

SUBCONTRACTOR POLICY

POLICY FOR CONTRACTORS, OWNERS REPRESENTATIVES, VESSEL MANAGEMENT PERSONNEL AND ANY PERSON NOT IN THE DIRECT FULLTIME EMPLOY OF THE VESSEL OWNER

Dutch Harbor provides quality maintenance and restoration work on vessels.

Occasionally, a customer will request a service within a time frame that we cannot meet or perform work where a specialist is required. In these cases we welcome the use of outside contractors and in fact we strive to develop a mutually beneficial working relationship with outside contractors. On the other hand, we discourage the use of outside contractors that are in direct competition with our efforts to remain a viable boatyard.

Any person, except an owner of the vessel on which he is working or the owner's full time captain, shall provide a copy of insurance coverage prior to doing work at Dutch Harbor. Such coverage will include, at a minimum, liability in the amount of \$1,000,000 and workmen's compensation in the amount of \$500,000.

Under no circumstances, will anyone other than Dutch Harbor employees use tools or equipment owned by Dutch Harbor.

Outside contractors, when doing approved work at Dutch Harbor, shall;

- Obtain the prior written approval from Dutch Harbor before starting any work.
- Sign-in every day and indicate the nature of activities.
- Observe all safety precautions and policies instituted by Dutch Harbor.
- Not impede the progress of work being performed by Dutch Harbor or interfere with Dutch Harbor's work schedule.
- Not enter any restricted area which includes private offices or supply rooms except when accompanied by Dutch Harbor staff.
- Pay a daily charge for yard services, which cover the cost of electricity, water, trash disposal, parking, toilet facilities, and launch services.
- Pay a fee equal to the greater of 10% of the outside contractor's invoice for the work performed or 10% of Dutch Harbor's normal rate for the work performed.
- Immediately, report injury to persons or damage to property and equipment. Alert any member of Dutch Harbor staff and file a written report of the incident.
- Enter premises only during Dutch Harbor normally scheduled hours of operation.