



500 Barnes Road, Chesapeake, VA 23324

TERMS AND CONDITIONS FOR SHORT-TERM BAREBOAT CHARTERS

Effective Date: August 1, 2020

These Terms and Conditions for Short-Term Bareboat Charters are incorporated into and made a part of the Specifications for Short-Term Bareboat Charter (collectively, the "Charter Party") as signed by the Parties.

WITNESSETH

WITNESS: The vessel subject to the Charter Party is described and identified in the Specifications for Short-Term Charter Party, hereinafter referred to as the "Vessel." Intracoastal and Charterer agree that the Vessel shall be bareboat chartered by Intracoastal to Charterer in accordance with the Short-Term Bareboat Charter Specifications ("Specifications") and on the terms and conditions set forth herein below.

NOW, THEREFORE: In consideration of the premises and of the mutual promises and undertakings set forth in this Charter Party and of the Charter Hire provided for, Intracoastal charters the Vessel by demise to Charterer, and Charterer takes and hires said Vessel, "as-is" and "where-is" all upon the following terms, provisions and conditions.

1. CHARTER BY DEMISE: It is understood and agreed by and between the parties, subject to the provisions set forth below, that Intracoastal relinquishes, and Charterer assumes, with respect to the Vessel, responsibility, liability and benefit of and for the use, control and operation of the Vessel during the Charter Term, and that Charterer shall, and does specifically assume responsibility for all costs, expenses, taxes or assessments, fees, penalties, demurrage, damages, claims, liens or other charges of any kind arising, directly or indirectly, from, or in any manner attributable to, the use, operation, place or places of use or operation, maintenance or condition of the Vessel from and after the time of delivery to Charterer, to and including the time of actual redelivery to Intracoastal as provided for in this Charter Party.

2. CHARTER TERM:

2.1 – The Charter Term, and any renewals, are set forth in the Specifications.

2.2 – Unless the Charter Term is otherwise extended by agreement of the parties, in the event Charterer fails or neglects to redeliver the Vessel as provided for in this Specifications, at or prior to the expiration of the Charter Term, then in such event, the term of this Charter Party shall be deemed extended for a period commencing with the day and date next following the date upon which redelivery was otherwise due, and end upon the day and date upon which the Vessel is redelivered at the place of redelivery designated, and all terms and provisions of the Charter Party shall continue in full force and effect throughout this period, except as specified below.

3. CHARTER HIRE:

3.1 - The Charterer shall pay to Intracoastal at:

Intracoastal Marine, Inc.
500 Barnes Road
Chesapeake, VA 23324

for the use and hire of the Vessel for and during the whole of the initial Charter Term, Charter Hire in the amount set forth in the Specifications. Such Charter Hire shall be paid monthly in advance and payable commencing with the first day of the first month following delivery of the Vessel.

3.2 - All sums due under this Charter Party by way of Charter Hire, if unpaid when due, shall bear interest from the date it became due under this Charter Party until paid in full at an annual rate of twelve (12) percent. All sums due under this Charter Party other than by way of Charter Hire, if unpaid when due, shall bear interest from the date upon which Intracoastal sends written notice to Charterer, setting forth the nature and amount of such unpaid sums, until such time as the same shall be fully paid at an annual rate of twelve (12) percent.

3.3 - Any provision of this Charter Party to the contrary notwithstanding, no notice given by Charterer purporting to affect the term of this Charter Party shall be effective for that purpose, nor relieve Charterer from its duties and obligations hereunder, nor abrogate the provisions of this Charter Party relating to automatic extension of the Charter Term above, unless at or prior to the time such notification Charterer shall have paid in full all sums then due by way of Charter Hire in accordance with the

foregoing provisions of this Section 3.

