

For the attention of Mr Marius Kohl

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References: LIE/BDSR/SHKN/AAVU/C238p08002M-SEBD



CarVal Investors

CVI Global Lux Oil and Gas S.à r.l. – Fiscal number: 2007 24 47 809

CVI Global Lux Oil and Gas 2 S.à r.l. – Fiscal number: 2008 24 33 040

Dear Mr Kohl,

For and on behalf of our client CarVal Investors, and further to our discussion dated 20 October 2008 and to our letter dated 27 September 2006 regarding CVI GVF (Lux) Master S.à r.l. (“LuxMasterCo”), (formerly “CVI Global Value Fund Luxembourg Master S.à r.l.”), (Ref: LIE/SEBD/BMDB/Q3906065 M-BDSR), we are pleased to provide you with further information on the new investment made by LuxMasterCo, the corresponding financing structure and the new Luxembourg companies involved.

As discussed in the correspondence referred to above, CarVal Investors have created CVI Global Value Fund that invests in various types of assets through Luxembourg, including:

- Non-performing loans (NPLs) (e.g. mortgage loans, credit card receivables);
- Equities and debt of distressed companies;
- Real estate;
- Insurance companies, etc.



A Facts

A.1 DP Polar

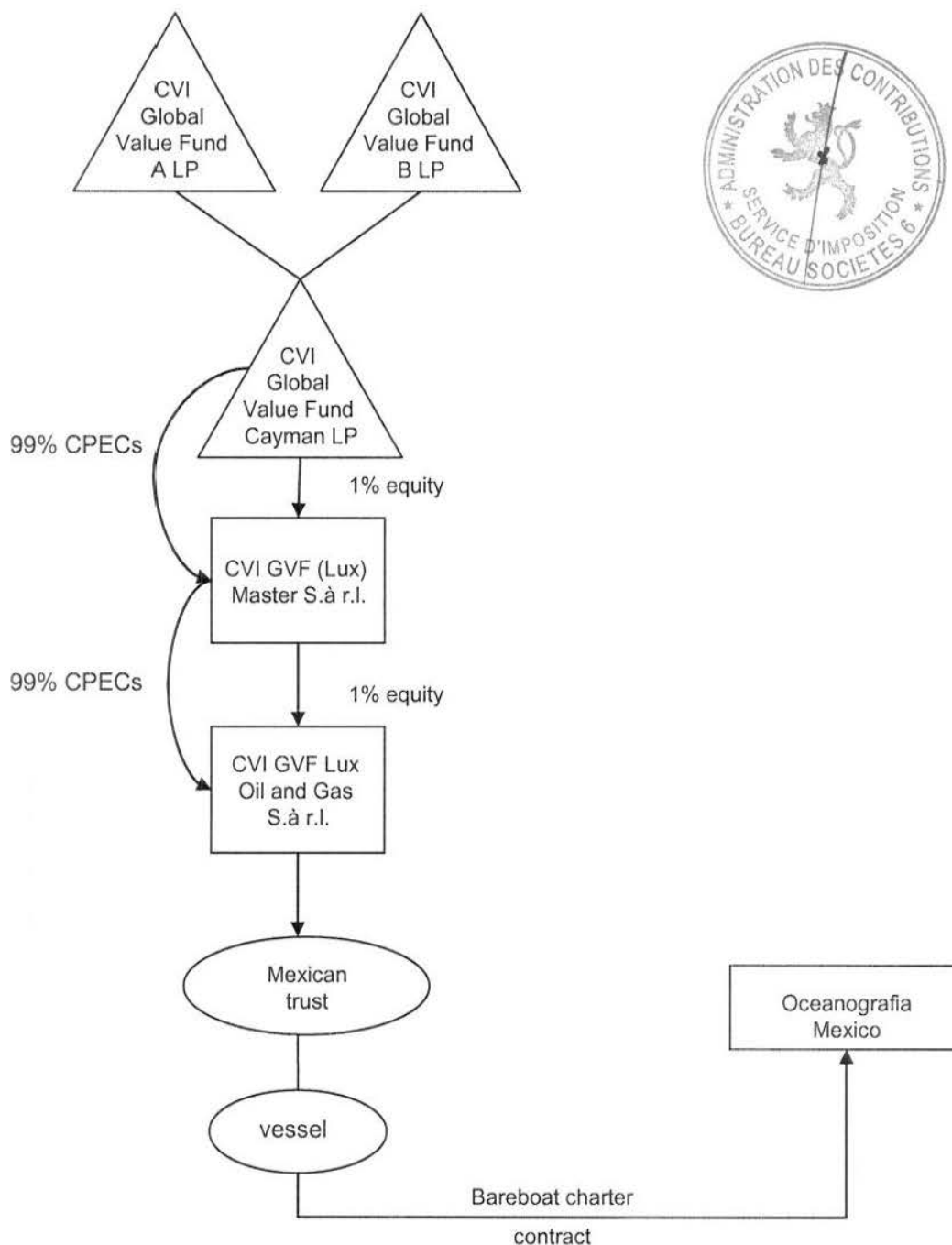
- 1 LuxMasterCo incorporated CVI GVF Luxembourg Twenty-Two S.à r.l., a société à responsabilité limitée on 23 August 2007 with a share capital of EUR 12,500. Subsequently, the name was changed into CVI Global Lux Oil and Gas S.à r.l. (hereafter referred to as "LOG 1").
- 2 LOG 1 has acquired a vessel named DP Polar to be further equipped in order to install pipelines. DP Polar shall be leased under a bareboat charter agreement to a third party lessee who will use the vessel in the oil and gas supply industry.
- 3 The main characteristics of the bareboat charter agreement are:
 - Acquisition price (including purchase price, capital expenditure and refit costs): approximately USD 57,000,000.
 - Lease term: 5 years and 4 month.
 - Useful life of the boat: 12 years.
 - Option price: USD 41,000,000 (after 3 years and 4 months).
- 4 LOG 1 will hold the vessel via a Mexican Trust.

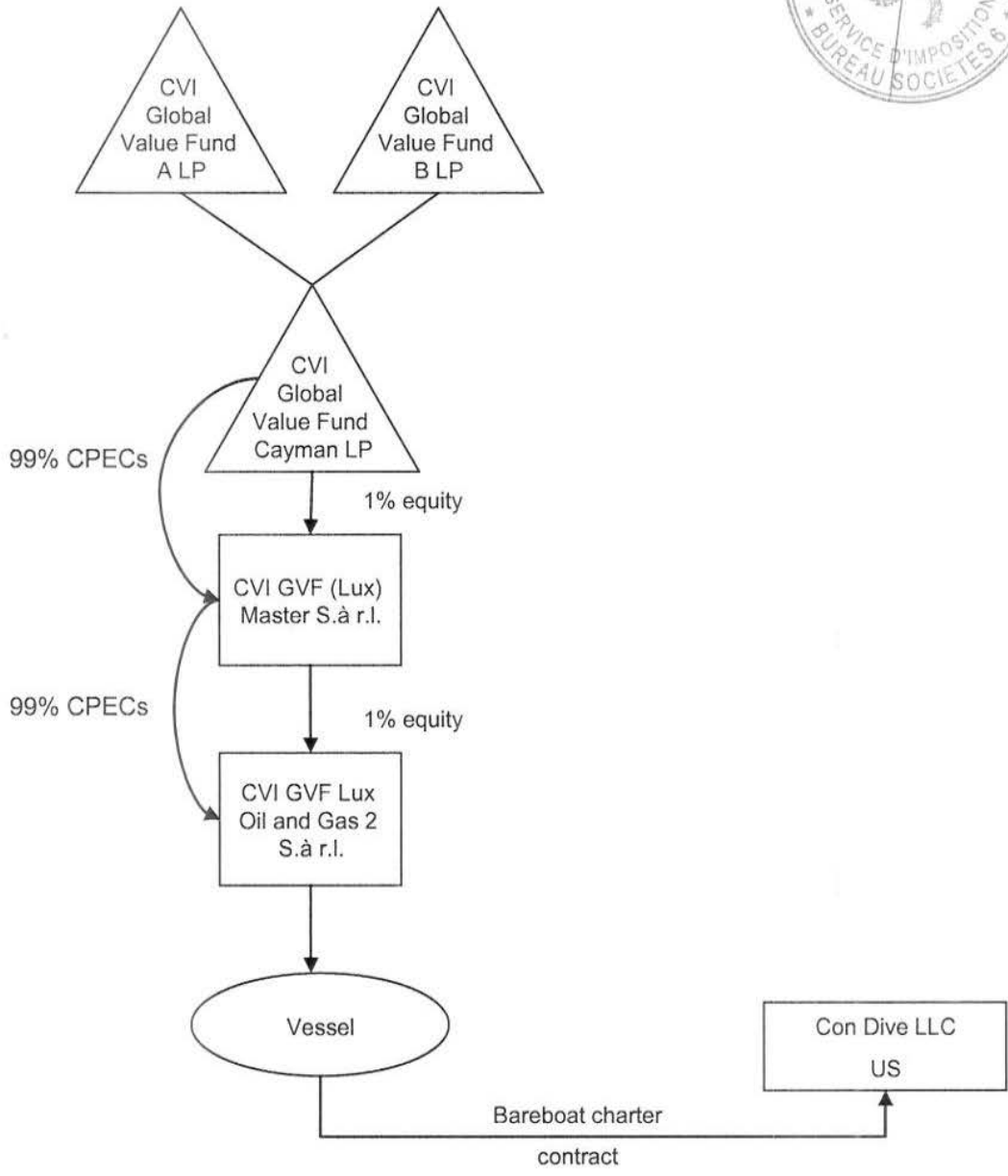
A.2 DP 2 DSV Superior Endeavour

- 5 LuxMasterCo incorporated Global Lux Oil and Gas 2 S.à r.l. (hereafter referred to as "LOG 2"), a société à responsabilité limitée on 5 August 2008 with a share capital of EUR 12,500.
- 6 LOG 2 has acquired a vessel named DP 2 DSV Superior Endeavour (hereafter referred to as "Endeavour") to be further equipped in order to install pipelines. DP Polar shall be leased under a bareboat charter agreement to a third party lessee who will use the vessel in the oil and gas supply industry.
- 7 The main characteristics of the bareboat charter agreement are:
 - Acquisition price (including purchase price, capital expenditure and refit costs): approximately USD 50,900,000.
 - Lease term: 3 years.
 - Useful life of the boat: 10 years.
 - Option price: USD 39,000,000.

A.3 Financing

- 8 LOG 1 and LOG 2 have been financed with 99% CPECs and 1% equity. The CPECs have the same features as described in our correspondence dated 27 September 2006.
- 9 For your reference, please find below the structure for LOG 1 and LOG 2:







B Tax treatment

B.1 Tax Residency

10 LOG 1 and LOG 2 have their statutory seat and central administration¹ in Luxembourg. It follows that the companies will be considered to be Luxembourg tax-residents within the meaning of Article 159 of the Luxembourg Income Tax Law (“LITL”) and will also be considered resident within the meaning of double tax treaties concluded by Luxembourg. The Luxembourg tax authorities will issue for these companies a certificate of residence upon request.

B.2 Qualification of Mexican trust as transparent for Luxembourg tax purposes

- 11 The Mexican Trust is an administration trust created under the Mexican General Law of Negotiable Instruments and Credit Transactions (LGTOC). LOG 1 act as Settlor and Beneficiary and the counterparty act as Trustee.
- 12 LOG 1 entrusts to the Trust Property the vessel with any right that it implies and the bareboat charter agreement. Upon termination of the Trust, the Trust Property will be reverted to LOG 1.
- 13 Based on the characteristics mentioned below, the Mexican Trust should be treated as transparent for Luxembourg tax purposes.

Features	Mexican Trust
Centralized management and representation	<p>The Settlor preserves the administration of the vessel and its possession except when the administration and possession of the vessel is vested on a third party as a result of the execution of the bareboat charter agreement.</p> <p>Settlor, in its capacity as special attorney of Trustee, shall be in charge of the administration of the bareboat charter agreement.</p> <p>The Trustee invests the Trust Property under the instructions and upon authorization of the Settlor.</p>

¹ The shareholders’ meetings as well as the meetings of the board of directors of LOG 1 and LOG 2 will be regularly and physically held in Luxembourg. The management decisions will be effectively taken in Luxembourg. Their accounting and archives will also be kept in Luxembourg.

