

SAUSE BROS., INC.
GENERAL PROVISIONS FOR TUG SERVICE

The following terms and conditions apply to tug services furnished by Sause Bros., Inc. (the "Company"):

1. Application of Rates

The rates and charges contained in the Rate Schedule for Tug Assists (the "Rate Schedule") have been calculated on a per tug basis assuming routine services and normal weather conditions. In the event of requests for non-routine services, abnormal weather conditions, or other factors beyond the control of the Company, extra reasonable charges will be assessed by the Company. The stated rates apply only to the specific services listed. Rates for all work including extra work shall be subject to these General Provisions, which shall also apply on work of a salvage nature and any general towing or tug service to which the Rate Schedule is applied absent separate written agreement. "Assisted vessel" for purposes of these General Provisions includes both the towing tug and the barge of any tug/barge combination.

2. Authority of Customer:

If any vessel for which tug services are ordered is not owned by the person or Company ordering the tug service, it is understood and agreed that such person or Company: (1) warrants its authority to bind the vessel to be assisted, and her owners and operators, to the rates, terms, and conditions contained in these General Provisions and the Rate Schedule; and (2) will indemnify, defend and hold the Company harmless against all cost, expense, and liability of any nature whatsoever, including costs and attorney fees incurred by the Company in defending against any such liability or in enforcing this provision, suffered or incurred by the Company in consequence of such person or company not having such authority.

3. Exceptions:

Upon receipt of an order for tug service, the Company will endeavor to furnish necessary tug power consistent with and subject to availability of personnel and equipment, other service and scheduling commitments, priorities in service, and the notice requirements specified in the Rate Schedule. The Company will not be responsible for delays, extra expenses, or damage caused by labor disputes, accidents, fire, weather, failure or shortage of personnel or equipment, acts of God, or any other causes of a similar or dissimilar nature without the fault and beyond the control of the Company.

4. Warranties:

The Company warrants that it will exercise due diligence to furnish seaworthy tugs which are adequately manned and equipped for the work to be performed. EXCEPT AS PROVIDED IN THIS PARAGRAPH, THE COMPANY MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ANY WARRANTY OF WORKMANLIKE SERVICE OR PERFORMANCE.

5. Limitation of Liability:

The furnishing of tug service for any purpose shall not be construed to be a personal contract and it is understood and agreed that the Company, and the tug owners and operators, if other than the Company, shall have the benefit of all limitations of an exemptions from liability contained in the limitation of liability statutes of the United States.

6. Notice of Damage and Claim:

Notice of any alleged damage or injury suffered or caused by a vessel to which tug services are rendered must be given to the Company not more than forty-eight (48) hours after the alleged occurrence, and if it intended that claim be made against the Company based on such alleged damage or injury, written notice of such intention must be given within (30) days after such occurrence. In addition, the Company shall be given a reasonable opportunity to inspect and survey the damage for which claim is made prior to the commencement of any repairs. Each such notice and opportunity to inspect and survey damage is a condition precedent to suit. The effect of failure to provide either notice to the Company within the time specified or to provide the opportunity to inspect and survey shall operate as an absolute bar to suit on account of alleged damage or injury.

7. Pilotage:

No pilotage services are offered or supplied by the Company. Compliance with all pilotage and vessel manning requirements is the responsibility of the vessel assisted. During such time as the captain or other officer of any tug furnished to or engaged in the service of assisting or towing a self-propelled vessel is under power or not, boards and remains on such vessel, it is understood and agreed that such tug captain or other officer becomes the servant of the vessel assisted, and her owners and operators, for all purposes and in every respect, he is subject to the exclusive supervision and control of personnel of the assisted vessel, and neither the Company nor the tugs furnishing services, and their owners and operators, if other than the Company, shall be liable for any act or omission, whether negligent or not, of such captain or other officer.

8. Hawsers:

The assisted or towed vessel assumes all risk of any and all loss, damage, injury or death sustained by it or by any other hawser or other line, by whomsoever furnished, unless the hawser or other line shall have been furnished by the Company and loss, damage, injury, or death shall have been due to the sole fault or negligence of the Company.

9. General Disclaimer:

All tug services furnished to assist any vessel in any operation subject to the total or partial direction of the assisted vessel's captain or other officer, or a pilot, mooring master or other person not employed by the Company, are provided upon the express understanding, agreement and condition that: (1) such services are performed at the risk of the assisted vessels, her owners and operators; the captain and crew of any assisting tug become the servants of the assisted vessel, her owners and operators; the Company, the assisting tugs, their owners and operators, if other than the Company, shall not be liable for any other damages, injury, or death sustained by the assisted vessel, her owners and operators, shall indemnify, defend and hold the Company harmless against all cost, expense and liability of any nature whatsoever, including costs and attorney fees incurred by the Company in defending against any such liability or in enforcing this provision, arising out of or connected with damage, injury, or death resulting from the performance of such tug services.