4. DELIVERY AND REDELIVERY: The Vessel shall be delivered to Charterer by Intracoastal upon commencement of the Charter term at the Delivery Location contained the Specifications, or at such location as may be otherwise agreed. Charterer shall have the absolute and unconditional duty and obligation to redeliver the Vessel in accordance with, and subject to the provisions in this Charter Party respecting redelivery at the expiration of the Charter Term at the Redelivery Location set forth in the Specifications, or at such location as may be otherwise agreed unless the Vessel shall have become a total loss, actual or constructive, and Intracoastal shall have been paid in full. If the Vessel becomes an actual total loss or is declared to be a constructive total loss under the terms of any insurance policy, Intracoastal shall within ten (10) days following receipt of a written request from Charterer or from interested underwriters, forthwith tender a Notice of Abandonment of the Vessel. From the date the request for Intracoastal's Notice of Abandonment is received by Charterer, Charterer's obligation for the payment of further hire shall terminate.

5. SURVEYS:

5.1 - The Vessel is being chartered "as-is, where-is." However, Charterer may, at its sole expense and in its sole discretion, perform an on-hire survey of the Vessel, giving Intracoastal the right to attend and observe prior to the date of delivery of the Vessel, and Intracoastal shall be provided with a written copy of the surveyor's report within ten days of performance of the survey. If as of the date of delivery the on-hire survey has not been made, documenting any discrepancies in the vessel's condition, then it shall be presumed and mutually agreed that the vessel is in all respects seaworthy and suitable for its intended use by Charterer.

5.2 - Intracoastal may, at its sole expense and in its sole discretion, perform an off-hire survey before, at, or as soon as practicable after the expiration of the Charter Term by a marine surveyor of its choosing. Should it be determined, as a result of comparison between conditions noted at the time of the off-hire survey and at the time of the on-hire survey, that Charterer has failed to perform any of the obligations on its part with respect to the care, maintenance or use of the Vessel as required by this Charter Party, Intracoastal shall have the option, but shall not be required, to refuse redelivery of the Vessel until such time as Charterer has fully cured, at its expense, the conditions determined to have occurred in whole or in part as a result of such failure by Charterer. If Charterer did not perform an "on-hire" survey, then all discrepancies in the condition of the barge not due to ordinary wear-and tear shall be for Charterer's account and shall be repaired at Charterer's expense. Whether Intracoastal has refused redelivery, unless the parties shall otherwise in writing agree, Charterer shall be bound to continue payment of Charter Hire as prescribed at Section 3 until such time as such conditions have been corrected in full.

5.3 - In addition to the surveys above, it is expressly understood and agreed that Intracoastal may arrange periodic condition surveys at Intracoastal's expense, with 14 days' notice to Charterer. These surveys will be timed so as to not interrupt or impede the business operations of Charterer in any way.

5.4 - Either party may also seek additional surveys of the Vessel. The cost of additional surveys shall be borne by the ordering party and shall not interrupt or interfere with the business operations of the Charterer in any way. Expenses attendant to any survey for the purpose of determining the nature and extent of, or corrective measures to be undertaken with respect to, damages in fact sustained by the Vessel which are chargeable, in whole or in part, to Charterer pursuant to the terms of this Charter Party shall be borne in full by Charterer whether or not requested or procured by or upon behalf of, Charterer. The Intracoastal will not order damage surveys unless Charterer fails to furnish evidence of satisfactory repairs.

6. USE OF THE VESSEL; LIENS PROHIBITED:

6.1 - The Vessel shall not be operated or employed in any service or to any purposes which it is unreasonable or imprudent to use, operate or employ it, nor in which the Vessel is unsuited by design, age or condition, nor shall the Vessel be operated or berthed other than in the navigable waters of the UNITED STATES and for ocean transportation of cargo, subject always to any and all limitations, conditions or restrictions herein and/or contained in any policy of insurance procured by Intracoastal in accordance with the provisions of Section 9. Charterer shall not knowingly permit the Vessel to be placed, used, operated, or berthed in any place or places where the Vessel may not, at all times and under all conditions of tide or otherwise safely lie afloat.

6.2 - Charterer shall neither carry nor permit to be placed or carried in or upon the Vessel any cargo, thing, or substance which, due to composition, size, shape or weight constitutes hazard to the Vessel, its safe operation or equipment under any circumstance. Charterer shall not force ice.

6.3 - Charterer shall neither use nor operate the Vessel, nor shall Charterer permit the use or operation of the Vessel, in violation of any state, federal, local or municipal law, ordinance, or regulation, nor in violation of the laws of any foreign government having or acquiring jurisdiction.

