



SUDERMAN & YOUNG

TOWING COMPANY

February 22, 2016

To our Valued Customers:

Re: Tariff Adjustment- April 1, 2016

Dear Sirs:

Initially, we wish to express our appreciation for the opportunity to assist your vessels in the Texas Gulf Coast ports which we serve. The confidence you express in this way is very meaningful to us.

We are proud of our efforts to provide quality towing services, and we have available the most modern fleet on the Gulf coast to serve our customers. Since 2008, a period which has included only one interim adjustment in our tariff, we have made substantial improvements in our existing fleet and its operations and we continue to do so. We have recently concluded a new labor agreement which will be in effect for almost 3 years and have incurred other substantial increased costs in the interim period, as we know that you, too, have.

Regrettably, we are not able to continue on the same path if we are to continue providing reliable, quality and efficient service. We are, therefore, moderately increasing our tariff rates and making other adjustments, and we enclose the new tariff terms and schedule of charges effective **April 1, 2016.**

Thank you very much for the opportunity to serve your towing needs.

Yours very truly,

SUDERMAN & YOUNG TOWING COMPANY



SUDERMAN & YOUNG TOWING COMPANY

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HOUSTON, TEXAS 77019

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TUGBOAT TARIFFS

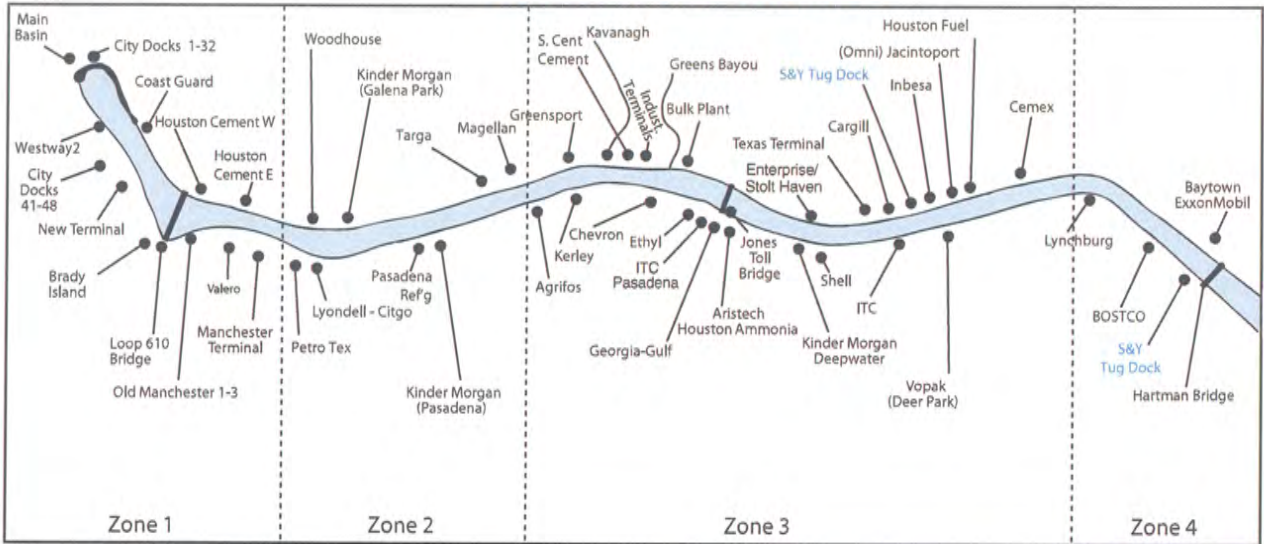
For

HOUSTON SHIP CHANNEL, GALVESTON, TEXAS CITY, FREEPORT

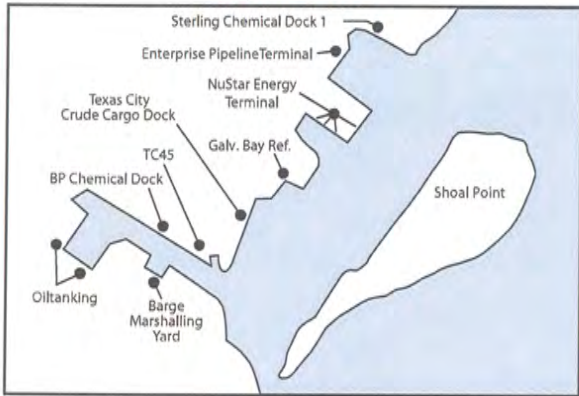
PORT ARANSAS AND CORPUS CHRISTI

EFFECTIVE APRIL 1, 2016

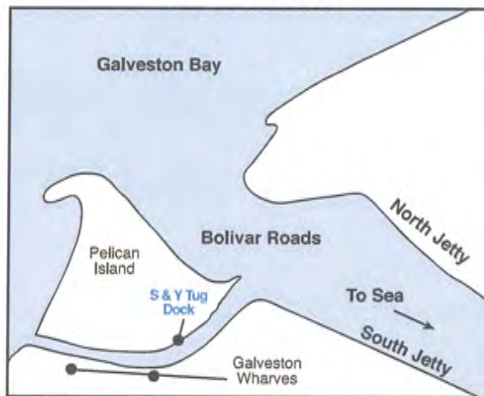
HOUSTON SHIP CHANNEL



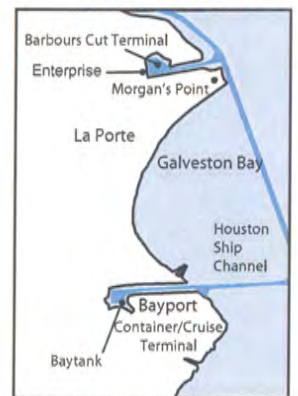
TEXAS CITY



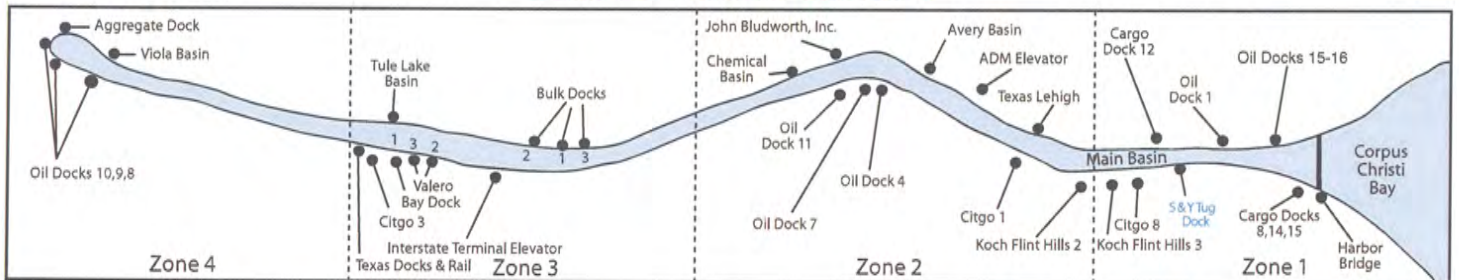
GALVESTON



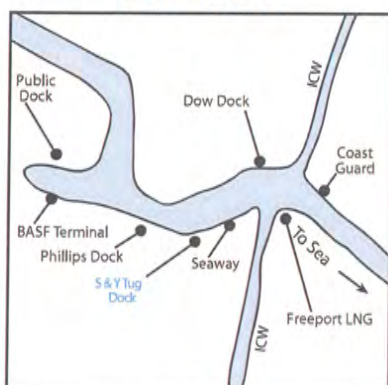
BARBOURS CUT / BAYPORT



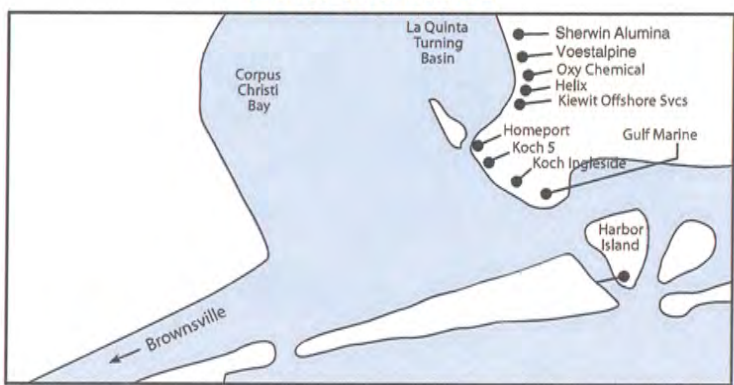
CORPUS CHRISTI HARBOR



FREEMPORT



PORT ARANSAS



HOUSTON SHIP CHANNEL

DOCKING or UNDOCKING:	SHIFTING:
Zone 1 \$1,793.	Zone 1 \$2,690.
Zone 2 \$1,845.	Zone 2 \$2,768.
Zone 3 \$1,845.	Zone 3 \$2,768.
Zone 4 (Baytown Area) \$1,990.	Zone 4 \$2,985.
Barbour's Cut Cont. Term \$1,803.	Barbour's Cut \$2,705.
Bayport 1,827.	Bayport \$2,741.