Limited liability	The Settlor shall defend and hold the Trustee harmless of any responsibility in connection with the fulfilling of the purpose of the Trust and the defence of the Trust Property, unless in case of negligence, misconduct or bad faith or when Trustee carries out any action not authorized by the Trust agreement.
Free transferability of the membership interest	No transferability, but possibility for new Settlor / Beneficiaries to enter by conveying additional goods or rights to the Trust Property, provided that such transfer shall be formalized through an amendment agreement to be executed in writing by and between Settlor, Trustee and such additional settlors and/or beneficiaries.
Distribution of profits	All products and/ or proceeds deriving from the bareboat charter agreement as well as any amount payable thereunder shall be directly and automatically delivered to Settlor and in no event such products, proceeds and/ or amounts shall be delivered to Trustee.
Equity contributions	Settlor and Trustee constitute the Trust and as a consequence of its creation, Settlor transfers with no reserve or limitation of any kind whatsoever, the ownership of the Trust Property in favour of the Trustee. The contribution to the Trust Property is inherent to the formation of the Trust itself and, as such, it is not an indication of the opacity or transparency of the Trust.
Term and Termination	The term of the Trust will be the required for the fulfilment of its purpose, but in no event will exceed 50 years, provided that at any time during its term the Trust can be terminated by reversion of the total Trust Property. The Settlor reserves to itself the right to unilaterally revoke the Trust.

14 Accounting-wise, the Mexican trust is disregarded.

B.3 Beneficial ownership of the vessels

15 The analysis of beneficial ownership – from an accounting and tax perspective applying the guidelines of the Luxembourg Tax Administration on leasing – leads in each case to a different allocation of the vessel.





DP Polar

- 16 Following the guidelines of the Luxembourg Tax Administration on leasing, the vessel would be allocated to the lessor, i.e. LOG 1, as the leasing term is longer than 40% of the useful lifetime of the vessel and the option price amounts to the fair market value.
- 17 Accounting wise, the vessel is going to be allocated to the lessee.

Endeavour

- 18 Following the guidelines of the Luxembourg Tax Administration on leasing, the vessel would be allocated to the lessee, as the leasing term is shorter than 40% of the useful lifetime of the vessel.
- 19 Accounting wise, the vessel is going to be allocated to the lessor, i.e. LOG 2.
- 20 Given that a deviation from the accounting principles should lead to a similar result for tax purposes, for practical reasons we consider that the allocation of beneficial ownership should be determined by the accounting analysis. The general rule in Article 40 LITL stating that the tax treatment follows the accounting treatment should thus prevail over the administrative guidelines.
- 21 In case of DP Polar, as no depreciation occurs accounting wise, it is economically justified to compute the CPEC interest accordingly and thus not follow the administrative guidelines.
- 22 In case of Endeavour, following the accounting analysis legal and beneficial ownership will be in the hands of LOG 2.

B.4 Tax treatment of LOG 1 and LOG 2

- 23 LOG 1 and LOG 2 are fully taxable Luxembourg companies. In view of the investment activities described LOG 1 and LOG 2 do not need to comply with a debt-to-equity ratio. Consequently, LOG 1 and LOG 2 will not be considered thinly capitalised if financed on the basis of a 99:1 debt-to-equity ratio. As a consequence, any interest paid under the CPEC will not be re-characterised into a non-deductible constructive dividend or be subject to a withholding tax.
- 24 Furthermore, Article 97, (2) and 146, (2) LITL provide for a withholding tax when there is a silent partnership paying out profit participating return. In this case, there is no intention to create such a partnership.
- 25 Therefore, withholding tax within the meaning of Article 97, (2) and 146, (2) LITL will not apply.

B.5 Taxation at the level of LuxMasterCo

- 26 The taxation at the level of LuxMasterCo does not depend on the tax allocation of the vessels at the level of LOG 1 and LOG 2.
- 27 LuxMasterCo earns income from its various debt and equity investments. At the same time, LuxMasterCo will have offsetting interest expenses accruing on its CPEC. With respect to the remuneration on its investment activities, LuxMasterCo is considered to realize an appropriate and acceptable profit with respect to Articles 56 and 164(3) LITL, if it earns a net annual margin of 0.0625% measured on the total annual average outstanding principal amount of the CPEC.
- 28 This taxable margin shall, in a given year, in no event exceed the net income generated on Tranche A. However, if in a given year, LuxMasterCo realizes net earnings under Tranche A that are lower than the net annual margin determined as set out in the previous paragraph, the short fall of annual margin shall be rolled over to a subsequent accounting year during which LuxMasterCo earns sufficient income or gains to leave a margin for the current year and any years in which there was a shortfall of margin.

B.6 Functional currency

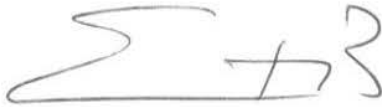
- 29 LOG 1 and LOG 2 will draw up their tax balance sheet in USD. The taxable profit for tax purposes will be converted into EUR at the exchange rate of the last day of its accounting/tax year. The same principle will apply for net wealth tax purposes.



We kindly request your comments on the tax treatment of the above structure if any.

We remain at your disposal should you wish any further information in this respect.

Yours sincerely,

PT 

Laurent de La Mettrie
Partner

*François Douillard
Partners*

Appendix: Legal documentation



Begga Sigurdardottir
Director

For approval

*Le préposé du bureau d'imposition Sociétés 6
Marius Kohl*

Luxembourg, le 14 JAN. 2009



This notification letter is based on the facts as presented to PricewaterhouseCoopers S.à r.l. as at the date the advice was given. The notification is dependent on specific facts and circumstances and may not be appropriate to another party than the one for which it was prepared. This notification letter was prepared with only the interests of CarVal in mind, and was not planned or carried out in contemplation of any use by any other party. PricewaterhouseCoopers S.à r.l., its partners, employees and or agents, neither owe nor accept any duty of care or any responsibility to any other party, whether in contract or in tort (including without limitation, negligence or breach of statutory duty) however arising, and shall not be liable in respect of any loss, damage or expense of whatever nature which is caused to any other party.

VOLUME [____]
PUBLIC INSTRUMENT NUMBER [____]

IN [____], [____], UNITED MEXICAN STATES, on [____][____] 2008, I [____], Notary Public Number [____] duly commissioned in [____], CERTIFY: That an ADMINISTRATION TRUST is granted before me, which is IDENTIFIED AS TRUST NUMBER “F/[____]” EXECUTED BY AND BETWEEN: (i) CVI GLOBAL LUX OIL AND GAS S.à r.l. in its capacity as settlor and beneficiary (the “Settlor” and/or the “Beneficiary”), herein represented by [____]; and (ii) [____] in its capacity as trustee (the “Trustee”), herein represented by [____], as trustee delegate, which instrument is granted in accordance with the following Recitals and Clauses:

RECITALS

IN CONNECTION WITH THE TRUST PROPERTY

- I. Settlor represents and warrants, through its legal representative, that:
- a) The Ship that will be conveyed to the Trust Property, as described below, derives from licit sources and it is its legal owner.

 - b) It is the sole and legal owner and has full possession and ownership of the Ship, in accordance with [INSERT DESCRIPTION OF THE DOCUMENTS THAT EVIDENCE THE LEGAL OWNERSHIP OF THE DP POLAR] duly formalized pursuant to Article 79 of the Mexican Marine Navigation and Commerce Law, being its identity elements pursuant to Article 78 of the above mentioned statute the following: (i) Name: [____]; (ii) Registration Number: [____]; (iii) Port of Registration: [____]; (iv) Nationality: [____]; (v) Call Sign: [____]; (vi) Gross Tonnage: [____]; (vii) IMO Number: [____].

- c) The Ship is free from any lien and any type of limitation of ownership.
- d) There is no limitation in connection with the right to transfer the legal ownership of the Ship in favor of any third party.
- e) The Ship is in full compliance with any and all tax obligations.

AUTHORITY OF SETTLOR

II. Settlor represents and warrants, through its legal representative, that:

- a) It is an entity duly organized and existing pursuant to the laws of Grand Duchy of Luxembourg, which is evidenced with the documentation described in the Chapter of Legal Capacity of this public instrument.
- b) Its legal representative is duly authorized and has been conferred sufficient powers to execute this Trust, which powers have not been revoked, amended or limited in any manner whatsoever, which is evidenced with the documentation described in the Chapter of Legal Capacity of this public instrument.
- c) It desires to appear in this act in order to execute this Trust in its capacity as settlor and beneficiary with the purpose of transmitting in favor of Trustee the property of the Ship and other goods that from time in time become part of the Trust Property.

AUTHORITY OF THE TRUSTEE

III. Trustee represents and warrants, through its trustee delegate, that:

a) It is a Multiple Banking Institution duly organized and existing pursuant to the laws of Mexico, which is evidenced with the documentation described in the Chapter of Legal Capacity of this public instrument.

b) Its legal representative, in its capacity as trustee delegate, is duly authorized and has been conferred sufficient powers to execute this Trust, which powers have not been revoked, amended or limited in any manner whatsoever, which is evidenced with the documentation described in the Chapter of Legal Capacity of this public instrument.

c) It desires to appear in this act for the execution of this instrument in order to accept its designation as trustee under this Trust, subject to the terms and conditions set forth in this public instrument.

Having expressed the following recitals, the parties hereto enter into this Trust Agreement, which shall be governed pursuant to the following:

CLAUSES

FIRST: Definitions. As use in this instrument, the terms listed below shall have the following meanings, which shall be equally applicable to their plural and singular forms:

1.1 “**Extra contractual Credits**” means those credits derived from the navigation and operation of the Ship that generate credits in favor of the Ship.

1.2 “**Usufruct Agreement**” means the agreement pursuant to which the use and enjoyment of the Ship is transferred.

1.3 “**Charter Agreements**” means any bareboat charter agreement, charter agreement per time,

charter agreement per trip, charter agreement per space, marine transportation agreement or any other agreement of marine nature by which the Ship, or part of it is used.

1.4 “**Dollars**” means the legal currency of the United States of America.

1.5 “**Ship**” means the Ship described in Recital I, b) of this Trust, which is conveyed by Settlor to the Trust Property, as well as any other ship that from time to time becomes part of the Trust Property.

1.6 “**Trust**” means the administration trust that is created through this instrument.

1.7 “**Settlor**” and/or “**Beneficiary**” means CVI Global Lux Oil and Gas S.à r.l.

1.8 “**Trustee**” means [_____].

1.9 “**LGTOC**” means the Mexican General Law of Negotiable Instruments and Credit Transactions (*Ley General de Títulos y Operaciones de Crédito*).

1.10 “**México**” means the United Mexican States.

1.11 “**Other Agreements**” means any agreements derived from the normal operation and navigation of the Ship, including but not limited to rescue agreements, assistance agreements and tow agreements.

1.12 “**Trust Property**” means the Ship and its accessories with any right that it implies and, in general, any good described in Clause Fifth of this Trust.

1.13 “**Pesos**” means the legal currency of Mexico;

SECOND. Constitution of the Trust. Settlor and Trustee hereby constitute this Trust identified with the number “F/[_____]”, and as a consequence of its creation, Settlor hereby transfers with no reserve or limitation of any kind whatsoever, the ownership of the Trust Property in favor of the Trustee in accordance with the provisions of Article 381 of the LGTOC.

For the purposes of the above stated, Settlor hereby transfers to Trustee the ownership of the Ship in accordance with the provisions of Article 381 of the LGTOC, in order for the Ship to become part of the Trust Property in accordance with this Trust and to be exclusively owned by Trustee.

THIRD. Acceptance. Trustee hereby: (i) accepts its designation as Trustee and declares its faithful and loyal performance, and hereby agrees to strictly comply with the purposes of this Trust in accordance with the terms and conditions set forth in this instrument; and (ii) receives the Ship from Settlor and grants, through the execution of this instrument, the fullest receipt of the good mentioned above according to law.

FOURTH. Parties to the Trust. The parties to this trust are as follows:

**SETTLOR AND
BENEFICIARY**

CVI Global Lux Oil and Gas S.à r.l.

TRUSTEE:

[_____]

In addition to the above, other third parties may become settlors and/or beneficiaries under this Trust by conveying additional goods or rights to the Trust Property, being subject to the terms and conditions of this Trust; provided that such transfer shall be formalized through an amendment agreement to be executed in writing by and between Settlor, Trustee and such additional settlors and/or beneficiaries.

FIFTH. Trust Property. The Trust Property will be conformed by the following assets:

- a) The Ship and its accessories.
- b) Other ships, their accessories and goods that may be contributed by Settlor and/or any other additional settlor in the future, with all the applicable rights in accordance with the law.
- c) The amounts of money that, in its case, are contributed to the Trust and the products that, for any reason, have been received by or conveyed to this Trust as a result of the administration and/or as consequence of the compliance with the purpose of this Trust, subject to the terms and conditions set forth in this instrument.
- d) The proceeds of any insurance policy that has to be purchased with respect to the Trust Property.
- e) The principal and additional amounts resulting from the Trust Property, including the proceeds generated by the disposition, sale, assignment, or transfer of any kind (including expropriations), in accordance with the terms and subject to the limitations set forth in this Trust Agreement.