6.4 - The Vessel is unmanned and hired without crew or master and shall be operated by Charterer with qualified crew who shall be licensed in accordance with U.S. Coast Guard requirements. Charterer shall be solely responsible to procure, renew and maintain all documents, certificates, certifications and licenses (as well as all and any surveys, inspections or approvals) required for purposes of enabling Vessel to be used or operated during the Charter Term, whether such requirements are imposed by the ABS, USCG, Interstate Commerce Commission, United States Maritime Administration or any other authority having or purporting to have the authority to regulate, control or approve the use, employment, operation, condition or state of repair of the Vessel and any components or appurtenances thereof, all at the sole expense of Charterer.

6.5 - Neither the Charterer, nor any person having or claiming the right to manage, control or possess the Vessel (except Intracoastal), shall have the right, power or authority to contract for, create, incur, permit or suffer to be imposed upon the Vessel any lien or charge whatsoever. Intracoastal shall be the sole party empowered to pledge the credit of the Vessel for any purpose.

7. CHARTERER TO PROVIDE: Charterer (except during the period when the Vessel is off-hire) shall pay for all fuel and lube oil consumed. Charterer shall also pay for all crew wages, port charges, light dues, dock dues, assist boats, taxes, canal dues, pilotage, consular and agency fees (except for crew services) and wharfage.

8. ASSIGNMENT AND SUB-CHARTER PROHIBITED; INTRACOASTAL'S RIGHT TO TERMINATE: Neither this Charter Party nor any right, title or interest herein shall be assigned or transferred by Charterer, whether by operation of law, sub-charter or otherwise, nor shall any right, title or interest in the Vessel created hereunder be assigned or transferred by Charterer, whether by operation of law, sub-charter or otherwise, without the written consent of Intracoastal having been first obtained. Any such transfer or assignment made in the absence of consent shall be utterly null, void and without effect and shall not impose upon Intracoastal any duty or obligation. In no event shall any assignment, transfer, sub charter of any description or other disposition, whether or not consented to by Intracoastal, be deemed, construed or effective to impair in any manner whatsoever Intracoastal's right and prerogatives as provided for in this Charter Party. Further, whether Charterer shall have obtained Intracoastal's consent to any such transfer or assignment, no such assignment or transfer, whether effected by operation of law, sub-charter or otherwise, shall relieve Charterer in any degree of any duty or obligation imposed upon, or assumed by, it or on its part to be performed.

9. MAINTENANCE AND REPAIR, DAMAGE TO VESSEL:

9.1 - Charterer accepts delivery of the Vessel from Intracoastal "as is" and by acceptance of delivery, acknowledges the Vessel to be fit for any and all purposes Charterer intends. Charterer acknowledges that Intracoastal hereby specifically disclaims any and all warranties, whether express or implied, concerning the seaworthiness of the Vessel at any time following its delivery or concerning its suitability, at any time or under any circumstances whatsoever, for any uses or operations to which the Vessel is put or committed by, or on behalf of, Charterer or with respect to the carrying capability or deadweight capacity.

9.2 - During the whole of the Charter Term, Charterer shall, at its sole expense and account, exercise reasonable diligence under all circumstance to maintain the Vessel in as good order and condition as it is upon delivery by Intracoastal to Charterer under this Charter Party and shall, upon conclusion of the Charter Term, redeliver same in such condition to Intracoastal, excepting ordinary wear and tear resulting from Charterer's use and operation of the Vessel in conformity with the provisions and limitations contained in Sections 5 and 6. Without limiting the generality of the foregoing, it is specifically understood and agreed that Charterer shall, at its expense, take such measures as shall be reasonably necessary and appropriate to prevent exposure of all component parts of the Vessel to, and repair any deterioration thereof caused by corrosion, rust, and/or electrolysis and, further, that it will, at all times during the term of this Charter Party, and upon redelivery, keep and maintain the Vessel in such condition as shall be required to procure, maintain and insure the continuing validity of the documents, certificates, certifications and licenses relating to the same described above all at Charterer's sole cost and expense.

