services under this Schedule of Contract Rates & Conditions of one percent (1%) for every ten percent (10%) increased increment of liability. Request for tug or towing service by or on behalf of any vessel to be served by any tug owned, operated, engaged or designated by Great Lakes shall be conclusive evidence of acceptance of this Schedule of Contract Rates & Conditions, including these Terms and Conditions, regardless of whether or not written acceptance has been given. 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 Great Lakes and any tug it may supply, and its owner, charterer, operator, manager, insurer, and agent, as well as, the vessel owner and the vessel served, shall have the benefit of any legal defense and 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.

7. **Vessel and Vessel Owner's Responsibilities** -- Subject to any provision to the contrary in Paragraph "6. General" above, the owner, charterer, operator, manager and agent of any vessel served by any tug agrees to indemnify, save and hold harmless, and defend Great Lakes, its officers, directors, employees, and insurers, and the tug, its Master, crew, owners, charterers, operators, managers, insurers and agents, and parties at interest therein, their heirs, legatees, personal representatives, successors and assigns, from all liability of every nature whatsoever for damages, including both compensatory and punitive damages, and all costs, disbursements and attorneys' fees attendant thereto, caused, or in any way contributed to, by conditions beyond the control of Great Lakes such as, but not limited to: (a) Weather; (b) Ice; (c) Draft of vessel deeper than will allow clearance between the bottom of vessel and lake, river or channel bottom, and other duly recorded navigating restrictions which may be encountered; (d) Height of vessel higher than will allow clearance between the superstructures of vessel and bridges and other structures, including appurtenances thereto, and other duly recorded navigating restrictions which may be encountered; (e) Breadth of vessel greater than will allow safe navigating clearance through or about bridges and other structures and appurtenances thereto, and other duly recorded navigating restrictions which may be encountered; (f) Failure of the person aboard and directing the movement of the vessel to properly line the vessel up for safe passage through bridges and other structures and appurtenances thereto; (g) Fouling or loss of any underwater appurtenances; (h) Failure to designate a safe berth (vessel and the tug always lying afloat and without dock or bottom obstructions) for both the vessel and the tug; (i) Underwater obstructions of which Great Lakes has no prior actual notice or knowledge; (j) Choice of time of the

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vessel movement; (k) Choice of number of tugs to be utilized for safe vessel movement; (l) Priorities in service; (m) Unseaworthiness of vessel served, or any deficiency in, or failure of its machinery, equipment or personnel or personnel in the employ of its owner, charterer, operator, manager or agent; (n) Timing of bridge openings; (o) Compliance with all Federal, State and local navigation statutes and regulations; (p) Navigation obstructions, or any other causes of like or different character beyond Great Lakes' control or created by operation of law or regulation; (q) Silence or failure of the person aboard and directing the movement of the vessel to take charge of and direct, command, supervise and control the communications and the sounding of proper signals between the vessel served and any tug of Great Lakes or with any third party, including but not limited to bridges; and (r) Silence or failure of the person aboard and directing the movement of the vessel to assume the responsibility at all times to impart the proper direction, command, supervision and control to the Great Lakes' tug performing the service, and further, should the tug not act in obedience to such direction, command, supervision and control, to immediately communicate same, at the time to the tug, documenting such actions in the vessel's log.

8. **Contingencies** -- Great Lakes shall not be responsible for any expenses, losses, damages or claims whatsoever caused by or resulting or arising from the failure or delay in the performance of service due to labor difficulties (whether a party thereto or not), breakdowns, shortage of tugs, weather conditions, towing through or in ice, priorities in service or choice of time of vessel's movement, timing of bridge openings, navigation obstructions, or any other causes of like or different character beyond its control or created by operation of law or regulation.