Tractor Escort in or out
of Bayport \$2,903
Conventional Tug in or out
of Bayport \$1,750
Escort time in excess of 3.25 hours
\$1,845 per hour

GALVESTON — TEXAS CITY

GALVESTON:

Docking or Undocking.....	\$1,658.
Shifting.....	\$2,487.

TEXAS CITY:

Docking or Undocking.....	\$1,997.
Shifting.....	\$2,993.

FREEPORT

Docking or Undocking.....	\$2,394.
Docking or Undocking, 35,000 GRT or greater ...	\$2,508.
Shifting.....	\$3,594.

PORT ARANSAS

	DOCKING	SHIFTING:
INGLESIDE.....	\$2,467.	\$2,985.
LA QUINTA	\$2,938.	\$3,526.
HARBOR ISLAND.....	\$2,988.	\$3,586.

CORPUS CHRISTI HARBOR

	DOCKING or UNDOCKING:	SHIFTING:
Zone 1	\$1,691.	\$2,198.
Zone 2	\$1,954.	\$2,736.
Zone 3	\$2,665.	\$3,465.
Zone 4	\$3,283.	\$3,940.
Zone 3 including turning in Tule Lake Basin	\$3,041.	\$3,191.

CORPUS CHRISTI ASSIST / ESCORTING

Zone 1 to 2.....	\$2,337.
Zone 1 to 3.....	\$3,123.
Zone 1 to 3 including turning in Tule Lake Basin	\$3,191.
Zone 1 to 4.....	\$3,739.
Zone 2 to 2.....	\$2,534.
Zone 2 to 3.....	\$3,123.
Zone 2 to 3 including turning in Tule Lake Basin	\$3,191.
Zone 2 to 4.....	\$3,605.
Zone 3 including turning in Tule Lake Basin	\$3,191.
Zone 3 to 4.....	\$3,455.
Zone 4 to 4.....	\$3,751.