9.3 - Subject to the limitations set forth in Section 6, Charterer shall have the right to install additional equipment in or upon the Vessel as it deems desirable for its own uses and purposes, and shall remove such equipment at or before the conclusion of the Charter Term and repair all damage caused by the installation, use or removal of such equipment. Should Charterer fail, upon redelivery of the Vessel, to have removed any equipment, Intracoastal shall thereupon succeed to ownership of this equipment and, at its option, may remove and retain the equipment as its own property, in which event the cost of removal and repair of any damages shall be for the account of Charterer. In the alternative, Intracoastal may retain the equipment as installed as its own property.

10. DUTIES OF MASTER: Subject to all other terms of this Charter, Charterer shall be exclusively responsible for the navigation and operation of the Vessel and for the towage of any tow, and for employing a properly qualified and licensed captain and crew.

11. INSURANCE:

11.1- Charterer shall, at Charterer's sole expense, obtain and keep in full force and effect throughout the life of this Charter Party, in good and solvent companies, full form hull and machinery insurance, protection and indemnity insurance, and where appropriate, oil pollution insurance, on the Vessel and on all floating equipment towed hereunder, and at its option, full form marine cargo insurance on all cargoes to be carried in or transported on barges or other vessels taken under tow by the Vessel. Hull and machinery insurance and cargo shall be maintained to the full insurable values thereof. Protection and indemnity insurance shall be maintained in an amount not less than U.S. Five Million Dollars (\$5,000,000.00). All pollution insurance policies required hereunder shall be in an amount required by all applicable federal, state, or local laws. Deductibles shall not exceed \$25,000.00. All insurance policies required hereunder shall provide for thirty (30) calendar days written notice to INTRACOASTAL prior to cancellation, modification, or expiration of such insurance policies. Charterer agrees to make available to INTRACOASTAL copies of all cover notes, binders, and insurance policies (or certificates thereof) evidencing the insurance requested above upon request from INTRACOASTAL. The protection and indemnity insurance or any other policy providing coverage for oil pollution shall be maintained with limits for liability not less than required by US Law. Intracoastal shall be named an additional insured on any such policies. It is specifically understood and agreed the insurance coverages to be procured by Charterer in accordance with the terms and provisions of this Section may contain provision for a deductible.

Notwithstanding the stated minimum limits of coverage above, nor the existence of any such provisions for deductible, it is specifically understood and agreed by and between the parties that in no event shall the rights of others designated by Charterer as named insureds to indemnity, defense and/or coverages as provided be diminished or impaired in any degree whatsoever, excepting that Intracoastal and Charterer agree their remedies as to each other, if any, shall be limited to the coverage provided by the foregoing policies. Charterer shall further procure from the issuers of all policies required herein a waiver of subrogation in favor of Intracoastal.

11.2 - All payments for actual or constructive total losses payable under the policy of hull insurance shall be made to Intracoastal and any additional parties insured as their interests respectively may appear. Intracoastal agrees that so long as the insurance policies required hereinabove are in effect at the time of any casualty, claim, or loss, Intracoastal will look solely to the insurers, but not to Charterer, in the event of any loss. Charterer also agrees it will look solely to its insurers, and not to Intracoastal, to respond to any casualty, claim or loss.

11.3 - In the event the Vessel suffers a partial loss or damage that Charterer shall, by virtue of the terms of this Charter Party or otherwise, be required to repair, Charterer shall be entitled to direct disbursement of any insurance proceeds payable on account of such loss or damage only to the extent Charterer shall have in fact repaired such loss or damages with the approval of the insurer's surveyor and in fact incurred or paid the actual expenses of such repairs.

11.4 - Should either party satisfy and discharge or become liable to satisfy and discharge, any liability or claim in respect of which protection and indemnity, USL&H, or other form of liability insurance shall afford coverage, such party shall be entitled to receive directly from the insurer such sum as shall be or become payable by virtue of such insurance coverage, and the other party shall deliver to such insurer such order or other document as may be necessary to such direct payment.