The Trust Property may be increased in the future with other goods, with the proceeds generated by the investment of any part of the Trust Property in cash or with any other good or right contributed by Settlor and/or any additional settlors of this Trust Agreement.

SIXTH. Purposes of the Trust. The purposes of the Trust are the following:

- a) The creation of an independent patrimony in order for Trustee to keep at all times the ownership of the Trust Property for the fulfillment of the purposes of this Trust.

- b) That Trustee, in accordance with the instructions provided in writing by the Settlor, carries out the necessary paperwork with the Customs Administration of the future Registry Port in connection with the importation, either permanent or definitive, of the Ship as well as the other ships that may be conveyed in the future to the Trust Property and before the General Office of Merchant Marine (*Dirección General de Marina Mercante*), the National Public Marine Registry the corresponding Harbor Master's Office, and any other competent authority in order to obtain the registry and flagging of the Ship in accordance with the provisions of the Mexican Marine Navigation and Commerce Law (*Ley de Navegación y Comercio Marítimo*) and any other applicable legislation.
- c) That Trustee executes, in connection with the Ship, the Usufruct Agreement with Settlor or with those parties and in accordance with the terms and conditions instructed in writing by Settlor.
- d) That Trustee invests, according to the provisions of this Trust Agreement, any liquid resources that are a part of the Trust Agreement.
- e) That Trustee purchases and maintains an insurance covering the Ship with the insurance company, in the amounts and against the risks instructed by the Settlor.
- f) That Trustee, in accordance with the instructions in writing that for such purposes are provided by the Settlor, reverts to Settlor or transfers, transmits, or sells to any person designated by Settlor, the Ship and any other goods that become part of the Trust Property.
- g) That Trustee maintains and defends the Trust Property by granting powers of attorney to the persons indicated in writing by Settlor.
- h) That Trustee grants general and special powers of attorney with full faculties to act in the name and on behalf of Trustee, as required for fulfilling the purposes of the Trust or for defending the Trust

Property, in accordance with the instructions and in favor of the persons indicated by Settlor, pursuant to the provisions set forth in this Trust Agreement.

i) That Trustee renders reports and provides access to the information of the Trust according to the provisions of this Trust Agreement.

j) That Trustee carries out any and all activities necessary for the fulfillment of the purpose of this Trust.

SEVENTH: Trust Property Possession, Management, and Maintenance. The possession, management, and maintenance of the Trust Property will be subject to the following:

a) Settlor will comply timely and diligently with the payment of any applicable tax, right, fee, contribution or obligation related to the operation and navigation of the Ship required in accordance with the applicable laws and will maintain the Ship at all times free and clear of any marine privilege that may constitute a lien over it.

b) The Settlor will preserve the administration of the Ship and its possession, except when the administration and possession of such Ship is vested on a third party as a result of the execution of any Usufruct Agreement.

c) Trustee shall cover all costs associated with the maintenance, navigation and operation of the Ship.

d) During the terms of this Trust, Settlor shall maintain with a Mexican insurance company insurance over the hull and machinery of the Ship and of protection and indemnization covering all navigation accidents and incidents. In addition, Settlor shall observe and negotiate the reinsurance covering the insurance obtained from such Mexican insurance company.

e) Settlor shall maintain in effect the Navigation and Statutory Certificates in connection with the Ship.

i) All products and/or proceeds derives from the Charter Agreements, Other Agreements or Extra contractual Credits entered in connection with the Ship as well as any amount payable thereunder shall be directly delivered to Settlor and in no event such products, proceeds and /or amounts shall be delivered to Trustee. In the event Trustee receives such products, proceeds and /or amounts, it is understood that Trustee will be receiving them in its capacity as depositary and shall deliver them to Settlor immediately.

In the event that a Charter Agreement is executed, the obligations of Settlor container in paragraphs a), c), d) and e) above will be the responsibility of the third party with whom such Charter Agreement has been executed, pursuant to the terms of such Charter Agreement, regardless of the obligation of Settlor to respond for their breach hereunder.

EIGHTH. Reversion of the Trust Property and Related Tax Provisions. The parties hereto expressly agree that the Trust Property may be reverted in favor of Settlor at the termination of the Trust pursuant to the terms hereof. The transfer of the Ship by Settlor in favor of the Trust Property will not be considered as a sale for local and federal tax purposes, since Settlor maintains its right to reacquire the Ship through reversion.

NINTH. Term and Termination. The term of this Trust will be the required for the fulfillment of its purpose, but in no event will exceed fifty (50) years, provided that at any time during its term, the Trust can be terminated as a result of the reversion of the total Trust Property pursuant to the terms hereof. Moreover, the Trust will be terminated when the Ship loses its importation to Mexico regime, and when the Mexican flag or registration is lost.

This Trust can be terminated for any of the causes provided for in Article 392 of the LGTOC, as such causes may be applicable to the nature and purpose of the Trust. The Settlor hereby reserves to itself the right to unilaterally revoke the Trust.

Upon the termination of the Trust, when applicable, the ownership of the Trust Property will be reverted by Trustee in favor of Settlor or any third party designated by Settlor.

TENTH. Investment of the Trust Property. Settlor hereby expressly instructs and authorizes Trustee to invest the Trust Property pursuant to the following:

a) The maximum investment terms shall be thirty (30) days, except when for investments made in investment funds;

b) The investments shall be made in the currency in which the liquid resources of the Trust Property are denominated;

c) In all investment transactions made by Trustee, the treasury of the Banco Nacional de México, S.A., integrante del Grupo Financiero Banamex will act as counterpart; and

d) Trustee shall carry out the investments in those securities that are available in the market at the time of the investment, in the following order, provided that the dispositions contained in this Clause shall be considered by the parties hereto as a permanent instruction until Trustee receives from Settlor a written instruction in connection with the investment of the Trust Property:

Mexican Pesos:

i) Investment funds in debt instruments managed or operated by direct or indirect subsidiaries of Grupo Financiero Banamex, S.A. de C.V., that comply with the following:

(1) pursuant to the average pondered term of its investment assets, are classified as short term for having an average pondered term equal or minor to one year, calculated pursuant to the proceeding

indicated in the respective public prospectus; (2) is considered as specialized in securities issued by the United Mexican States government, by having an investment of at least eighty percent (80%); and (3) have the highest credit rating.

i) Mexican Peso denominated debt instruments, representing liabilities of Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex, that have the highest rate payable by such institution for liabilities of a similar term and amount, in the same dates on which such liabilities are maintained; and

iii) Sale and purchase transactions in connection with securities of the Federal Government or debt instruments issued by national credit institutions.

Dollars:

i) Dollar denominated liabilities issued by Citibank, N.A..

In the event that Settlor decides to carry out investment operations different to the ones provided in this Clause, Settlor shall issue to Trustee the respective written instructions which shall expressly indicate (1) the amount of liquid resources to invest; (2) the type of assets, rights, securities or other financial instruments in which the liquid resources that conform the Trust Property shall be invested and, if applicable, the name of the issuers and their credit ratings; (3) the maximum term of the investments; and (4) the counterpart or counterparts with whom the Trustee should make such investments, being applicable the provisions of Clause Twelve hereof.

Trustee has not provided and shall not be responsible for providing any advice to Settlor in connection to the convenience or inconvenience to invest, purchase, sell, maintain, take or abstain from taking any investment instrument.

Trustee does not assume any liability for any third party designated by Settlor that intervenes in the advice, management and/or custody of the Trust Property.

ELEVENTH. Transactions with the Institution. Settlor hereby approves and authorizes Trustee to, in compliance with the purpose of the Trust, enter into transactions with Banco Nacional de México, S.A. integrante del Grupo Financiero Banamex acting on its behalf, including but not limited to the opening of accounts for the reception of funds and the buying and selling of foreign currency, being this Clause understood as a permanent instruction.

In the event Settlor decides to carry out the transactions referred to in this Clause with an institution different from Banco Nacional de México, S.A. integrante del Grupo Financiero Banamex, it shall provide the respective express written instruction to Trustee.

In the transactions carried out by Banco Nacional de México, S.A. integrante del Grupo Financiero Banamex acting on its behalf and in its capacity as Trustee, such transactions shall not be off set or extinguished by confusion. Likewise, Trustee hereby represents and warrants that there is no direct dependency between the Trustee and the Treasury of the institution and that the operations referred to in this Clause shall be carried out in accordance with its internal policies and good financial practices.

TWELFTH. Tax Obligations. All taxes, rights and other tax obligations that, a result of the effectiveness and the acts of the Trust, may be imposed by the corresponding tax dispositions, including but not limited to the presentation of the applicable notices and/or tax returns, shall be the sole responsibility of Trustee, without detriment of the joint liability that pursuant to the tax dispositions in effect may be incurred by Settlor. It is included in such tax obligations the payment for the use of port infrastructure of any nature.

Trustee shall have no responsibility for the failure by Settlor or beneficiary, if applicable, to comply with their tax obligations. In connection with the tax obligations that Trustee must comply as a result

of the execution of the acts associated with the purpose of the Trust or those executed per the instructions of Settlor, Trustee shall comply with such tax obligations at the cost of the funds in the Trust Property and, in the event that there are no sufficient funds in the Trust Property, Settlor agrees to convey to the Trust Property the funds required to comply with such tax obligations.

Settlor will provide to Trustee, when required by Trustee, all documents necessary or sufficient to prove that the tax obligations on its behalf have been duly and completely fulfilled.

The parties hereto acknowledge that Trustee has not provided and will not provide advice on any tax, legal or accounting matters leading to the making of decisions and actions in connection with the creation and operation of the Trust. Settlor represents that it has received advice from its own legal, tax and accounting advisors which have the sufficient experience to identify any legal and tax liability.

Settlor assumes, before Trustee and third parties, the liability derived from any tax, right, product, social security quota or related liability that derives or may derive from the Trust or from the administration and ownership of the Trust Property; therefore Settlor agrees to convey to the Trust Property the sufficient funds to fulfill such obligations and, in its absence, to indemnify and hold harmless the Trustee in connection to the payment of any obligation derived from such concepts.

Settlor's obligations contained in this Clause shall continue in effect after the termination of the Trust or the substitution or resignation of Trustee, until five (5) fiscal years following the termination of the Trust or the finalization of the Trustee's appointment.

THIRTEENTH. Defense of the Trust Property. Settlor shall have the obligation to notify Trustee in writing of any situation that may affect the Trust Property, and to appoint one or more attorneys in fact that will exercise the rights derived from the Trust or that will proceed to the defense of the Trust Property; Trustee shall not be responsible for the actions of the appointed attorneys in fact or the fees and expenses associated thereto, and Trustee shall only have the obligation to grant the required

powers of attorney and documents.

Trustee shall not be responsible of the acts or omissions of Settlor or of the third parties that may prevent or make difficult the fulfillment of the Trust. In the event of any conflict, Trustee shall limit its responsibility to grant the sufficient powers of attorney in favor of the attorneys in fact requested in writing by Settlor. Trustee shall not assume any responsibility in connection with the acts of such attorneys in fact, which shall be included in the text of the powers of attorney granted by Trustee. Likewise, such attorneys in fact must agree that all costs, fees and expenses incurred in the exercise of their respective powers of attorney shall be solely and exclusively paid by Settlor without Trustee incurring in any personal liability for such costs, fees and expenses, which shall be included in the respective contracts.

The attorneys in fact, under the strict and exclusive responsibility of Settlor, shall present to Trustee a report of their actions at least once every three (3) months and at any other time upon written request by Trustee. The attorneys in fact will authorize the officers designated by Trustee to review the court proceedings. Trustee shall have no obligation to provide follow up to the acts of the attorneys in fact or for the failure to deliver such reports.

In the event Trustee receives any notification, lawsuit or any information in connection with the Trust, it shall immediately inform the Settlor in order for Settlor to appeal to the defense of the Trust Property and the rights of Trustee. Trustee shall not be responsible for any notification, claim, lawsuit, or any requirement with respect to the Trust Property. Settlor shall be responsible for the damages caused to Trustee as a result of Settlor's failure to appoint the attorneys in fact referred to in this Clause as well as for the acts performed by such attorneys in fact.

In the event of urgency, Trustee shall conduct the essential actions to preserve the Trust Property and all rights derived therefrom, notwithstanding the obligation of Settlor to appoint the attorney in fact referred to in this Clause. In this event, Trustee shall be authorized to take from the Trust Property the

funds required for such purposes.

Notwithstanding the above, Trustee shall have at all time absolute authority to defend and protect the Trust Property and the rights derived therefrom.

