



**MARINE RESPONSE ALLIANCE
DESIGNATION & FUNDING AGREEMENT
TO
OPA 90 RESPONSE SERVICES PROVIDER**

THIS DESIGNATION AND FUNDING AGREEMENT TO OPA 90 RESPONSE SERVICES PROVIDER (this "Agreement") is furnished in accordance with 33 CFR, Part 155 (Salvage and Marine Firefighting Requirements; Vessel Response Plans for Oil) by:

(the "Plan Holder") to MARINE RESPONSE ALLIANCE, LLC (the "MRA"), as evidence of the Plan Holder's financial responsibility for availability of personnel and equipment capable of responding to a maritime emergency requiring salvage, lightering or emergency towing or firefighting.

WHEREAS

- the Plan Holder has designated the MRA as its Salvage and Marine Firefighting Response Services Provider in the specific geographic regions for Plan Holder's vessels covered by the this Agreement; and
- the MRA is capable of, and intends to meet the Plan Holder's requirements for each vessel covered by this Agreement; and
- the Plan Holder's consent contained in this Agreement will ensure that any salvage, emergency lightering, towing or marine firefighting response in accordance with the Plan Holder's Vessel Response Plan (VRP) will not be delayed by the MRA due to funding negotiations.

NOW, THEREFORE, the Plan Holder and MRA agree as follows:

1. MRA VRP RESPONSE COMMITMENT:

(a) The MRA certifies that it meets all of the requirements set forth in 33 CFR, Part 155; Salvage and Marine Firefighting Requirements; Vessel Response Plans for Oil and hereby expressly provides that it is capable of, and intends to commit to meeting Plan Holder's VRP requirements. The MRA shall ensure that each of its members cooperate fully with the Plan Holder, its Qualified Individual and any Vessel Owner's Representative in response to meeting Plan Holder's VRP requirements. The MRA shall ensure that each of its

members maintain such insurance as is sufficient to insure against liabilities which are properly the responsibility of such member in response to meeting Plan Holder's VRP requirements.

(b) In accordance with 33 CFR 155.4025, the rates and schedule attached in "ANNEX 1 – Schedule of Rates" lists prices agreed between the MRA and the Plan Holder for certain salvage, firefighting and emergency towing equipment and services. The MRA agrees to offer such equipment and services on generally accepted industry standard forms. These forms are included but are not limited to the contract forms listed in "ANNEX 2 – Contract Alternatives". Furthermore, the MRA and the Plan Holder agree that rates and terms and conditions may be modified due to the circumstances of an incident, reflecting an appreciation by the parties that funding vehicles other than a "time and materials" agreement may be appropriate on a case-by-case basis. In no event shall negotiations related to the appropriate form of contract alter or delay funding of any VRP response.

2. PLANHOLDER FUNDING AGREEMENT:

(a) For the entire period of the Plan Holder's designation of the MRA as its OPA 90 Salvage and Marine Firefighting Service Provider, the Plan Holder agrees to fund without delay any authorized MRA VRP response in accordance with:

- SCOPIC rates (as noted in ANNEX 1) + 20% uplift
- A cap on charges for equipment at 2.0x the retail price
- Third Party & Out of Pocket expenses at Cost plus 20%

In no event shall negotiations related to the appropriate form of contract alter or delay funding of any VRP response.

3. RETAINER FEE SCHEDULE:

(I) Non-Tank Vessels Retainer Fee Schedule:

Fee Schedule	
Non-Tank Vessel Annual Retainer Fee	FREE for first two years

(II) Tank Vessels Retainer Fee Schedule:

Fee Schedule	
Tank Vessel Annual Retainer Fee	\$500 / Vessel / Year
Annual Retainer Fee Discounts:	
<i>Multiple Vessel Discount</i>	
Number of Vessels	Discount
5-10	20%
11-25	25%
26 and over	30%

<i>Multiple Year Discount</i>	
5 Year Discount	An additional discount of five percent (5%) shall apply to the annual designation fee commencing on the anniversary of the fifth consecutive year of the Plan Holder's enrollment of its vessels under the terms of this Agreement.

- Coverage includes salvage certification required by State of California, Title 14.
- Fees are per calendar year or part thereof.