12. INDEMNITY: Charterer hereby releases Intracoastal, its vessels, officers, directors, agents, employees, affiliated parent and subsidiary companies (collectively, "Intracoastal") from any liability for, and Charterer will defend, indemnify and hold harmless Intracoastal from and against, all suits, actions, claims, liabilities and demands *in personam* or *in rem*, and all loss and expense, including reasonable attorney's fees, based on illness, bodily injury or death or property damage, whenever occurring, caused by, suffered or incurred by Charterer, its employees, representatives, agents, crews, occurring during, arising from, or relating in any way to the charter or operation of the Vessel by Charterer, regardless of how said illness, bodily injury or death or property damage is caused, and regardless of the comparative fault of any other party, including Intracoastal, gross negligence or wanton and willful by Intracoastal excluded. Charterer agrees it has procured sufficient insurance coverage to protect itself from all such losses, that it accepts this risk, and it will look solely to its own insurers for indemnity, coverage, or reimbursement for itself and for Intracoastal. Should there be a failure or denial of any insurance coverage required by this Agreement, Charterer shall be the insurer of last resort. In any event, should there be a failure or denial of insurance coverage and Charterer is unable to respond to any claim because of insolvency, bankruptcy or otherwise, or there is a finding by a court or panel of arbitrators of gross negligence or wanton and willful conduct by Intracoastal, or for any other reason, Intracoastal shall have no liability to Charterer, its agents, crews, employees, or representatives in an amount in excess of \$250,000.

13. INTRACOASTAL'S REMEDIES:

13.1 - If Charterer does not timely pay any portion of the Charter Hire on or before the due date, or if within ten (10) days after written notice to Charterer demanding that Charterer effect performance of any material obligation (other than the obligation to pay hire) under this Charter Party, or if Charterer fails to fully do and perform any other material obligation then Intracoastal, in addition to any and all other rights and remedies in equity, admiralty, or at law which it might have, shall have the right at its option to terminate this Charter Party and take possession of the Vessel wherever it may be

found, without legal process. In such case, and without in any manner or to any degree whatsoever limiting, diminishing or otherwise affecting its rights or remedies otherwise provided for by law or elsewhere in this Charter Party, Intracoastal shall have the right to demand and at once recover from Charterer, and Charterer hereby agrees to pay to Intracoastal on receipt of such demand, all reasonable costs and expenses incurred by Intracoastal in restoring the Vessel to the same condition as it was on delivery, excepting ordinary wear and tear resulting from Charterer's reasonable, prudent and careful use of the Vessel in employments in which the same is suited by design, age and condition upon and after delivery and in strict accordance with the provisions of this Charter Party plus all costs and expenses anticipated or incurred by Intracoastal in returning same to the Intracoastal. Charterer shall be liable for all loss or damage of any nature whatsoever occasioned by such retaking and return except to the extent the same may be, in fact, solely caused by the intentional commission of an unlawful act by Intracoastal, its agents or employees.

13.2 - In addition to all other remedies Intracoastal shall have a maritime lien upon all freights and sub freights earned by employment of the Vessel and upon all machinery, equipment, tackle, tools, accessories and other property placed, or carried in or upon the Vessel to secure full payment and satisfaction of all and any sums due or claimed by Intracoastal, from Charterer pursuant to the terms and provisions of this Charter Party or any breach or default by Charterer.

13.3 - The lien of Intracoastal created hereunder shall in all instances follow and be enforceable in respect to freights paid or advanced into the hands of the Charterer.

14. CITIZENSHIP: Charterer warrants that it is a citizen of the United States within the meaning and intent of 46 U.S.C. §12103, *et. seq* and that Charterer is entitled to own and operate vessels documented under the laws of the United States with the privilege of engaging in the coastwise trade. Charterer shall fully indemnify and save harmless Intracoastal from and against all losses, liability or expense, including without limitation, attorneys, solicitors and proctors fees Incurred by Intracoastal as a consequence of any circumstance involving possession, use or control of the Vessel under color of authority derived through or under Charterer by any party which is not a citizen of the United States.

15. INSTRUCTIONS AND LOGS: Charterer shall ensure the captain of the Vessel shall keep full and correct logs of all voyages, including all logs required to be maintained by the U.S. Coast Guard, the Code of Federal Regulations, U.S. law, the general maritime law, and good and prudent seamanship. All such logs shall be made available to Intracoastal and its Agents upon request.