Settlor shall hold Trustee harmless as long as Trustee acts in accordance with the written instructions received from Settlor and the terms of this Trust.

Likewise, Settlor shall cover any expense or economic consequence derived to Banco Nacional de México S.A., Integrante del Grupo Financiero Banamex, its subsidiaries, affiliates and related entities or its employee, officers, trust delegates and directors as a result of its participation in administrative or judicial proceedings in connection with this Trust.

FOURTEENTH. Indemnization to Trustee. Settlor shall defend and hold Trustee harmless, as well as its trust delegates, directors, officers, employees, attorneys in fact and administrative employees in connection with all and any liability, damage, obligation, suit, court resolution, transaction, requirement, expense and/or cost of any nature, including attorney's fees; resulting from any acts of Trustee in connection with the fulfilling of the purpose of the Trust and the defense of the Trust Property (unless these are the result of negligence, misconduct or bad faith of Trustee, or when Trustee carries out any action not authorized by the Trust) or for claims, penalties and any other liability of any nature in connection with the Trust Property or the Trust, before administrative or judicial authorities, arbitration courts or any other party having state or federal jurisdiction, in México or abroad (unless these are the result of negligence, misconduct or bad faith of Trustee, or when Trustee carries out any action not authorized by the Trust).

Likewise, Settlor agrees to reimburse to Trustee, its delegates, directors, officers, employees, attorneys in fact and administrative employees any cost, expense or disbursement of any kind (including fees and expenses of its attorneys in fact) incurred by Trustee, or any other damage or loss suffered as a

result of any suit, judicial proceeding, liability, damages, sanctions, judicial resolutions filed, issued or imposed on Trustee, its directors, officers, employees, attorneys in fact and administrative employees in connection with any act or omission of Settlor that involves the failure to comply with its obligations under the Trust.

In the event of any fact situation or act of authority or any legal consequence resulting in monetary liabilities on Trustee associated directly with the Trust and the Trust Property, resulting from acts or omissions of Settlor or the parts hereto in the fulfillment of the purpose of the Trust, either directly or through third parties, including disbursements related to the acts and concepts mentioned in the preceding paragraph (except that there has been negligence, misconduct or bad faith of Trustee, or when Trustee carries out any action not authorized or included in the Trust), any of those economic liabilities shall be covered by Settlor.

Whenever Trustee acts pursuant to the instructions of Settlor and in compliance of the purposes of the Trust, Trustee shall be free from any and all liabilities.

Settlor hereby expressly agrees that Trustee shall not be responsible of any obligation different to those contained in this Trust and in the documents and agreements related to the fulfillment of its purpose.

FIFTEENTH. Resignation and Replacement of Trustee. Pursuant to the third paragraph of Article 385 of the LGTOC, Trustee may resign or be removed from its position as trustee of the Trust. In such circumstances, and as applicable, the parties hereto shall express it in writing at least twenty (20) days in advance to the effective date of such resignation or replacement. In the event of resignation by Trustee, Trustee shall deliver Settlor a written notice of its intention to resign with at least ninety (90) days in advance to such resignation, provided that Trustee will not leave its position until a new trustee has been appointed by the Settlor.

At the expiration of its position, whether by resignation or replacement, Trustee shall produce a report of the Trust Property for the period starting on the date on which the last report on the Trust Property was delivered until the date on which such resignation or replacement is effective. Settlor shall have a term of fifteen (15) business days to examine such report and request any clarifications. Once such term is concluded and no clarifications have been requested, the report will be considered as approved and the Trustee shall be free of any liability derived from the Trust.

When appointing a new trustee, the new trustee shall be invested with all the faculties, rights, powers and obligations agreed with Settlor and shall take ownership and possession of the assets that integrate the Trust Property.

In the event of resignation or replacement of Trustee, the substitution or removal will take place in a manner that it does not affect those agreements entered into by Trustee in compliance with the purpose of the Trust.

SIXTEENTH. Legal Prohibitions. In accordance with paragraph b, Fraction XIX of article 106 of the Credit Institutions Law (*Ley de Instituciones de Crédito*), Trustee represents and warrants that it has explained to Settlor the legal consequences of such paragraph which provides:

“ARTICLE 106.- *Credit institutions will be prohibited from:*

...

XIX. In carrying out the transactions referred to in subsection XV of article 46 of this Law:

...

b) Answer before Settlers and principals for the default of debtors or issuers in the loans that may be granted or securities that may be acquired, unless they are responsible for such actions according to the last portion of article 391 of the General Law of Negotiable Instruments and Credit Transactions, or guarantee the earning of yields for funds entrusted to them for investment.

If, upon termination of trust, mandate or commission constituted for the granting of loans, these

would not have been settled by debtors, the institution shall transfer them to the Settlor or beneficiary, as appropriate, or to the principal, without covering such amount.

This provision and a declaration by trustee, explaining that it unequivocally informed of its contents to the persons from whom it received goods or rights for its transfer of trust will be inserted herein in a conspicuous manner;

...

Any agreement contrary to the provisions of the preceding paragraphs will be declared null and void..."

In addition to the above, the compliance of the provision of numeral 5.5 of Official Decree 1/2005 published by the Central Bank (*Banco de México*) in the Federal Official Gazette (*Diario Oficial de la Federación*) on June 23, 2005, Trustee represents and warrants that it has explained to Settlor the legal consequences of numeral 6 of Official Decree 1/2005 in connection with the prohibitions to which Trustee is subject to. To such effects below is the relevant text of numeral 6 of the Official Decree 1/2005 of Central Bank (*Banco de México*):

"...6.1 In the execution of the Trusts, Fiduciary Institutions are not allowed to do as follows:

- a) Charge to the Trust Property, prices other than those contracted upon executing the transaction in question;
- b) Guarantee the earning of yields or prices for funds which investment is entrusted thereto; and
- c) Carry out transactions in conditions and terms against its internal policies and the regular financial practices.

6.2 Fiduciary Institutions may not carry out transactions with securities, credit instruments, or any other financial instruments that are not in compliance with the specifications agreed upon in the corresponding Trust agreement.

6.3 ...

6.4 Fiduciary Institutions may never pay, out of the Trust Property, for penalties imposed by an authority to such Institutions.

..."

SEVENTEENTH. The Administration. For the administration of this Trust, Trustee shall have all the rights and actions required for such purposes, acting in all cases with care. Trustee shall be responsible for all damages caused by the failure to comply with the obligations contained in the Trust in accordance with the provisions of Article 391 of the LGTOC.

EIGHTEENTH. Fees of Trustee. Settlor hereby agrees to pay to Trustee the fees that the parties agree in this Clause without the need of any notice or requirement on behalf of Trustee:

[]

Trustee's fees may be updated on an annual basis pursuant to the Consumer's National Price Index (*Índice Nacional de Precios al Consumidor*) or the index that replaces it. Trustee shall notify Settlor in writing of any new fee with at least thirty (30) days in advance.

The fees and commissions of Trustee generate Value Added Tax, which shall be transferred pursuant to the applicable law.

In the event that Trustee's are not paid pursuant to this Clause, Trustee shall have the right to charge penalty interest at a rate equal to the *Costo de Captación a Plazo de los Pasivos denominados en Moneda Nacional* (C.C.P.) fixed by the Central Bank for the respective month or the index or rate that replaces it. Trustee reserves the right to apply the penalty interest contained herein as well as the right to exercise, if applicable, the legal actions to obtain the amounts owed by the Settlor.

The parties hereto agree that Trustee may terminate the Trust without responsibility pursuant to Article 392 of the LGTOC provided that Trustee shall observe at all times the provisions of Clause Fifteen hereof.

Trustee shall have the right to off set against the liquid resources of the Trust Property any fees or commissions owed by Settlor to Trustee under this Trust.

NINETEENTH. Communications and Instructions. The parties hereto agree that all instructions, notifications, requests as well as any other kind of communication required or permitted pursuant to this Trust, shall be made in writing and shall have effects when received by the other party at the addresses contained in this Trust. Such instructions can be delivered by any means previously agreed by the parties hereof, which may be: executed original delivered directly to the mentioned addresses; by certified mail with receipt request; by fax or any other alternate means of communication.

For purposes of the notifications and instructions delivered to the Trustee pursuant to this Trust, the Trust shall be identified and operated by the contract number and the authorized and registered signature or signatures of those requesting a transaction or service.

For purposes of the above, Trustee declares that it has installed certain procedures for the reception and execution of instructions, including those transmitted via fax or other transmissions and/or means of communication; in such understanding, the parties hereto, as applicable, shall execute with Trustee the required documents for such effects.

The parties hereto agree and acknowledge that Trustee will be authorized to execute, during banking days and hours, solely and exclusively the instructions that have been provided in accordance with the terms hereof and the above mentioned security procedures.

In accordance with Article 52 of the Credit Institutions Law (*Ley de Instituciones de Crédito*), the parties hereto agree that Trustee shall not be responsible for the suspension or cancellation of the actions contained in any instruction if any of the circumstances mentioned in such Article occur. Trustee shall notify Settlor in writing of any action carried out by trustee pursuant to such Article.

TWENTIETH. Reports to Settlor. Trustee, on an annual basis or upon request by Settlor, shall produce and deliver, within five (5) days of the respective request, at the address specified hereof, the account statements that reflect the value of the Trust Property and the movements made in the Trust during the respective period.

The parties hereto agree that Settlor shall have a term of fifteen (15) days starting from the date of reception of such account statements to request Trustee in writing any clarification. Once such term expires with no clarification request from Settlor, such account statements shall be considered as approved by Settlor for all effects.

All account statements presented to Settlor by Trustee shall be produced pursuant to the formats approved by Trustee on an institutional basis and shall contain the information determined by Trustee in accordance with its institutional policies.

TWENTY-FIRST. Domiciles. The parties hereto expressly designate the following as their domiciles:

SETTLOR:

[_____]

[_____]

Attention [_____]

Tel [_____]

Fax [_____]

TRUSTEE:

[_____]

[_____]

Attention: [_____]

Tel: [_____]

Fax: [_____]

TWENTY-SECOND. Intellectual Property. Without the prior written authorization from Trustee,

Settlor shall not use at any time the denomination, commercial name, design and trademarks of Banco Nacional de México, S.A. integrante del Grupo Financiero Banamex or of any of its affiliates or subsidiaries or controlling entity in any act, promotion, publicity or document related, directly or indirectly, with the Trust.

TWENTY-THIRD. Headings. The parties hereto agree that the headings used in the Clauses hereof have been included solely for the facilitation of its analysis, and therefore, the text and not the headings shall be used for the interpretation of such Clauses.

TWENTY-FOURTH. Independency of Dispositions. If any term of this trust is declared null, illegal or not executable by any competent court, such term shall be considered as not included to the extent that is null, illegal or not executable, without affecting the validity and enforceability of the rest of such term or the other terms contained in the Trust.

TWENTY-FIFTH. Amendments. The parties hereto agree that any amendment to this Trust will only be effective when duly executed by Trustee and Settlor.

TWENTY-SIXTH. Applicable Law and Jurisdiction. The parties hereto expressly and irrevocably agree to the federal laws and the jurisdiction of Mexico, Federal District, pursuant to paragraph II of Article 104 of the Mexican Constitution, waiving to any other jurisdiction that they may have due to their present or future domiciled or for any other reason.