9. **Delays** -- Rates for services set forth herein are based upon the express condition that no claim for demurrage (delay or loss of use) of any vessel served (whether due to examinations, drydocking, repairs of damage or other causes), for which Great Lakes, its officers, directors, employees and insurers, and the tug, its Master, crew, owners, charterers, operators, managers, insurers and agents, and parties at interest therein, their heirs, legatees, personal representatives, successors and assigns, may be legally liable, shall in any case exceed One Thousand Dollars (\$1,000.00) per calendar day of such delay. Upon written notice from the owner, charterer, or person having control of the vessel or vessels to be served to, and received by, Great Lakes before the service is commenced, the above mentioned limit of liability upon demurrage claims may be increased, in which event the rates for total services under this Schedule of Contract Rates & Conditions will be increased one percent (1%) of such rates for total services for every One Thousand Dollars (\$1,000.00) of increase in the total (not daily) limit of Great Lakes' and the tug's liability for demurrage specified in such notice, but in no event shall the total liability of Great Lakes and the tug, including demurrage, exceed the total amount of Great Lakes' and the tug's limitation of liability as specified in Paragraph "6. General".

10. **Claims** -- Notice of any alleged damage or injury, sustained or caused by a vessel served under this Schedule of Contract Rates & Conditions, must be given to Great Lakes within a reasonable time (not to exceed 96 hours) from the time of the alleged occurrence and if it is intended that claim shall be made upon Great Lakes based on such alleged damage or injury, written notice of such intention must be given to Great Lakes within a reasonable time (not to exceed 30 days) from the time of such occurrence. Absence of either one or both notices provided for above, shall waive any claim arising out of such occurrence and no suit may be maintained in respect of such claim on account of either damage or injury suffered to or caused by such vessel. In addition to the foregoing, no claim shall be valid and no suit maintained on account of any damage or injury suffered or caused by said vessel unless, within a reasonable time after the date of the occurrence, and in any event a reasonable time before repairs are undertaken, opportunity is given to Great Lakes to examine any claimed damage or injury for the purpose of ascertaining the validity, nature and extent of such claimed damage or injury.

11. **Acknowledgment and Binding Effect** -- The Towing Contract, including this Schedule of Contract Rates & Conditions incorporated therein, has been freely negotiated at arm's length between Great Lakes and the vessel owner, charterer, operator, manager or agent, signatories to the Towing Contract, and has been voluntarily entered into with the clear understanding that owner, charterer, operator, manager or agent, in consideration for obtaining favorable rates, services and other valuable and economic consideration from Great Lakes and contained in the Towing Contract, accept and agree during the entire term of this Towing Contract: (1) to be bound by each and every term and condition, particularly the payment, indemnification, and limitation of liability provisions contained in these Terms and Conditions; (2) not to subsequently seek to invalidate the Towing Contract in judicial or arbitration proceedings by claiming that any of the terms and conditions, particularly the payment, indemnification, and limitation of liability provisions, in these Terms and Conditions are not legally binding or were not voluntarily entered into, the Towing Contract having been reasonably negotiated and fairly made, and the consideration to vessel owner, charterer, operator, manager or agent being substantial, reasonable and adequate therefor; and (3) that this Schedule of Contract Rates & Conditions, particularly the payment, indemnification, and limitation of liability provisions

THE GREAT LAKES TOWING COMPANY  
SCHEDULE OF CONTRACT RATES & CONDITIONS

TERMS AND CONDITIONS

contained in these Terms and Conditions, are essential and integral to the Towing Contract, and vessel owner, charterer, operator, manager or agent acknowledges that Great Lakes would not have entered into the Towing Contract and agreed to the favorable rates, services, and other valuable and economic considerations set forth in the Towing Contract, as compared to those contained in its published non-contract Schedule of Rates & Conditions, then in effect, had not vessel owner, charterer, operator, manager or agent agreed to accept Great Lakes' payment, indemnification, and limitation of liability provisions contained in these Terms and Conditions; and had not this Acknowledgment and Binding Effect been agreed to and accepted; it being fully understood that the rates and other considerations have been negotiated and predicated on this basis by Great Lakes. Facsimile (fax) signatures shall be deemed valid and binding.