16. SAFE BERTH(S): Charterer warrants and agrees the Vessel shall be guided by Charterer at all times to a safe berth where she will always lie afloat at all stages of the tide.

17. DAMAGES: Neither Intracoastal nor the Vessel shall in any event be responsible for special, consequential, incidental, exemplary or punitive damages, including, without limitation, extra expense, loss of profits, loss of use, whether resulting from negligence, breach of this Charter Party, or otherwise by Intracoastal, its agents, employees or representatives.

18. CHOICE OF LAW: This Towing Agreement shall be governed by and construed in accordance with the admiralty and maritime law of the United States or, where the maritime law is silent, the law of the Commonwealth of Virginia. Intracoastal and Owner hereby consent and submit to the personal jurisdiction of the United States District Court for the Eastern District of Virginia for any proceedings in aid of arbitration in connection with any disputes arising out of or related to this Towing Agreement or the work performed hereunder or arising here from.

19. ARBITRATION: Should any dispute arise out of this Agreement or any matter implicated by this Agreement or operation of the Tug or performance or payment for the Towage Services, including any question of arbitrability of any issue, the matter in dispute shall be referred to three persons, one to be appointed by each of the parties hereto, and the third by the two so chosen who shall be the chairman of the panel of arbitrators; their decision or that of any two of them shall be final and for the purpose of enforcing any award, this Agreement may be made a rule of a court of competent jurisdiction. The proceedings shall be conducted in accordance with the Rules of the Society of Maritime Arbitrators, Inc. (SMA). The arbitrators shall be members of the SMA. Any proceedings shall take place in Norfolk, Virginia unless the parties otherwise agree. The party whom the arbitrators declare to be the substantially prevailing party shall recover its costs and attorneys fees from the opposing party, along with the fees and expenses of the arbitrators, in an amount to be determined by the arbitrators as being fair and reasonable. Should the sum claimed by each party not exceed U.S. \$100,000.00 (exclusive of interest, costs and legal fees), the dispute is to be governed by the 'Shortened Arbitration Procedure' of the SMA, as defined in the Society's current Rules for such procedure.

20. NOTICES/NOTIFICATION: Charterer shall immediately notify Intracoastal if the Vessel is involved in a pollution incident, grounding, collision, mechanical failure affecting safety or other incident causing or likely to cause damage, delay or risk to the Vessel, including any collision or allision. Charterer shall remain liable to make all necessary

notifications, including notifications to the Coast Guard and other government agencies.

21. TOTAL AGREEMENT; MODIFICATIONS; SEVERABILITY; PARTIES; CAPTIONS; COUNTERPARTS:

21.1 - This instrument, in conjunction with the Specifications, constitutes the entire agreement of the parties with respect to all matters and things mentioned and supersedes all prior charter party agreements for the Vessel. Charterer warrants, represents and agrees that it has inspected the Vessel and otherwise made inquiry and review, upon Its own behalf, concerning the nature, characteristics and quality of the materials and workmanship at or prior to delivery; that it is fully contented and satisfied and has independently determined that the Vessel is in all respects usable and seaworthy for all purposes for which it is intended to be employed by Charterer under all circumstances in which Charterer may cause for it to be used during the term of this Charter Party.

21.2 - It is expressly acknowledged and agreed by and between the parties that neither party has, nor is now, relying upon any collateral, prior or contemporaneous agreement, written or oral, assurance, representation or warranty, of any kind or nature as to or respecting the condition or capabilities of the Vessel and the other matters and things, rights or responsibilities fixed and described.

21.3 - No modification, waiver or discharge or any term or provision of this Charter Party shall be implied in law, or equity, nor shall any alteration or modification of any term or provision be effective for any purpose, unless in writing signed by the party charged.

22.4 - If any term of this Charter Party is rendered or declared invalid or unenforceable by reason of any existing legislation or by decree or judgment of any court which shall have or acquire jurisdiction over the parties or jurisdiction In Rem of the Vessel, the invalidation or unenforceability of such term of this Charter Party shall not invalidate the remaining terms.