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1. Shipbroker None		BIMCO STANDARD BAREBOAT CHARTER CODE NAME: "BARECON 2001" 	
		2. Place and date Minneapolis, U.S.A. August 5, 2008	
3. Owners/Place of business (Cl. 1) CVI Global Lux Oil and Gas S.a.r.l. 11-13 Boulevard de la Foire Luxemburg L-1528		4. Bareboat Charterers/Place of business (Cl. 1) Oceanografia, S.A. de C.V. Av. 4 Oriente Manzana D-Lote 3 P.I.P. Laguna Azul D.P. Ciudad del Carmen, Campeche 24140 Mexico Attention Director General 52 938 381 2570	
5. Vessel's name, call sign and flag (Cl. 1 and 3) DP Polar, J8B3524, Saint Vincent and The Grenadines			
6. Type of Vessel Antarctic Supply Vessel		7. GT/NT 13,677 / 4,777	
8. When/Where built 1989 / Ukraine		9. Total DWT (abt.) in metric tons on summer freeboard 10,901	
10. Classification Society (Cl. 3) Rina Societa per Azioni		11. Date of last special survey by the Vessel's classification society 11/05/07	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3)			
13. Port or Place of delivery (Cl. 3) International waters		14. Time for delivery (Cl. 4) August 5, 2008	15. Cancelling date (Cl. 6) N/A
16. Port or Place of redelivery (Cl. 15) By mutual agreement		17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) Not Applicable	
18. Running days' notice if other than stated in Cl. 4 None		19. Frequency of dry-docking (Cl. 10(a))	
20. Trading limits (Cl. 6) Gulf of Mexico waters: Mexican waters U.S. waters prior written approval of Owners In no event shall vessel be used in Cuban waters			
21. Charter period (Cl. 2) Five years and fourth months from date of delivery of the Vessel		22. Charter hire (Cl. 11) U.S.\$ 67,000 Dollars per day, starting payments first day after the end of the fourth month of delivery	
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 25/Cl. 10(a)(ii)) 100%			

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"BARECON 2001" STANDARD BAREBOAT CHARTER

PART I

24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to <u>PART IV</u>	25. Currency and method of payment (Cl. 11) United States Dollars via wire transfer
26. Place of payment; also state beneficiary and bank account (Cl. 11) To be provided by Owners	27. Bank guarantee/bond (sum and place) (Cl. 24) (optional)
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) 12(a) applies	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies) U.S.\$ 40,000,000 Dollars, to be increased after completion of the Works in the amount of the cost of the Works
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b)) or, if applicable, Cl. 14(g)) See applicable clauses	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b)) or, if applicable, Cl. 14(n)) See applicable clauses
32. Latent defects (only to be filled in if period other than stated in Cl. 3)	33. Brokerage commission and to whom payable (Cl. 27) Not applicable
34. Grace period (state number of clear banking days) (Cl. 26)	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration <u>must</u> be stated (Cl. 30) 30 as modified
36. War cancellation (indicate countries agreed) (Cl. 26(f))	
37. Newbuilding Vessel (indicate with "yes" or "no" whether <u>PART III</u> applies) (optional) No	38. Name and place of Builders (only to be filled in if <u>PART III</u> applies)
39. Vessel's Yard Building No. (only to be filled in if <u>PART III</u> applies)	40. Date of Building Contract (only to be filled in if <u>PART III</u> applies)
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) b) c)	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether <u>PART IV</u> applies) (optional)	43. Bareboat Charter Registry (indicate with "yes" or "no" whether <u>PART V</u> applies) (optional)
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if <u>PART V</u> applies)	45. Country of the Underlying Registry (only to be filled in if <u>PART V</u> applies)
46. Number of additional clauses covering special provisions, if agreed	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners) Gregor Klaedtke Director	Signature (Charterers) 
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Handwritten signature or initials, possibly "MSK", written in black ink.

PART II
"BARECON 2001" Standard Bareboat Charter

1. Definitions	1	The Vessel shall not be delivered before the date	49
In this Charter, the following terms shall have the	2	indicated in <u>Box 14</u> without the Charterers' consent and	50
meanings hereby assigned to them:	3	the Owners shall exercise due diligence to deliver the	51
"The Owners" shall mean the party identified in <u>Box 3</u> ;	4	Vessel not later than the date indicated in <u>Box 15</u> .	52
"The Charterers" shall mean the party identified in <u>Box 4</u> ;	5	Unless otherwise agreed in <u>Box 18</u> , the Owners shall	53
"The Vessel" shall mean the vessel named in <u>Box 5</u> and	6	give the Charterers not less than thirty (30) running days'	54
with particulars as stated in <u>Boxes 6</u> to <u>12</u> .	7	preliminary and not less than fourteen (14) running days'	55
"Financial Instrument" means the mortgage, deed of	8	definite notice of the date on which the Vessel is	56
covenant or other such financial security instrument as	9	expected to be ready for delivery.	57
annexed to this Charter and stated in <u>Box 28</u> .	10	The Owners shall keep the Charterers closely advised	58
		of possible changes in the Vessel's position.	59
2. Charter Period	11		
In consideration of the hire detailed in <u>Box 22</u> ,	12	5. Cancelling	60
the Owners have agreed to let and the Charterers have	13	(not applicable when Part III applies, as indicated in <u>Box 37</u>)	61
agreed to hire the Vessel for the period stated in <u>Box 21</u>	14	(a) Should the Vessel not be delivered latest by the	62
("The Charter Period").	15	cancelling date indicated in <u>Box 15</u> , the Charterers shall	63
		have the option of cancelling this Charter by giving the	64
3. Delivery	16	Owners notice of cancellation within thirty-six (36)	65
(not applicable when Part III applies, as indicated in <u>Box 37</u>)	17	running hours after the cancelling date stated in <u>Box</u>	66
(a) The Owners shall before and at the time of delivery	18	<u>15</u> , failing which this Charter shall remain in full force	67
exercise due diligence to make the Vessel seaworthy	19	and effect.	68
And in every respect ready in hull, machinery and	20	(b) If it appears that the Vessel will be delayed beyond	69
equipment for service under this Charter.	21	the cancelling date, the Owners may, as soon as they	70
The Vessel shall be delivered by the Owners and taken	22	are in a position to state with reasonable certainty the	71
over by the Charterers at the port or place indicated in	23	day on which the Vessel should be ready, give notice	72
<u>Box 13</u> in such ready-to-use berth as the Charterers may	24	thereof to the Charterers asking whether they will	73
direct. The Vessel shall be delivered by the Owners on	25	exercise their option of cancelling, and the option must	74
an "as is" and "where is" basis and "with all faults"		then be declared within one hundred and sixty-eight	75
basis.		(168) running hours of the receipt by the Charterers of	76
(b) The Vessel shall be properly documented on	26	such notice or within thirty-six (36) running hours after	77
delivery in accordance with the laws of the flag State	27	the cancelling date, whichever is the earlier. If the	78
indicated in <u>Box 5</u> and the requirements of the		Charterers do not then exercise their option of cancelling,	79
classification society stated in <u>Box 10</u> .		the seventh day after the readiness date stated in the	80
indicated in <u>Box 5</u> and the requirements of the	28	Owners' notice shall be substituted for the cancelling	81
classification society stated in <u>Box 10</u> . The Vessel upon	29	date indicated in <u>Box 15</u> for the purpose of this Clause 5.	82
delivery shall have her survey cycles up-to-date and	30	(c) Cancellation under this Clause 5 shall not	83
trading and class certificates valid for at least the number	31	constitute or result in a claim in favor of Owners or	
of months agreed in <u>Box 12</u> .	32	Charterers shall be without	
(c) The delivery of the Vessel by the Owners and the	33	prejudice to any claim the Charterers may otherwise	84
taking over of the Vessel by the Charterers shall	34	have on the Owners under this Charter.	85
constitute a full performance by the Owners of all the	35		
Owners' obligations under this Clause 3, and thereafter	36	6. Trading Restrictions	86
the Charterers shall not be entitled to make or assert	37	The Vessel shall be employed in lawful trades for the	87
any claim against the Owners on account of any	38	carriage of suitable lawful merchandise within the trading	88
conditions, representations or warranties expressed or	39	limits indicated in <u>Box 20</u> .	89
implied with respect to the Vessel.	40	The Charterers undertake not to employ the Vessel or	90
(d) The Vessel shall be delivered to and taken over by		suffer the Vessel to be employed otherwise than in	91
the Charterers on an "as is" and "where is" basis and		conformity with the terms of the contracts of insurance	92
"with all faults" basis, whether latent or not, basis at		(including any warranties expressed or implied therein)	93
the location of the Vessel on the Effective Date.		without first obtaining the consent of the insurers to such	94
Charterers' decision to charter and/or purchase the		employment and complying with such requirements as	95
Vessel interest is based solely upon their		extra premium or otherwise as the insurers may	96
independent investigation and analysis of the		prescribe.	97
condition of the Vessel. Charterers' charter and/or		The Charterers also undertake not to employ the Vessel	98
purchase of the Vessel interest is with the express		or suffer her employment in any trade or business which	99
agreement that the delivery and conveyance by		is forbidden by the law of any country to which the Vessel	100
Owners to Charterers of the Vessel of the Vessel		may sail or is otherwise illicit or in carrying illicit or	101
interest shall be without warranty, express or implied,		prohibited goods or in any manner whatsoever which	102
of seaworthiness, merchantability, and/or fitness for		may render her liable to condemnation, destruction,	103
any particular purpose pertaining to the Vessel, and		seizure or confiscation.	104
further there is no warranty that the Vessel is suitable		The Charterers shall comply with all applicable laws	
for its intended purpose. The disclaimer applies to		concerning the operation of the Vessel, including, but	
both the Charter and its purchase. but the Owners		not limited to, all import and export declarations	
shall		required by the United Mexican States. The	
be liable for the cost of but not the time for repairs or	41	Charterers shall provide to the Owners evidence of	
renewals occasioned by latent defects in the Vessel,	42	such declarations as soon as possible but in no event	
her machinery or appurtenances, existing at the time of	43	not later than 5 (five) days from the date of import or	
delivery under this Charter, provided such defects have	44	export.	
manifested themselves within twelve (12) months after	45	Notwithstanding any other provisions contained in this	105
delivery unless otherwise provided in <u>Box 22</u>.	46	Charter it is agreed that nuclear fuels or radioactive	106
(e) The owners and the Charterers shall execute and		products or waste are specifically excluded from the	107
deliver a Protocol of Delivery and Acceptance		cargo permitted to be loaded or carried under this	108
showing the time and place of delivery of the Vessel.		Charter. This exclusion does not apply to radio-isotopes	109
4. Time for Delivery	47	used or intended to be used for any industrial,	110
(not applicable when Part III applies, as indicated in <u>Box 37</u>)	48	commercial, agricultural, medical or scientific purposes	111

PART II
"BARECON 2001" Standard Bareboat Charter

provided the Owners' prior approval has been obtained to loading thereof.	112 113	(ii) New Class and Other Safety Requirements - In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing (excluding the Charterers' loss of time) more than the percentage stated in <u>Box 23</u> , or if <u>Box 23</u> is left blank, 5 per cent. of the Vessel's insurance value as stated in <u>Box 23</u> , then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under this Charter shall, in the absence of agreement, be referred to the dispute resolution method agreed in <u>Clause 30</u> .	183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200
7. Surveys on Delivery and Redelivery (not applicable when Part III applies, as indicated in <u>Box 37</u>) The Owners and Charterers shall may each appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The If appointed, the Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.	114 115 116 117 118 119 120 121 122 123	(iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.	201 202 203 204 205 206 207 208 209 210 211 212
8. Inspection The Owners shall have the right at any time after giving reasonable notice to the Charterers to inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf:- (a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. The costs and fees for such inspection or survey shall be paid by the Owners unless the Vessel is found to require repairs or maintenance in order to achieve the condition so provided; (b) in dry-dock if the Charterers have not dry-docked Her in accordance with <u>Clause 10(g)</u> . The costs and fees for such inspection or survey shall be paid by the Charterers; and (c) for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners. All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period. The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.	124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151	The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so. (b) Operation of the Vessel - The Charterers shall of their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag State fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners. Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law. (c) The Charterers shall keep the Owners and the mortgagee(s) advised of the intended employment, planned dry-docking and major repairs of the Vessel, as reasonably required.	213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237
9. Inventories, Oil and Stores A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbrokeed provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.	152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167	(d) Flag and Name of Vessel - During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-registration, if required by the Owners, shall be at the Charterers' expense and time. (e) Changes to the Vessel - Subject to <u>Clause 10(a)(i)</u> , the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter.	238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256
10. Maintenance and Operation (a)(i) Maintenance and Repairs - During the Charter Period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, except as provided for in <u>Clause 14(i)</u> , if applicable, at their own expense they shall at all times keep the Vessel's Class fully up to date with the Classification Society indicated in <u>Box 10</u> and maintain all other necessary certificates in force at all times.	168 169 170 171 172 173 174 175 176 177 178 179 180 181 182	(f) Use of the Vessel's Outfit, Equipment and	257