12. **Arbitration** – In the event of any controversies, disputes or differences between Great Lakes and the vessel, the owner, charterer, operator, manager, and agent of any vessel served by any tug arising out of, or relating to, the towing service, or the Contract, or in the interpretation of this Schedule, which cannot be settled by mutual agreement, then upon notice, in writing mailed by either registered or certified mail, by one of the parties to the other, such shall be settled in arbitration, and administered by Society of Maritime Arbitrators, Inc., 14 Wall Street, Suite 8A15, New York, New York 10005-2101, under the commercial arbitration rules of the Society of Maritime Arbitrators, Inc., to be held in Cleveland, Ohio, by a single arbitrator to be mutually agreed upon by the two parties within ten (10) days of the receipt of such notice. If the parties cannot mutually agree upon a single arbitrator, it shall be settled in arbitration by a panel of three (3) arbitrators, one (1) to be appointed by each party, twenty (20) days after the date of receipt of the notice, and the third to be appointed by agreement between the two (2) appointed arbitrators within ten (10) days after the appointment of the second arbitrator. If the two (2) arbitrators fail to timely appoint the third arbitrator, then the third arbitrator shall be appointed by the Society of Maritime Arbitrators, Inc. If either party fails to appoint its arbitrator, as required, within twenty (20) days after the receipt of the notice, then the single arbitrator appointed shall become the sole arbitrator. The arbitrator(s) shall be commercial persons, excluding practicing attorneys, conversant with maritime contracts and also with towing service whenever possible. The decision of the sole arbitrator, or of the panel, shall be binding upon both Great Lakes and the vessel, the owner, charterer, operator, manager, or agent of the vessel, and their successors and assigns and shall be non-appealable. The parties shall have equal discovery rights and the sole arbitrator, or the panel, is authorized to compel production of relevant evidence. For the purpose of enforcing any arbitration award, the winning party may, if necessary, obtain an appropriate court order. For this purpose the parties agree to the jurisdiction of the United States District Court, Northern District of Ohio, Eastern Division. Costs of the arbitration, including, but not limited to, disbursements, actual arbitrators' fees, and any court costs, shall be borne by the party losing the arbitration. Each party shall pay its own attorney fees.

13. **Warranty** – With regard to signatories and other persons ordering services under the Towing Contract, it is understood and agreed that such signatories and other persons represent principals, i.e. companies or other entities, which warrant that they have authority to bind the vessel and the vessel owner to all provisions of this Towing Contract, including the applicable Schedule of Contract Rates & Conditions in these Terms and Conditions.

14. **Severability** – If any provision of this Schedule of Contract Rates & Conditions is declared void by statute, regulation or by judicial decision, or its application to certain circumstances is held to be invalid, illegal or contrary to public policy, such voided or unenforceable provision shall be severed and the remainder of the provisions in the paragraph and in the Terms and Conditions, and the application of the invalid provisions to circumstances other than those to which they have been declared invalid, shall not be affected thereby and shall continue to be in full force and effect.

15. **Interpretation** – Reference herein to the Schedule of Contract Rates & Conditions means to this Schedule of Contract Rates & Conditions as supplemented from time to time during the term of the Towing Contract and current at the time of the tug or towage services rendered.

16. **Information** – Information concerning any part of this Schedule of Contract Rates & Conditions is available through the Great Lakes' Cleveland, Ohio office.

THE GREAT LAKES TOWING COMPANY  
SCHEDULE OF CONTRACT RATES & CONDITIONS

ADDITIONAL CHARGES FOR  
ANCILLARY SERVICES – ALL PORTS

1. Ice Work within the following harbors when tugs are on station in the port:

Ashtabula	Detroit	South Chicago
Buffalo	Duluth/Superior	Sault Ste. Marie/Soo Locks
Burns Harbor	Green Bay	Toledo
Cleveland	Milwaukee	

- a. *In conjunction with a tow:* In addition to the applicable towing rate, per hour or any part of an hour, for time involved in running light through ice, ice work underway, ice work performed while assisting vessel, and laytime, time commencing from the time tug leaves its dock until tug returns to its dock:

<u>Non-Contract Rates*</u>	<u>Contract Rates</u>
\$ 1,587.00	\$ 1,142.00

- b. *Not in conjunction with a tow:* Per hour or any part of an hour (five (5) hours minimum charge) for time involved in running light, ice work underway, ice work performed while assisting vessel, and laytime, time commencing from the time tug leaves its dock until tug returns to its dock:

	<u>Non-Contract Rates*</u>	<u>Contract Rates</u>
	\$ 1,587.00	\$ 1,142.00
5 Hour Minimum Charge	7,935.00	5,710.00

*Cancellation Charge:* Five (5) hours minimum charge is applicable once a crew has been called out for the specific service.