GENERAL TERMS & MISCELLANEOUS CHARGES

- Rates shown in these tariffs are for a single tug ordered or employed and all services are subject to these terms and those of the attached Towage Contract.
- Tonnage surcharge per 1000 GRT or part thereof per Lloyd's Register of Ships: 0-9,999 - \$5.50; 10,000-19,999 - \$7.00; 20,000-29,999 - \$9.50; 30,000-39,999 - \$11.00; 40,000-49,999 - \$12.50; 50,000-59,999 - \$15.00; 60,000-69,999 - \$19.00; 70,000-79,999 - \$23.00; 80,000-89,999 - \$27.00; 90,000 and above - \$30.00.
- When an order is placed for a specific tug or a tug of specified horsepower, and it is necessary to run tug from Houston to Texas City - Galveston, or vice versa, running time of 2 hours each way will be charged at the rate of \$995.00 per hour; Tractor tug charge \$1,845.00 per hour.
- The charge for standing by, pulling when aground, straightening or holding in stream, or holding against the dock or bank, will be as follows:
 - When tug has been ordered to dock, undock or shift a vessel, or when tug is actually engaged in providing these services, 30 minutes free time is allowed; thereafter, \$995.00 per hour, plus overtime, if applicable, is chargeable to the nearest half hour.
 - When tug is not previously engaged in docking, undocking or shifting a vessel, \$995.00 per hour, plus overtime, if applicable, is chargeable to the nearest half hour.
 - Charge for pulling on vessel aground and for dead ship moves \$1,518.00 per hour; \$1,845.00 for Tractor tugs.
- Assisting between Galveston Bar and Bolivar Roads, between Morgan's Point and points in Galveston Bay, between Freeport Bar and Coast Guard Station, between Corpus Christi Harbor Bridge/surrounding areas and Aransas Bar will be charged \$995.00 per hour, plus overtime, if applicable. Running time chargeable.
- An overtime charge of 35% will be added to tariff rates for all work performed between the hours of 5 P.M. (1700) and 7 A.M. (0700) and for all services performed on Saturdays, Sundays, holidays and Mondays following holidays that fall on Sunday. Overtime charges are applicable when service is started or completed in an overtime hour; starting time will be the time tug leaves duty station and time of completion will be time tug returns to duty station or is dispatched to another job.
- When a tractor tug is requested or required by a vessel's agent, Master, pilot or pilot matrix, or when such a tug reduces the number of tugs customarily used in the service being performed, a surcharge of 35% of the base rate shall apply except tethered escort, escort at Bayport and additional tug to Freeport.
- When a tug is dispatched per orders of the vessel's agent, Master or pilot or pursuant to a pilot matrix and is not utilized in the service being performed, a charge of \$995.00 per hour may be charged for the elapsed time between departure and return to the tug's duty station. When tractor tugs are required or requested the hourly rate shall be \$1,845.00.
- Rig rate (harbor): \$1,990.00 per hour conventional tug, \$2,300.00 tractor tug, plus overtime, if applicable.
- All charges subject to prevailing fuel surcharge, except overtime. Fuel surcharge not subject to discount.
- Escorting wide body or deep draft vessels in Houston \$1,845.00 per hour.
- Rates for other services will be quoted on request.
- Invoices are subject to payment within 30 days and are thereafter subject to interest charges up to the maximum legal rate. If payment is not timely made, any discount shall be voidable.
- When docking or undocking is aborted after job is under way, docking or undocking rates will apply. Standing by or holding vessel, pulling time rate of \$995.00 per hour will apply, plus overtime, if applicable.
- Freeport: When additional tugs are requested, running time is chargeable at \$995.00 per hour; tractor tugs will be chargeable at \$1,845.00 per hour.
- Any \$995.00 hourly charge noted above shall be \$1,845.00 when a tractor tug is required or requested and no tractor surcharge pursuant to paragraph 7 will apply.
- S&Y reserves the right to adjust the rates above upon 30 days notice and if vessel's interest do not consent to such changes they may cancel this contract on 15 days written notice to S&Y.

TOWAGE CONTRACT

Suderman & Young Towing Company (S&Y) offers to meet your vessels upon arrival at Houston Ship Channel, Galveston, Texas City, Freeport, Port Aransas or Corpus Christi, and to provide tugboat power for your vessels in accordance with the foregoing Tugboat Tariffs, General Terms and Miscellaneous Charges, and the following provisions.

The rates quoted herein, and the furnishing of tug power for harbor or other towage undertaken hereunder, are founded on the consideration that this agreement shall not be construed to be a personal contract, and it is understood that S&Y and the parties at interest with us shall have the benefit of the exemption from liability contained in the United States Limitation of Liability Statutes.

Should S&Y tugs not be conveniently available for the required services, the said S&Y shall have the right to designate or engage other tugs, and such other tugs and their owners or operators shall be covered by this contract as though S&Y tugs were being used.

Whenever any pilot goes on board a vessel to assist her movement or handling, he becomes and continues to be solely the servant, agent and employee of said vessel, and her owners and / or charterers in respect of all acts done by him, or all omissions, and all orders given by him to any tugs engaged or to said vessel or otherwise, in the movement or handling of said vessel, or otherwise, or in connection with any decisions made by said pilot as to the manner or method of handling said vessel, and none of the tugs or their owners, agents, Masters, servants, employees or charterers shall be responsible or liable for any act or omission of said pilot, or for any claims or damages caused by or resulting from any act, omission or order of said pilot.

Neither party shall be responsible for delays, failures or omission hereunder due to strikes, lockouts, labor disturbances, terroristic acts or threats, riots, fires, earthquakes, storms, lightning, epidemics, war, maritime traffic or other unavoidable circumstances. After written notice, rates stated herein may be adjusted in the light of increase or decrease in operating expenses, whether due to changes in laws or regulations, changes in working conditions of labor and labor costs or otherwise.

All charges gross, except when services are agreed by signature below and performed under this Towage Contract, then a discount of 10% is to apply on all tariff rates.

This contract becomes effective on the date shown below and will remain in force for a period of one (1) year, and will continue thereafter until cancelled by either party by the giving of 60 days' written notice.

SUDERMAN & YOUNG TOWING COMPANY

By _____

ACCEPTANCE

We accept and agree to the foregoing this _____ day of _____ 201_____.

By _____