(III) Drills and Table Top Exercises:

Fees for participation of MRA staff will be as follows:

Service	Fee
Communications Checks	Free
Drills requiring participation via phone	2 Free Drills Per Year
Drill requiring on-site participation	Applicable Personnel & Equipment rates + travel and expenses at cost +15%

(IV) MRA may revise either the Designation Fees and Discounts in this Agreement or the rates set forth in the attached ANNEX 1 – Schedule of Rates, from time to time by sending a revised Fee Schedule to the Plan Holder. The revised rates will be considered agreed and effective 30 days from notification. If the Plan Holder does not agree to the revised rates, the Plan Holder has the ability to opt-out by cancelling this Agreement and updating their VRP accordingly.

4. USCG APPROVAL:

This Agreement is subject to the U.S. Coast Guard's approval of Plan Holder's VRP for any vessel to which this Agreement applies.

5. LAW/DISPUTE RESOLUTION:

All disputes arising out of, or in any way connected to this Agreement, including the arbitrability of any such disputes, shall be finally settled under U.S. General Maritime Law by Arbitration in New York in accordance with the Rules and Procedures of the Society of Maritime Arbitrators, Inc.

6. VALIDITY:

This Agreement is valid for a period of one year from the date it is fully executed; subject to automatic annual renewals until cancelled by either Party.

IN WITNESS WHEREOF, this Agreement is effective as of the date signed below.

On behalf of Plan Holder, I declare that I have examined this Designation and Funding Agreement, including any accompanying annexes, schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete. Furthermore, the Plan Holder named above is the responsible operator of all vessels now listed in or later added to this Agreement. I agree that I am considered the agent for service of process of the Plan Holder. I have signed this Agreement in my capacity as an authorized official of the Plan Holder, or, if acting under a power of attorney, pursuant to the power vested in me by the Plan Holder.

For and on behalf of Plan Holder:

Name: _____
Designation: _____
Date: _____

For and on behalf of MRA:
MARINE RESPONSE ALLIANCE, LLC

Name: _____
Designation: _____
Date: _____

7. LIST OF ANNEXES:

ANNEX 1: Marine Response Alliance, Schedule of Rates

ANNEX 2: Contract Alternatives

ANNEX 3: List of Covered Vessels



ANNEX 1 Marine Response Alliance Schedule of Rates

This ANNEX contains the information relative to the requirements set forth in 33 CFR 155.4025 for emergency lightering, marine firefighting, salvage and emergency towing.

Per Clause 1(a) of this agreement, SCOPIC rates listed in this ANNEX will be charged in accordance with:

- SCOPIC rates (as noted in below) + 20% uplift
- Cap the charges for equipment at 2.0x retail price
- Third Party & Out of Pocket expenses – Cost plus 20%

MRA may revise the rates in this ANNEX 1 from time to time by sending a revised ANNEX to the Plan Holder. The revised rates will be considered agreed and effective 30 days from notification. If the Plan Holder does not agree to the revised rates, the Plan Holder has the ability to opt-out by cancelling this Agreement and updating their VRP accordingly.

1. PERSONNEL

TITLE	DAILY RATE (12 HRS)
Office administration, including communications	US\$1,361
Salvage Master	US\$2,029
Naval Architect or Salvage Officer/Engineer	US\$1,692
Assistant Salvage Officer/Engineer	US\$1,356
Diving Supervisor	US\$1,356
HSE qualified diver or his equivalent but excluding saturation or mixed gas drivers	US\$1,217
Salvage Foreman	US\$1,014
Riggers, Fitters, Equipment Operators	US\$ 812
Specialist Advisors – Fire Fighters, Chemicals, Pollution Control	US\$1,361

The crews of tugs, and other craft, normally aboard that tug or craft for the purpose of its customary work are included in the tariff rate for that tug or craft but when because of the nature and/or location of the services to be rendered, it is a legal requirement for an additional crew member or members to be aboard the tug or craft, the cost of such additional crew will be paid.