2. Ice Work within the following harbors where tugs are not stationed in the port:

Conneaut	Lorain	Marinette
Erie	Sandusky	Menominee
Fairport	Two Harbors	Manitowoc
Huron	Port Inland	Chicago

- a. *In conjunction with a tow:* In addition to the applicable towing rate, per hour or any part of an hour, for time involved in running light through ice, ice work underway, ice work performed while assisting vessel, and laytime, time commencing from the time tug leaves its dock until tug returns to its dock:

	<u>Non-Contract Rates*</u>	<u>Contract Rates</u>
	\$ 1,587.00	\$ 1,142.00
5 Hour Minimum Charge	7,935.00	5,710.00

*Cancellation Charge:* Five (5) hours minimum charge is applicable once a crew has been called out for the specific service.

- b. *Not in conjunction with a tow:* Per hour or any part of an hour (five (5) hours minimum charge) for time involved in running light, ice work underway, ice work performed while assisting vessel, and laytime, time commencing from the time tug leaves its dock until tug returns to its dock:

	<u>Non-Contract Rates*</u>	<u>Contract Rates</u>
	\$ 1,587.00	\$ 1,142.00
5 Hour Minimum Charge	7,935.00	5,710.00

*Cancellation Charge:* Five (5) hours minimum charge is applicable once a crew has been called out for the specific service.

\* Non-Contract Rates are not applicable to Contract customers and are only indicated for comparative purposes to illustrate savings achieved under the Contract.

THE GREAT LAKES TOWING COMPANY  
SCHEDULE OF CONTRACT RATES & CONDITIONS

ADDITIONAL CHARGES FOR  
ANCILLARY SERVICES – ALL PORTS

3. Ice Work within the following harbors where the applicable towing rate, as listed herein, already includes an allowance for running time:

	<u>Allowable Time</u>		<u>Allowable Time</u>
Monroe	6 hours	Buffington	2 hours
Kenosha	6 hours	Gary	3 hours
Holland	24 hours	Burns Harbor	3 hours
Ludington	24 hours	Manitowoc	24 hours
Chicago	4 hours	Marinette/Menominee	10 hours

- a. *In conjunction with a tow:* In addition to the applicable towing rate, per hour or any part of an hour, for time listed above, ice work underway, ice work performed while assisting vessel commencing from the time tug leaves its dock until tug returns to its dock:

	<u>Non-Contract Rates*</u>	<u>Contract Rates</u>
	\$ 1,587.00	\$ 1,142.00

- b. *Not in conjunction with a tow:* Per hour or any part of an hour (five (5) hour minimum charge) for time involved in running light, ice work underway, ice work performed while assisting vessel, and laytime, time commencing from the time tug leaves its dock until tug returns to its dock:

	<u>Non-Contract Rates*</u>	<u>Contract Rates</u>
	\$ 1,587.00	\$ 1,142.00
5 Hour Minimum Charge	7,935.00	5,710.00

*Cancellation Charge:* Five (5) hours minimum charge is applicable once a crew has been called out for the specific service.

4. Ice Work within the vicinity of the following harbors where the Schedule of Contract Rates & Conditions specifies that towing rates are "Available Upon Request":

Michigan City	Port Colborne
St. Joseph	Racine
Detroit River between Port Huron & Detroit River Light	Benton Harbor Sturgeon Bay

- a. *In conjunction with a tow:* In addition to the applicable towing rate, per hour or any part of an hour, for time in excess of the allowable time listed above, ice work underway, ice work performed while assisting vessel commencing from the time tug leaves its dock until tug returns to its dock:

	<u>Non-Contract Rates*</u>	<u>Contract Rates</u>
	\$ 1,587.00	\$ 1,142.00

- b. *Not in conjunction with a tow:* Per hour or any part of an hour (five (5) hours minimum charge) for time involved in running light, ice work underway, ice work performed while assisting vessel, and laytime, time commencing from the time tug leaves its dock until tug returns to its dock:

	<u>Non-Contract Rates*</u>	<u>Contract Rates</u>
	\$ 1,587.00	\$ 1,142.00
5 Hour Minimum Charge	7,935.00	5,710.00

*Cancellation Charge:* Five (5) hours minimum charge is applicable once a crew has been called out for the specific service.