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<u>Appliances</u> - The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period if requested by the Owners. Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.	258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283	any mortgage(s) of the Vessel and that they shall not may effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	331 332 333
*) (b) The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in <u>Box 28</u> and that they shall not agree to any amendment of the mortgage(s) referred to in <u>Box 28</u> or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354	*) (Optional, <u>Clauses 12(a) and 12(b)</u> are alternatives, indicate alternative agreed in <u>Box 28</u>).	355 356
(g) <u>Periodical Dry-Docking</u> - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not less than once during the period stated in <u>Box 19</u> or, if <u>Box 19</u> has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag State.	284 285 286 287 288 289	13. Insurance and Repairs	357
11. Hire	290	(a) During the Charter Period which includes the period of the Work (as defined below) the Vessel shall be kept insured by the Charterers at their own expense against hull and machinery, war including Confiscation, Expropriation, Nationalization and Depreciation, commonly referred to as CNED coverage and Protection and Indemnity risks with limits up to Pemex requirements or U.S. dollars \$20,000,000, whichever is greater and coverage must include, but not be limited to crew coverage, collision liability, pollution and Specialist Operations if coverage will be provided by a P&I Club or a separate Comprehensive General Liability of U.S. dollars \$20,000,000 (which can include primary and excess layers) for third party personal injury and property damage	358 359 360 361 362 363 364 365 366 367 368 369 370 371 372
(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.	291 292 293	insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve, which approval shall not be un-reasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and The Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. Charterers shall provide Owners the contact information of the insurers that have issued the policies required under this Charter, and shall further inform said insurers that Owners are authorized to inquire of them the status of all related insurances. Charterers shall further direct said insurers to copy Owners on all notices sent to Charterers regarding such insurances.	359 360 361 362 363 364 365 366 367 368 369 370 371 372
(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in <u>Box 22</u> which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.	294 295 296 297 298 299 300	Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for. Hull policies must be endorsed to Owners. All policies shall be maintained in full force and effect	373 374 375 376 377 378 379 380
(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in <u>Box 25</u> and at the place mentioned in <u>Box 26</u> .	301 302 303		
(d) Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally according to the number of days and hours remaining before redelivery and advance payment to be effected accordingly.	304 305 306 307 308		
(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.	309 310 311 312 313 314 315		
(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in <u>Box 24</u> . If <u>Box 24</u> has not been filled in, the three months Interbank offered rate in London (LIBOR or its successor) for the currency stated in <u>Box 25</u> , as quoted by the British Bankers' Association (BBA) on the date when the hire fell due, increased by 2 per cent., shall apply.	316 317 318 319 320 321 322		
(g) Payment of Interest due under <u>sub-clause 11(f)</u> shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.	323 324 325 326 327		
12. Mortgage	328		
(only to apply if <u>Box 28</u> has been appropriately filled in)	329		
*) (a) The Owners warrant that they have not effected	330		

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during the term of this Charter and shall not be cancelled, altered or amended without 15 (fifteen) days prior written notice having been furnished to Owners. All policies shall be endorsed to name Owners as Additional Insured and include Waiver of Subrogation and Primary Endorsements in favor of Owners.			
The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.	381		
All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers' account.	382		
(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.	383		
(c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.	384		
(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall distribute the moneys between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this Clause.	385		
(e) The Owners shall upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.	386		
(f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 29.	387		
44. Insurance, Repairs and Classification	388		
<i>(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 12 shall be considered deleted).</i>	389		
(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and machinery and war risks under the form of policy or policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.	390		
(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall	391		
not be unreasonably withheld.	392		448
(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.	393		449
(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a). The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.	394		450
(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.	395		451
(f) All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.	396		452
The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.	397		453
(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.	398		454
(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.	399		455
(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.	400		456
(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.	401		457
(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.	402		458
(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.	403		459
51. Redelivery	404		460
Subject to Part IV, at the expiration of the Charter Period the Vessel shall	405		461
be redelivered by the Charterers to the Owners at a safe and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date,	406		462
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range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice of expected date and port or place of redelivery. Any changes thereafter in the Vessel's position shall be notified immediately to the Owners.	521 522 523 524 525	not earned.	593
The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in <u>Box 22</u> plus 10 per cent. or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.	526 527 528 529 530 531 532 533 534 535 536 537	19. Salvage	594 595 596 597 598
Subject to the provisions of <u>Clause 10</u> , the Vessel shall be redelivered to the Owners in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.	538 539 540 541 542	20. Wreck Removal	599
The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in <u>Box 17</u> .	543 544 545	In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.	600 601 602 603 604 605
16. Non-Lien	546	21. General Average	606
The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter Period a notice reading as follows:	547 548 549 550 551 552 553	The Owners shall not contribute to General Average.	607
"This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be imposed on the Vessel any lien whatsoever."	554 555 556 557 558 559	22. Assignment, Sub-Charter and Sale	608
17. Indemnity	560	(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve.	609 610 611 612
(a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.	561 562 563 564 565 566 567 568 569 570 571	(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of this Charter.	613 614 615 616 617 618
Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.	572 573 574 575 576	23. Contracts of Carriage	619
(b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.	577 578 579 580 581	(a) The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.	620 621 622 623 624 625 626 627 628
In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.	582 583 584 585 586	(b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto.	629 630 631 632 633 634 635 636 637 638
18. Lien	587	Delete as applicable.	639
The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and	588 589 590 591 592	24. Bank Guarantee	640
		(Optional, only to apply if <u>Box 27</u> filled in)	641
		The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in <u>Box 27</u> as guarantee for full performance of their obligations under this Charter.	642 643 644 645 646
		25. Requisition/Acquisition	647
		(a) In the event of the Requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to as "Requisition for Hire") irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition	648 649 650 651 652 653 654 655 656 657 658 659 660 661 662

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Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the "Requisition for Hire" whichever be the shorter.	663 664 665 666	Security Council of the United Nations, any directives of the European Community, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.	737 738 739 740 741 742 743 744
(b) In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as "Compulsory Acquisition"), then, irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event Charter Hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition".	667 668 669 670 671 672 673 674 675 676 677	(f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People's Republic of China, (ii) between any two or more of the countries stated in <u>Box 36</u> , both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with <u>Clause 15</u> , if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with <u>Clause 11</u> and except as aforesaid all other provisions of this Charter shall apply until redelivery.	745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763
26. War	678	27. Commission	764
(a) For the purpose of this Clause, the words "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.	679 680 681 682 683 684 685 686 687 688 689 690 691 692	The Owners to pay a commission at the rate indicated in <u>Box 33</u> to the Brokers named in <u>Box 33</u> on any rate paid under the Charter. If no rate is indicated in <u>Box 33</u> , the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.	765 766 767 768 769 770
(b) The Vessel, unless the written consent of the Owners be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners shall have the right to require the Vessel to leave such area.	693 694 695 696 697 698 699 700 701 702 703 704	If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall indemnify the Brokers against their loss of commission. Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.	771 772 773 774 775 776 777
(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.	705 706 707 708 709 710 711 712	28. Termination	778
(d) If the insurers of the war risks insurance, when <u>Clause 14</u> is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.	713 714 715 716 717 718 719 720 721	(a) Charterers' Default	779
(e) The Charterers shall have the liberty:	722	The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:	780
(i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;	723 724 725 726 727 728 729 730 731	(i) the Charterers fail to pay hire in accordance with <u>Clause 11</u> . However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in <u>Box 34</u> (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual. Failure by the Charterers to pay hire within the number of days stated in <u>Box 34</u> of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice. Additionally, Owners shall have the right, but not the obligation, to offset any amounts due against any funds due or owing to Charterers, or against any of Charterers' funds or other interests that Charterers may have in any business, relationship or other business entity entered with Owners.;	781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799
(ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;	732 733 734 735	(ii) the Charterers fail to comply with the requirements of (1) <u>Clause 6</u> (Trading Restrictions) (2) <u>Clause 13(a)</u> (Insurance and Repairs) provided that the Owners shall have the option, by	800 801 802 803
(iii) to comply with the terms of any resolution of the	736		

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"BARECON 2001" Standard Bareboat Charter

written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;	804 805 806 807 808 809	Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of the Charterers.	863 864 865 866 867 868 869
(iii) the Charterers fail to rectify any failure to comply with the requirements of <u>sub-clause 10(a)(i)</u> (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel's insurance cover is not prejudiced.	810 811 812 813 814 815	30. Dispute Resolution This Agreement shall be governed by and interpreted in accordance with General Maritime Law of the United States of America, and to the extent such law is inapplicable or refers to or incorporates the law of another jurisdiction, the laws of the State of New York, U.S.A., shall apply.	870
(iv) The Charterers (or any of their affiliates) are in default of any obligations owed to Owners (or any of their affiliates) through operation of this Agreement or any other agreement. The termination of the Charter under this clause 28(a) (iv) shall be immediate and shall require no written notice as required in clause 28(a) (iii) to be effective.		*)—(a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	871 872 873 874 875 876 877
(b) <u>Owners' Default</u> If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.	816 817 818 819 820 821 822 823 824	The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced. The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898
(c) <u>Loss of Vessel</u> This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	825 826 827 828 829 830 831 832 833 834 835 836	Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator. In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	899 900 901 902 903 904 905 906 907
(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	837 838 839 840 841 842 843 844 845	*)—(b) This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	908 909 910 911 912 913 914 915 916 917 918 919
(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.	846 847 848 849	In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	920 921 922 923 924 925
29. Repossession In the event of the termination of this Charter in accordance with the applicable provisions of <u>Clause 28</u> , the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Whenever any right to enter and take possession of the Vessel accrues the Owners, they may require the Charterers to deliver, and the Charterers shall on demand, at their own expense, deliver to the Owners the Vessel at a location designated by the Owners as demanded. Pending physical repossession of the Vessel in accordance with this <u>Clause 29</u> , the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The	850 851 852 853 854 855 856 857 858 859 860 861 862	*)—(c) This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to	926 927 928 929

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"BARECON 2001" Standard Bareboat Charter

arbitration at a mutually agreed place, subject to the procedures applicable there.	930	(b) the Charterers shall remit and pay the full amount of Charter hire due or payable under this Agreement, and the full amounts due under Part IV of this Agreement to the Owners without reducing such sums by the deduction or withholding of any Taxes and shall gross-up any such amounts to insure that the Owners receive the full amounts due under this Agreement. The grossed-up amount referred to in the preceding sentence shall be determined by the formula, " (X/Y) ", where "X" is the amount due under the Agreement and Y is the sum of the number one less the applicable tax rate expressed as a decimal.	931
(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.	932	(c) The Charterers agree, covenant and warrant that they will collect, remit, and pay-over any Taxes due and comply with all Tax obligations which shall arise in any manner from the chartering of the Vessel, the Vessel's importation and exportation, and the operation of the Vessel by the Charterers, or otherwise pertaining to the ownership, possession or use of the Vessel. Failure by the Charterers to comply with their obligations under this paragraph shall constitute an event of default under clause 28(a) (iv) of this Agreement.	932
In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:	933	(d) If the Owners are required to withhold or collect any Taxes from the Charterers, such amounts shall in no manner reduce amounts due to the Owners and such Taxes shall be in addition to amounts of Charter hire due to the Owners under this Agreement or amounts due to the Owners under Part IV of this Agreement.	933
(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.	934	(e) The Owners and the Charterers agree to treat this Charter as an operating lease for United States tax purposes.	934
(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal (the "Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.	935	(f) The term "Taxes" or "Tax" is defined for the purposes of this Agreement to include any taxes, assessments, fees and other governmental authority, including without limitation income, profits, value added, withholding, import duties, customs duties, tariffs, export duties, gross receipts, not proceeds, alternative or ad-on minimum, ad valorem, turnover, sales, use, property, personal property, unclaimed property, environmental, stamp, leasing, lease, user, excise, franchise, transfer, registration, license, social security (or similar) unemployment, disability, payroll, employment, fuel, excess profits, occupational, premium, windfall profit, severance, or estimated taxes, including any interest, penalty, or addition thereto, whether disputed or not. Without limiting the generality of the foregoing, the term "Tax" or "Taxes" shall not include United States federal income taxes imposed on CDI as a direct result of its receipt of Charter hire and other amounts due and payable to CDI under Part IV of this Agreement.	935
(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.	936		935
(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.	937		936
(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.	938		937
(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.	939		938
(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.	940		939
<i>(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)</i>	941		940
(a) If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall apply in all cases.	942		941
*) Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.	943		942
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terminated within the fourth months following the date of delivery of the Vessel. The Works shall be performed in accordance to a Contract to be approved by Owners prior to its execution by Charterers. The Works and Improvements shall remain property of the Owner. The Charterers cannot remove any Works or improvements at the end of this Charter. The Owner shall not pay any additional amount regarding the Works.

The Owners shall pay up to the amount of US\$20,000,000 of the contract price of the Works. Any amount exceeding such limit shall be paid by Charterers. The Charterers shall indemnify the Owners against any loss, damage, claims from contractor of the Works or third parties, and expenses incurred or against the Owners arising out during the Works, for any reason, including any lien on the Vessel for any sums due to the contractor of the Works.

The Charter Period includes the period of the Works. Notwithstanding the termination of the Works exceed four months from delivery of the Vessel or the Charterers cannot start operation of the Vessel, the Charterers is obliged to pay the rent starting the first day after the end of the fourth month of delivery of the Vessel at the rate indicated in Box 22.

A handwritten signature consisting of a large, stylized 'V' shape with a diagonal line through it, and the initials 'SA' written to its right.