2. TUGS AND OTHER CRAFT

(a) (i) Tugs, which shall include salvage tugs, harbor tugs, anchor handling tugs, coastal/ocean towing tugs, off-shore support craft, and any other work boat in excess of 500 b.h.p., shall be charged at the following rates, exclusive of fuel or lubricating oil, for each day, or pro rata for part thereof, that they are reasonably engaged in the services, including proceeding towards the casualty from the tug's then current location (when the tug is mobilized) and from the tug's position when their involvement in the services terminates to a reasonable location having due regard to their employment immediately prior to their involvement in the services and standing by on the basis of their certificated b.h.p.:

For each b.h.p. up to 5,000 b.h.p.	US\$2.99
For each b.h.p. between 5,001 & 12,000 b.h.p.	US\$2.14
For each b.h.p. between 12,001 & 20,000 b.h.p.	US\$1.49
For each b.h.p. over 20,000 b.h.p.	US\$0.75

(ii) Any tug which has aboard certified fire fighting equipment shall, in addition to the above rates, be paid:

US\$737 per day, or pro rata for part thereof, if equipped with Fi Fi 0.5
US\$1,468 per day, or pro rata for part thereof, if equipped with Fi Fi 1.0

for that period in which the tug is engaged in fire fighting necessitating the use of the certified fire-fighting equipment.

(iii) Any tug which is certified as "Ice Class" shall, in addition to the above, be paid US\$1,468 per day, or pro rata for part thereof, when forcing or breaking ice during the course of services including proceeding to and returning from the casualty.

(iv) For the purposes of paragraph 2(a)(i) hereof tugs shall be remunerated for any reasonable delay or deviation for the purposes of taking on board essential salvage equipment, provisions or personnel which the Contractor reasonably anticipates it shall require in rendering the services which would not normally be found on vessels of the tugs size and type.

(b) Any other craft, not falling within the above definitions, shall be charged out at a market rate for that craft, exclusive of fuel and lubricating oil, such rate to be agreed with the Plan Holders' Representative.

(d) All fuel and lubricating oil consumed during the services shall be paid at cost of replacement and shall be treated as an out of pocket expense.

(e) For the avoidance of doubt, the above rates shall not include any portable salvage equipment normally aboard the tug or craft and such equipment shall be treated in the same manner as portable salvage equipment and the Contractors shall be reimbursed in respect thereof.

3. PORTABLE SALVAGE EQUIPMENT

(a) The daily tariff, or pro rata for part thereof, for all portable salvage equipment reasonably engaged during the services, including any time necessary for mobilization and demobilization, shall be as follows:

Equipment	Rate – US\$
<u>Generators:</u>	
Up to 50 kW	\$80
51 to 120 kW	\$169
121 to 300 kW	\$270
Over 301 kW	\$473
<u>Compressors:</u>	
185 Cfm	\$203
600 Cfm	\$338
1200 Cfm	\$540
Air Manifold	\$14
Blower; 1,500m ³ /min	\$1,149
<u>Distribution Boards:</u>	
Up to 50 kW	\$80
51 to 120 kW	\$169
121 to 300 kW	\$270
Over 301 kW	\$473
<u>Hoses: (Per 6 Metres or 20 Feet)</u>	
Air Hose	
¾"	\$5
2"	\$11
Layflat	
2"	\$15
4"	\$20
6"	\$27
Rigid	
2"	\$20
3"	\$23
4"	\$27
6"	\$34
8"	\$41
<u>Miscellaneous Equipment:</u>	
Air Bags, less than 5 tons lift	\$53
Air Bags 5 to 15 tons lift	\$270

Air Lift 4"	\$135
Air Lift 6"	\$270
Air Lift 8"	\$405
Air Tugger, up to 3 tons	\$101
Chain Saw	\$27
Container handling package	\$214
Communications package	\$214
Damage Stability Computer and Software	\$336
Echo Sounder, portable	\$34
Extension Ladder	\$27
Hydraulic Jack, up to 50 tons	\$53
Hydraulic Jack, up to 120 tons	\$101
Hydraulic Powerpack up to 40kW	\$64
Hydraulic Powerpack 75kW	\$101
Pressure washer, water	\$337
Pressure washer, steam	\$609
Rigging Package, heavy	\$540
Rigging Package, light	\$270
Steel band Saw	\$27
Tirfors, up to 5 tonnes	\$15
Thermal Imaging Camera	\$337
Tool Package, per set	\$235
Ventilation Package	\$27
VHF Radio	\$15
Z Boat, including outboard up to 14 feet	\$270
Z Boat, including outboard over 14 feet	\$473

Diving Equipment:

High Pressure Compressor 3500 psi/17 Cfm	\$214
High Pressure Compressor 5500 psi/5 Cfm	\$123
Decompression Chamber with Medical Lock	\$347
Decompression Chamber: 2-Man, incl. compressor	\$675
Decompression Chamber: 4-Man, incl. compressor	\$945
Hot Water Diving Assembly	\$337
Underwater Magnets	\$27
Underwater Drill	\$27
Shallow Water Dive Spread	\$304