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\* Non-Contract Rates are not applicable to Contract customers and are only indicated for comparative purposes to illustrate savings achieved under the Contract.

THE GREAT LAKES TOWING COMPANY  
SCHEDULE OF CONTRACT RATES & CONDITIONS

ADDITIONAL CHARGES FOR  
ANCILLARY SERVICES – ALL PORTS

5. Ice Work outside of a harbor:

Per hour or any part of an hour (twelve (12) hour minimum charge) for time involved in running light, ice work underway, ice work performed while assisting vessel, and laytime, time commencing from the time tug leaves its dock until tug returns to its dock:

	<u>Non-Contract Rates*</u>	<u>Contract Rates</u>
	\$ 1,587.00	\$ 1,142.00
12 Hour Minimum Charge	19,044.00	13,704.00

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\* Non-Contract Rates are not applicable to Contract customers and are only indicated for comparative purposes to illustrate savings achieved under the Contract.



**FULL SERVICE LAKES-WIDE TOWING CONTRACT  
("FSLW TOWING CONTRACT")**

It is agreed between the undersigned (hereinafter called "Owner, Operator, Charterer, Manager, or Agent") and THE GREAT LAKES TOWING COMPANY (hereinafter called "GREAT LAKES") that GREAT LAKES will furnish tugs for, and attend to, all towing requirements for towing and ancillary services at all ports served by GREAT LAKES, including:

Buffalo	Monroe	Duluth	Waukegan
Port Colborne,	Detroit	Superior	Chicago
Ont.*	Windsor, Ont.*	Two Harbors	South Chicago
Erie	Lake St. Clair/ St. Clair River to	Sturgeon Bay	Indiana Harbor
Conneaut	Port Huron	Port Inland	Buffington
Ashtabula	Saginaw	Green Bay	Gary
Fairport	Calcite	Marinette	Burns Harbor
Cleveland	Sault Ste. Marie	Menominee	Michigan City
Lorain	Sault Ste. Marie,	Manitowoc	St. Joseph
Huron	Ont.*	Milwaukee	Benton Harbor
Sandusky	Soo Locks	Racine	Holland
Toledo		Kenosha	Ludington

\* Subject to a request by a Canadian Citizen and approval by Canada Customs and Revenue Agency.

and in the vicinity of each of these ports for the vessels owned, chartered, managed or controlled by Owner, Operator, Charterer, Manager, or Agent, and Owner, Operator, Charterer, Manager, or Agent agrees to place towing requirements for towing and ancillary services at these ports and in the vicinity of each of these ports with GREAT LAKES, and to direct local vessel agent, acting on their behalf, to make timely payment within thirty (30) days from the date service was provided.

In consideration thereof, towing requirements performed by GREAT LAKES shall be in accordance with and subject to the rates and the terms and conditions for all towing and ancillary services in the ports served by GREAT LAKES under the FSLW Towing Contract, as specified in the applicable Schedule of Contract Rates & Conditions, and any supplement thereto, in effect at the time tug or towing service is provided.

In the event that GREAT LAKES cannot perform required service within a reasonable time, as determined by the Master of the vessel, Owner, Operator, Charterer, Manager, or Agent, reserves the right, on that occasion, to use other tug service in order to avoid a delay.

This contract becomes effective on \_\_\_\_\_, 2011 and shall remain in force until February 29, 2012 and thereafter from year to year until cancelled in writing by either party at least thirty (30) days prior to the annual expiration date. Facsimile (fax) signatures shall be deemed valid and binding.

**THE GREAT LAKES TOWING COMPANY**

\_\_\_\_\_  
Owner, Operator, Charterer, Manager or Agent

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_