"BARECON 2001" Standard Bareboat Charter

PART IV
HIRE/PURCHASE AGREEMENT

(Optional, only to apply if expressly agreed and stated in Box 42)

OPTIONAL
PART

On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per <u>Clause 11</u> the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.	1 2 3 4 5 6 7	month-to-hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.	29 30 31 32 33 34
<i>In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.</i>	8 9	The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession.	35 36 37 38
The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.	10 11	The Wireless installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.	39 40 41
The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Sellers' account. in exchange for payment of the Purchase Price last	12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.	42 43 44 45 46 47 48
		The Buyers undertake to pay for the repairation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per <u>Clause 3</u> (Part II) or to pay the equivalent cost for their journey to any other place.	49 50 51 52 53

PART V

PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY


(Optional, only to apply if expressly agreed and stated in Box 43)

1. Definitions	1	3. Termination of Charter by Default	17
For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:	2	If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in <u>Box 44</u> , and	18
"The Bareboat Charter Registry" shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.	3	if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in <u>Box 28</u> , the	19
"The Underlying Registry" shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.	4	Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in <u>Box 45</u> .	20
	5	In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in <u>Box 44</u> , due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.	21
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	12		28
2. Mortgage	13		29
The Vessel chartered under this Charter is financed by a mortgage and the provisions of <u>Clause 12(b)</u> (Part II) shall apply.	14		30
	15		31
	16		

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1. Shipbroker None		BIMCO STANDARD BAREBOAT CHARTER CODE NAME: "BARECON 2001"		 PART I	
3. Owners/Place of business (Cl. 1) CVI Global Lux Oil and Gas 2 S.a.r.l. 25B, Boulevard Royal 4th Floor Luxemburg, L-2449		2. Place and date Minneapolis, USA August 8th, 2008			
5. Vessel's name, call sign and flag (Cl. 1 and 3) DP2 DSV Superior Endeavor		4. Bareboat Charterers/Place of business (Cl. 1) CON-DIVE, LLC 2929 BRIARPARK, SUITE 440 HOUSTON, TX 77042 U.S.A.			
6. Type of Vessel Support Vessel		7. GT/NT 3,665 / 1,098			
8. When/Where built 1975 / Norway Upgraded February 2007		9. Total DWT (abt.) in metric tons on summer freeboard 2,420			
10. Classification Society (Cl. 3) DET NORSKE VERITAS		11. Date of last special survey by the Vessel's classification society			
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3)					
13. Port or Place of delivery (Cl. 3) International waters		14. Time for delivery (Cl. 4) August 16, 2008		15. Cancelling date (Cl. 5) N/A	
16. Port or Place of redelivery (Cl. 15) By mutual agreement		17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) Not Applicable			
18. Running days' notice if other than stated in Cl. 4 None		19. Frequency of dry-docking (Cl. 10(i))			
20. Trading limits (Cl. 8) In no event shall Vessel be used in Cuban waters U.S. waters prior approval from Owners					
21. Charter period (Cl. 2) Three years		22. Charter hire (Cl. 11) U.S.\$ 54,000 Dollars per day			
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(Cl. 10(a)(ii)) 100%					
24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to PART IV		25. Currency and method of payment (Cl. 11) United States Dollars via wire transfer			

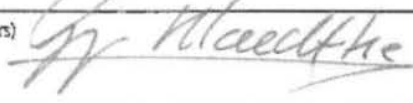

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"BARECON 2001" STANDARD BAREBOAT CHARTER

PART I

26. Place of payment; also state beneficiary and bank account (Cl. 11) To be provided by Owners	27. Bank guarantee/bond (sum and place) (Cl. 24) (optional)
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) 12(a) applies	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies) U.S.\$ 58,000,000 Dollars
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b)) or, if applicable, Cl. 14(a)) See applicable clauses	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b)) or, if applicable, Cl. 14(a)) See applicable clauses
32. Latent defects (only to be filled in if period other than stated in Cl. 3)	33. Brokerage commission and to whom payable (Cl. 27) Not applicable
34. Grace period (state number of clear banking days) (Cl. 28)	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration <u>must</u> be stated (Cl. 30) 30 as modified
36. War cancellation (indicate countries agreed) (Cl. 26(f))	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) No	38. Name and place of Builders (only to be filled in if PART III applies)
39. Vessel's Yard Building No. (only to be filled in if PART III applies)	40. Date of Building Contract (only to be filled in if PART III applies)
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) b) c)	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional)	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional)
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies)	45. Country of the Underlying Registry (only to be filled in if PART V applies)
46. Number of additional clauses covering special provisions, if agreed	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners) 	Signature (Charterers) 
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PART II
"BARECON 2001" Standard Bareboat Charter

<p>1. Definitions</p> <p>In this Charter, the following terms shall have the meanings hereby assigned to them: <i>"The Owners"</i> shall mean the party identified in <u>Box 3</u>; <i>"The Charterers"</i> shall mean the party identified in <u>Box 4</u>; <i>"The Vessel"</i> shall mean the vessel named in <u>Box 5</u> and with particulars as stated in <u>Boxes 6 to 12</u>. <i>"Financial Instrument"</i> means the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in <u>Box 28</u>.</p> <p>2. Charter Period</p> <p>In consideration of the hire detailed in <u>Box 22</u>, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in <u>Box 21</u> ("The Charter Period").</p> <p>3. Delivery <i>(not applicable when Part III applies, as indicated in Box 37)</i> (a) The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter. The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in <u>Box 13</u> in such ready safe berth as the Charterers may direct. The Vessel shall be delivered by the Owners on an "as is" and "where is" basis and "with all faults" basis. (b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag State indicated in <u>Box 5</u> and the requirements of the classification society stated in <u>Box 10</u>. Indicated in <u>Box 6</u> and the requirements of the classification society stated in <u>Box 10</u>. The Vessel upon delivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in <u>Box 12</u>. (c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners' obligations under this <u>Clause 3</u>, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel. (d) The Vessel shall be delivered to and taken over by the Charterers on an "as is" and "where is" basis and "with all faults" basis, whether latent or not, basis at the location of the Vessel on the Effective Date. Charterers' decision to charter and/or purchase the Vessel interest is based solely upon their independent investigation and analysis of the condition of the Vessel. Charterers' charter and/or purchase of the Vessel interest is with the express agreement that the delivery and conveyance by Owners to Charterers of the Vessel of the Vessel interest shall be without warranty, express or implied, of seaworthiness, merchantability, and/or fitness for any particular purpose pertaining to the Vessel, and further there is no warranty that the Vessel is suitable for its intended purpose. The disclaimer applies to both the Charter and its purchase. but the Owners shall be liable for the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested themselves within twelve (12) months after delivery unless otherwise provided in <u>Box 23</u>. (e) The owners and the Charterers shall execute and deliver a Protocol of Delivery and Acceptance showing the time and place of delivery of the Vessel.</p> <p>4. Time for Delivery <i>(not applicable when Part III applies, as indicated in Box 37)</i></p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48</p>	<p>The Vessel shall not be delivered before the date indicated in <u>Box 14</u> without the Charterers' consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in <u>Box 15</u>. Unless otherwise agreed in <u>Box 18</u>, the Owners shall give the Charterers not less than thirty (30) running days' preliminary and not less than fourteen (14) running days' definite notice of the date on which the Vessel is expected to be ready for delivery. The Owners shall keep the Charterers closely advised of possible changes in the Vessel's position.</p> <p>5. Cancelling <i>(not applicable when Part III applies, as indicated in Box 37)</i> (a) Should the Vessel not be delivered latest by the cancelling date indicated in <u>Box 15</u>, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running hours after the cancelling date stated in <u>Box 15</u>, failing which this Charter shall remain in full force and effect. (b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be substituted for the cancelling date indicated in <u>Box 15</u> for the purpose of this <u>Clause 5</u>. (c) Cancellation under this <u>Clause 5</u> shall not constitute or result in a claim in favor of Owners or Charterers shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.</p> <p>6. Trading Restrictions</p> <p>The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in <u>Box 20</u>. The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein) without first obtaining the consent of the insurers to such employment and complying with such requirements as to extra premium or otherwise as the insurers may prescribe. The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation. The Charterers shall comply with all applicable laws concerning the operation of the Vessel, including, but not limited to, all import and export declarations. The Charterers shall provide to the Owners evidence of such declarations as soon as possible but in no event not later than 5 (five) days from the date of import or export. Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained</p>	<p>49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112</p>
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"BARECON 2001" Standard Bareboat Charter

to loading thereof.	113	event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of class requirements or by compulsory legislation costing (excluding the Charterers' loss of time) more than the percentage stated in <u>Box 23</u> , or if <u>Box 23</u> is left blank, 5 per cent. of the Vessel's insurance value as stated in <u>Box 29</u> , then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under this Charter shall, in the absence of agreement, be referred to the dispute resolution method agreed in <u>Clause 30</u> .	184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200
7. Surveys on Delivery and Redelivery <i>(not applicable when Part III applies, as indicated in <u>Box 37</u>)</i> The Owners and Charterers shall each appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The if appointed, the Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.	114 115 116 117 118 119 120 121 122 123		
8. Inspection The Owners shall have the right at any time after giving reasonable notice to the Charterers to inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf:- (a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. The costs and fees for such inspection or survey shall be paid by the Owners unless the Vessel is found to require repairs or maintenance in order to achieve the condition so provided; (b) in dry-dock if the Charterers have not dry-docked her in accordance with <u>Clause 10(g)</u> . The costs and fees for such inspection or survey shall be paid by the Charterers; and (c) for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners. All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period. The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.	124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151	(iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof. The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so. (b) Operation of the Vessel - The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag State fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners. Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law. (c) The Charterers shall keep the Owners and the mortgagee(s) advised of the intended employment, planned dry-docking and major repairs of the Vessel, as reasonably required. (d) Flag and Name of Vessel - During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-registration, if required by the Owners, shall be at the Charterers' expense and time. (e) Changes to the Vessel - Subject to <u>Clause 10(a)(ii)</u> , the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter. (f) Use of the Vessel's Outfit, Equipment and Appliances - The Charterers shall have the use of all	201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258
9. Inventories, Oil and Stores A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.	152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167		
10. Maintenance and Operation (a)(i) Maintenance and Repairs - During the Charter Period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, except as provided for in <u>Clause 14(i)</u> , if applicable, at their own expense they shall at all times keep the Vessel's Class fully up to date with the Classification Society indicated in <u>Box 10</u> and maintain all other necessary certificates in force at all times. (ii) New Class and Other Safety Requirements - In the	168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183		

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outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period if requested by the Owners. Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.	259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282	effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	332 333
(g) <u>Periodical Dry-Docking</u> - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not less than once during the period stated in <u>Box 19</u> or, if <u>Box 19</u> has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag State.	283 284 285 286 287 288 289	*) (b) The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in <u>Box 28</u> and that they shall not agree to any amendment of the mortgage(s) referred to in <u>Box 28</u> or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354
11. Hire	290	*) (Optional, <u>Clauses 12(a) and 12(b)</u> are alternatives; indicate alternative agreed in <u>Box 28</u>).	355 356
(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.	291 292 293	13. Insurance and Repairs	357
(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in <u>Box 22</u> which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.	294 295 296 297 298 299 300	(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their own expense against hull and machinery, war including Confiscation, Expropriation, Nationalization and Deprivation, commonly referred to as CNED coverage and Protection and Indemnity risks and coverage must include, but not be limited to crew coverage, collision liability, pollution and Specialist Operations if coverage will be provided by a P&I Club or a separate Comprehensive General Liability of U.S. dollars \$20,000,000 (which can include primary and excess layers) for third party personal injury and property damage.	358 359
(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in <u>Box 25</u> and at the place mentioned in <u>Box 26</u> .	301 302 303	insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve, which approval shall not be un-reasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and The Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. Charterers shall provide Owners the contact information of the insurers that have issued the policies required under this Charter, and shall further inform said insurers that Owners are authorized to inquire of them the status of all related insurances. Charterers shall further direct said insurers to copy Owners on all notices sent to Charterers regarding such insurances.	360 361 362 363 364 365 366 367 368 369 370 371 372
(d) Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally according to the number of days and hours remaining before redelivery and advance payment to be effected accordingly.	304 305 306 307 308	Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for. Hull policies must be endorsed to Owners. All policies shall be maintained in full force and effect during the term of this Charter and shall not be cancelled, altered or amended without 15 (fifteen) days prior written notice having been furnished to Owners. All policies shall be endorsed to name	373 374 375 376 377 378 379 380
(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.	309 310 311 312 313 314 315		
(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in <u>Box 24</u> . If <u>Box 24</u> has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) for the currency stated in <u>Box 25</u> , as quoted by the British Bankers' Association (BBA) on the date when the hire fell due, increased by 2 per cent., shall apply.	316 317 318 319 320 321 322		
(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.	323 324 325 326 327		
12. Mortgage	328		
(only to apply if <u>Box 28</u> has been appropriately filled in)	329		
*) (a) The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not may	330 331		