10. Limitation Of Liability:

UNLESS ENTITLED TO IMMUNITY AS A RESPONDER OR OTHERWISE UNDER OPA-90 OR OTHER APPLICABLE FEDERAL OR STATE LAWS, AND SUBJECT TO DEFENSES TO, EXEMPTIONS FROM AND LIMITATIONS OF LIABILITY PROVIDED IN THIS SCHEDULE AND APPLICABLE LAW, THE COMPANY SHALL BE LIABLE, TO THE EXTENT REQUIRED AND ESTABLISHED UNDER LAW, UP TO AND INCLUDING THE FIRST \$250,000 FOR ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LIABILITIES AND COSTS (INCLUDING ATTORNEYS' FEES) ARISING OUT OF OR RELATED TO A SINGLE OCCURRENCE OR CONNECTED SERIES OF OCCURRENCES IN CONNECTION WITH ANY SERVICE RENDERED BY THE COMPANY PURSUANT TO THE RATE SCHEDULE. CUSTOMER UNDERSTANDS AND AGREES THAT THE HOURLY RATES ASSUME THE LIMITATION OF LIABILITY AFFORDED BY THIS CLAUSE AND THAT THIS CLAUSE SHALL NOT BE LIMITED, RESTRICTED OR IN ANY WAY AFFECTED BY THE AMOUNT OF INSURANCE CARRIED BY CUSTOMER OR THE COMPANY.

11. Indemnity:

ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LIABILITIES AND COSTS (INCLUDING ATTORNEYS' FEES) EXCEEDING \$250,000 THAT ARE ATTRIBUTABLE TO THE ACTS OR OMISSIONS (WHETHER NEGLIGENT OR

OTHERWISE) OF THE COMPANY, THE TUGS, THEIR OWNERS, CHARTERERS, OPERATORS, MANAGERS OR AGENTS, OR TO A TUG'S UNSEAWORTHINESS, AND WHICH ARISE OUT OF OR RELATE TO A SINGLE OCCURRENCE OR CONNECTED SERIES OF OCCURRENCES IN CONNECTION WITH ANY SERVICE RENDERED BY THE COMPANY PURSUANT TO THIS SCHEDULE SHALL BE SUBJECT TO THE FOLLOWING INDEMNITY: CUSTOMER AGREES TO INDEMNIFY AND HOLD HARMLESS THE COMPANY FROM AND AGAINST ANY AND ALL IN PERSONAM AND IN REM CLAIMS, DEMANDS, CAUSES OF ACTION, LIABILITIES AND COSTS OF EVERY TYPE AND CHARACTER, INCLUDING BUT NOT LIMITED TO ATTORNEY FEES, EXPENSES, PENALTIES, FINES (INCLUDING PENALTIES OR OTHER CHARGES OR COSTS IMPOSED BY ANY FEDERAL, STATE OR LOCAL AUTHORITY), AND DAMAGES WHICH THE COMPANY SUFFERS, SUSTAINS OR BECOMES LIABLE FOR BY REASON OF ANY ACCIDENTS, DAMAGES, INJURIES AND/OR BEING DEEMED A RESPONSIBLE OR THIRD PARTY FOR PURPOSES OF POLLUTION LAWS SUCH AS OPA-90 AND STATE LAWS EITHER TO THE PERSON (INCLUDING ANY EMPLOYEE OR AGENT THEREOF) OR PROPERTY OF THE COMPANY OR CUSTOMER, TO THE PERSON AND/OR PROPERTY (INCLUDING ANY NATURAL RESOURCES) OF ANY THIRD PARTY, INCLUDING BUT NOT LIMITED TO, FEDERAL AND STATE GOVERNMENTS AND AGENCIES THEREOF, LANDOWNERS, SHIPOWNERS AND CARGO ARISING OUT OF OR RELATED TO PERFORMANCE OF ANY SERVICES PURSUANT TO THIS SCHEDULE. 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 OR HAZARDOUS MATERIAL SPILL OF ANY NATURE WHATSOEVER (INCLUDING WITHOUT LIMITATION CRUDE OIL, REFINED PRODUCTS AND BUNKERS). Customer further agrees that the Company shall have the right, but not the obligation, to tender the defense to Customer of any and all lawsuits or other legal proceedings arising out of or in any way connected with matters which are the subject of this indemnity clause, but that failure to tender any such lawsuit or legal proceeding for defenses shall in no way release or relieve Customer of its obligation under this indemnity clause.

12. No Consequential Damages:

The Company shall not in any event be liable for consequential, indirect or special damages, including without limitation extra expense, loss of profits, loss of use of property, delay or damages consequential upon loss of use, whether resulting from negligence or breach of this contract by the Company or any such person, entity or tugs or otherwise and even if the possibility of such damage is or was foreseeable by the Company or any such person or entity

13. Affiliates:

All limitations of and exemptions from liability and entitlement or indemnity provided by law or the terms of these General Provisions shall apply to the Company, its affiliated companies, their officers, director, employees and agents, and to any vessel owned or chartered by any of the above, and such vessel's owners, operators, master and crew.

14. Payment of Terms:

Invoices will be mailed promptly after rendering tug services to the person or Company, which requested the services.

Payment shall be made to:

Sause Bros., Inc.
3710 N. W. Front Avenue
Portland, OR 97210

Payment is due within thirty (30) days of post-marked date. Interest shall be charged at a rate of 1% per month of accounts past thirty (30) days.

Customer shall reimburse the Company for its attorney's fees and expenses incurred in effecting collection of unpaid invoices.

15. Scheduling:

The Company shall use reasonable diligence to provide tug service at the time scheduled with the Customer. However, the company reserves the right to perform tug service for other persons prior to the time scheduled with the Customer. If tug service provided for such other persons delays commencement of tug services to the Customer, the Company shall have no liability for such delay. Scheduled times for tugs are approximate and not guaranteed. In the event the Customer's vessel arrives prior or subsequent to the time scheduled, the Company shall use reasonable diligence to provide tug service at the time of arrival, but the Company shall have no liability for delay in rendering tug service.