Welding & Cutting Equipment:

Bolt Gun	\$406
Oxy-acetylene Surface Cutting Gear	\$34
Underwater Cutting Gear	\$68
Underwater Welding Kit	\$68
250 Amp Welder	\$203
400 Amp Welder	\$270

Protective Clothing / Safety Equipment:

Breathing Gear	\$68
Hazardous Environment Suit	\$135
Cooler; Evaporative; 36", 9800 Cfm, 110v	\$107

Heater 55,000/110,000 Btu	\$267
Gas Monitor; Four Gas Types	\$187
Nitrogen Generator – 1500 SCFH @96%, 220v	\$2,616
PPE; Ascending/Descending package: 4 Man	\$374
PPE; Bunker Gear Pkg: 1 Man	\$133
PPE; Chemical Suit Pkg: Class A: 1 Man	\$155
PPE; Chemical Suit Pkg: Class B: 1 Man	\$27
PPE; Cold Weather 1st Response Kit	\$37
PPE; Confined Space Entry 2 Man package, with Communications	\$561
PPE; Survival Suit, Immersion	\$11
Ventilation Pkg: Vane Axial: 1,500 Cfm	\$107
Ventilation Pkg: Venturi Type: 4,000 Cfm	\$123

Pollution Control Equipment:

Hot Tap Machine, including support	\$1,351
Oil Boom, 24", per 10 metres	\$42
Oil Boom, 36", per 10 metres	\$135
Oil Boom, 48", per 10 metres	\$263
Ballast/Fuel storage Bins upto 10,000 litres	\$80
Ballast/Fuel storage Bins 10,000 to 25,000 litres	\$107
Ballast/Fuel storage Bins 25,000 to 50,000 litres	\$135

Pumping Equipment:

Air	
1"	\$69
2"	\$101
3"	\$117
Diesel	
2"	\$68
4"	\$122
6"	\$162
Electrical Submersible	
2"	\$68
4"	\$203
6"	\$810
Hydraulic	
3"	\$534
6"	\$810
8"	\$1,351

Lighting Systems:

Halogen system	\$107
Lighting String, per 50 feet	\$34
Light Tower	\$68
Underwater Lighting System, 1,000 watts	\$101

Winches:

Up to 5 tons, including 50 metres of wire	\$160
Up to 10 tons, including 50 metres of wire	\$187
Up to 20 tons, including 50 metres of wire	\$267

Fenders:

Yokohama	
1.00 x 2.00m	\$101
2.50m. x 5.50m.	\$203
3.50m. x 6.50m.	\$338

Low Pressure Inflatable

3 metres	\$95
6 metres	\$95
9 metres	\$203
12 metres	\$337
16 metres	\$337

Shackles:

Up to 50 tonnes	\$14
51 to 120 tonnes	\$27
121 to 200 tonnes	\$42
Over 200 tonnes	\$68

Storage Equipment:

12" Container	\$34
20" Container	\$53



ANNEX 2 Contract Alternatives

- LOF with SCOPIC incorporated but not invoked
- BIMCO WRECKHIRE 2010
- BIMCO TOWCON 2008
- BIMCO TOWHIRE 2008
- BIMCO WRECKFIXED 2010
- BIMCO WRECKSTAGE 2010
- ISU SALVCON
- ISU SALVHIRE



Marine Response Alliance LLC

Initial Emergency Response Instructions

Step 1: Call **+1-206-332-8200** (USA – 24 hours)

Step 2: Tell the dispatcher, "I have a vessel emergency. This is not a drill." Or "This is a Drill."

Step 3: Be prepared to give the dispatcher the following initial information:

- Your Name
- Your Position Title
- Company Name & Location
- Your Phone (Office, Cell, Home)
- Your Fax
- Ship Name
- Ship Communication Info (Phone, Fax, VHF Channel/Frequency)
- Ship Location & Nearest Port (Latitude and Longitude)
- Nature of Emergency
- Weather Conditions
- Services Requested

Step 4: Be prepared to FAX additional requested information to the Alliance at +1-206-332-8500 (or as directed).

Step 5: The Alliance will respond with information regarding possible vessels, personnel, and equipment.