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Owners as Additional Insured and Include Waiver of Subrogation and Primary Endorsements in favor of Owners.		452
The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.	381-386	453-454
All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers' account.	387-390	455-456
(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners of the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.	391-400	457-460
(c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.	401-405	461-464
(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall distribute the moneys between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this Clause.	406-416	465-470
(e) The Owners shall upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.	417-420	471-474
(f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 29.	421-424	475-478
14. Insurance, Repairs and Classification	425	479
<i>(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted)</i>	426-427	480-481
(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and machinery and war risks under the form of policy or policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.	428-439	482-488
(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.	440-447	489-494
(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all	448-451	495-499
lessee and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.		500
(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a). The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.		501-504
(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.		505-508
(f) All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.		509-510
The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.		511
(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners of the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.		512-513
(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.		514
(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.		515
(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.		516
(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.		517
(l) Notwithstanding anything contained in sub-clause 14(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.		518-524
15. Redelivery	514	514
Subject to Part IV, at the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice of expected date and port or place of redelivery. Any changes thereafter in the Vessel's position shall be	515-524	515-524

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notified immediately to the Owners.	525	damage occasioned thereby shall be borne by the	597
The Charterers warrant that they will not permit the	526	Charterers.	598
Vessel to commence a voyage (including any preceding	527		
ballast voyage) which cannot reasonably be expected	528		
to be completed in time to allow redelivery of the Vessel	529	20. Wreck Removal	599
within the Charter Period. Notwithstanding the above,	530	In the event of the Vessel becoming a wreck or	600
should the Charterers fail to redeliver the Vessel within	531	obstruction to navigation the Charterers shall indemnify	601
The Charter Period, the Charterers shall pay the daily	532	the Owners against any sums whatsoever which the	602
equivalent to the rate of hire stated in <u>Box 22</u> plus 10	533	Owners shall become liable to pay and shall pay in	603
per cent. or to the market rate, whichever is the higher,	534	consequence of the Vessel becoming a wreck or	604
for the number of days by which the Charter Period is	535	obstruction to navigation.	605
exceeded. All other terms, conditions and provisions of	536		
this Charter shall continue to apply.	537	21. General Average	606
Subject to the provisions of <u>Clause 10</u> , the Vessel shall	538	The Owners shall not contribute to General Average.	607
be redelivered to the Owners in the same or as good	539		
structure, state, condition and class as that in which she	540	22. Assignment, Sub-Charter and Sale	608
was delivered, fair wear and tear not affecting class	541	(a) The Charterers shall not assign this Charter nor	609
excepted.	542	sub-charter the Vessel on a bareboat basis except with	610
The Vessel upon redelivery shall have her survey cycles	543	the prior consent in writing of the Owners, which shall	611
up to date and trading and class certificates valid for at	544	not be unreasonably withheld, and subject to such terms	612
least the number of months agreed in <u>Box 17</u> .	545	and conditions as the Owners shall approve.	613
		(b) The Owners shall not sell the Vessel during the	614
		currency of this Charter except with the prior written	615
		consent of the Charterers, which shall not be unreason-	616
		ably withheld, and subject to the buyer accepting an	617
		assignment of this Charter.	618
16. Non-Lien	546		
The Charterers will not suffer, nor permit to be continued,	547	23. Contracts of Carriage	619
any lien or encumbrance incurred by them or their	548	*) (a) The Charterers are to procure that all documents	620
agents, which might have priority over the title and	549	issued during the Charter Period evidencing the terms	621
interest of the Owners in the Vessel. The Charterers	550	and conditions agreed in respect of carriage of goods	622
further agree to fasten to the Vessel in a conspicuous	551	shall contain a paramount clause incorporating any	623
place and to keep so fastened during the Charter Period	552	legislation relating to carrier's liability for cargo	624
a notice reading as follows:	553	compulsorily applicable in the trade; if no such legislation	625
"This Vessel is the property of (name of Owners). It is	554	exists, the documents shall incorporate the Hague-Visby	626
under charter to (name of Charterers) and by the terms	555	Rules. The documents shall also contain the New Jason	627
of the Charter Party neither the Charterers nor the	556	Clause and the Both to Blame Collision Clause.	628
Master have any right, power or authority to create, incur	557	*) (b) The Charterers are to procure that all passenger	629
or permit to be imposed on the Vessel any lien	558	tickets issued during the Charter Period for the carriage	630
whatsoever."	559	of passengers and their luggage under this Charter shall	631
		contain a paramount clause incorporating any legislation	632
17. Indemnity	560	relating to carrier's liability for passengers and their	633
(a) The Charterers shall indemnify the Owners against	561	luggage compulsorily applicable in the trade; if no such	634
any loss, damage or expense incurred by the Owners	562	legislation exists, the passenger tickets shall incorporate	635
arising out of or in relation to the operation of the Vessel	563	the Athens Convention Relating to the Carriage of	636
by the Charterers, and against any lien of whatsoever	564	Passengers and their Luggage by Sea, 1974, and any	637
nature arising out of an event occurring during the	565	protocol thereto.	638
Charter Period. If the Vessel be arrested or otherwise	566	*) Delete as applicable.	639
detained by reason of claims or liens arising out of her	567		
operation hereunder by the Charterers, the Charterers	568	24. Bank Guarantee	640
shall at their own expense take all reasonable steps to	569	(Optional, only to apply if <u>Box 27</u> filled in)	641
secure that within a reasonable time the Vessel is	570	The Charterers undertake to furnish, before delivery of	642
released, including the provision of bail.	571	the Vessel, a first class bank guarantee or bond in the	643
Without prejudice to the generality of the foregoing, the	572	sum and at the place as indicated in <u>Box 27</u> as guarantee	644
Charterers agree to indemnify the Owners against all	573	for full performance of their obligations under this	645
consequences or liabilities arising from the Master,	574	Charter.	646
officers or agents signing Bills of Lading or other	575		
documents.	576	25. Requisition/Acquisition	647
(b) If the Vessel be arrested or otherwise detained by	577	(a) In the event of the Requisition for Hire of the Vessel	648
reason of a claim or claims against the Owners, the	578	by any governmental or other competent authority	649
Owners shall at their own expense take all reasonable	579	(hereinafter referred to as "Requisition for Hire")	650
steps to secure that within a reasonable time the Vessel	580	irrespective of the date during the Charter Period when	651
is released, including the provision of bail.	581	"Requisition for Hire" may occur and irrespective of the	652
In such circumstances the Owners shall indemnify the	582	length thereof and whether or not it be for an indefinite	653
Charterers against any loss, damage or expense	583	or a limited period of time, and irrespective of whether it	654
incurred by the Charterers (including hire paid under	584	may or will remain in force for the remainder of the	655
this Charter) as a direct consequence of such arrest or	585	Charter Period, this Charter shall not be deemed thereby	656
detention.	586	or thereupon to be frustrated or otherwise terminated	657
		and the Charterers shall continue to pay the stipulated	658
18. Lien	587	hire in the manner provided by this Charter until the time	659
The Owners to have a lien upon all cargoes, sub-hires	588	when the Charter would have terminated pursuant to	660
and sub-freights belonging or due to the Charterers or	589	any of the provisions hereof always provided however	661
any sub-charterers and any Bill of Lading freight for all	590	that in the event of "Requisition for Hire" any Requisition	662
claims under this Charter, and the Charterers to have a	591	Hire or compensation received or receivable by the	663
lien on the Vessel for all moneys paid in advance and	592	Owners shall be payable to the Charterers during the	664
not earned.	593	remainder of the Charter Period or the period of the	665
		"Requisition for Hire" whichever be the shorter.	666
19. Salvage	594	(b) In the event of the Owners being deprived of their	667
All salvage and towage performed by the Vessel shall	595		
be for the Charterers' benefit and the cost of repairing	596		

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ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as "Compulsory Acquisition"), then, irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event Charter Hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition".	668 669 670 671 672 673 674 675 676 677	the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.	742 743 744
26. War	678	(f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People's Republic of China, (ii) between any two or more of the countries stated in <u>Box 36</u> , both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with <u>Clause 15</u> , if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with <u>Clause 11</u> and except as aforesaid all other provisions of this Charter shall apply until redelivery.	745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763
(a) For the purpose of this Clause, the words "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.	679 680 681 682 683 684 685 686 687 688 689 690 691 692 693	27. Commission	764
(b) The Vessel, unless the written consent of the Owners be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners shall have the right to require the Vessel to leave such area.	694 695 696 697 698 699 700 701 702 703 704	The Owners to pay a commission at the rate indicated in <u>Box 33</u> to the Brokers named in <u>Box 33</u> on any hire paid under the Charter. If no rate is indicated in <u>Box 33</u> , the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.	765 766 767 768 769 770
(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.	705 706 707 708 709 710 711 712	If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall indemnify the Brokers against their loss of commission. Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.	771 772 773 774 775 776 777
(d) If the insurers of the war risks insurance, when <u>Clause 14</u> is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.	713 714 715 716 717 718 719 720 721	28. Termination	778
(e) The Charterers shall have the liberty:	722	(a) <u>Charterers' Default</u>	779
(i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;	723 724 725 726 727 728 729 730 731	The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:	780 781 782
(ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;	732 733 734 735	(i) the Charterers fail to pay hire in accordance with <u>Clause 11</u> . However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in <u>Box 34</u> (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual. Failure by the Charterers to pay hire within the number of days stated in <u>Box 34</u> of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice. Additionally, Owners shall have the right, but not the obligation, to offset any amounts due against any funds due or owing to Charterers, or against any of Charterers' funds or other interests that Charterers may have in any business, relationship or other business entity entered with Owners;	783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799
(iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which	736 737 738 739 740 741	(ii) the Charterers fail to comply with the requirements of: (1) <u>Clause 6</u> (Trading Restrictions) (2) <u>Clause 13(a)</u> (Insurance and Repairs) provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such	800 801 802 803 804 805 806 807 808

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<p>notice;</p> <p>(iii) the Charterers fail to rectify any failure to comply with the requirements of <u>sub-clause 10(a)(i)</u> (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel's insurance cover is not prejudiced.</p> <p>(iv) The Charterers (or any of their affiliates) are in default of any obligations owed to Owners (or any of their affiliates) through operation of this Agreement or any other agreement.</p> <p>The termination of the Charter under this clause 28(a) (iv) shall be immediate and shall require no written notice as required in clause 28(a) (iii) to be effective.</p> <p>(b) <u>Owners' Default</u> If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.</p> <p>(c) <u>Loss of Vessel</u> This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.</p> <p>(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.</p> <p>(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.</p> <p>26. <u>Repossession</u> In the event of the termination of this Charter in accordance with the applicable provisions of <u>Clause 28</u>, the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Whenever any right to enter and take possession of the Vessel accrues to the Owners, they may require the Charterers to deliver, and the Charterers shall on demand, at their own expense, deliver to the Owners the Vessel at a location designated by the Owners as demanded. Pending physical repossession of the Vessel in accordance with this <u>Clause 29</u>, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers'</p>	<p>809</p> <p>810</p> <p>811</p> <p>812</p> <p>813</p> <p>814</p> <p>815</p> <p>816</p> <p>817</p> <p>818</p> <p>819</p> <p>820</p> <p>821</p> <p>822</p> <p>823</p> <p>824</p> <p>825</p> <p>826</p> <p>827</p> <p>828</p> <p>829</p> <p>830</p> <p>831</p> <p>832</p> <p>833</p> <p>834</p> <p>835</p> <p>836</p> <p>837</p> <p>838</p> <p>839</p> <p>840</p> <p>841</p> <p>842</p> <p>843</p> <p>844</p> <p>845</p> <p>846</p> <p>847</p> <p>848</p> <p>849</p> <p>850</p> <p>851</p> <p>852</p> <p>853</p> <p>854</p> <p>855</p> <p>856</p> <p>857</p> <p>858</p> <p>859</p> <p>860</p> <p>861</p> <p>862</p> <p>863</p> <p>864</p> <p>865</p> <p>866</p> <p>867</p>	<p>Master, officers and crew shall be the sole responsibility of the Charterers.</p> <p>30. <u>Dispute Resolution</u> This Agreement shall be governed by and interpreted in accordance with General Maritime Law of the United States of America, and to the extent such law is inapplicable or refers to or incorporates the law of another jurisdiction, the laws of the State of New York, U.S.A., shall apply.</p> <p>*)—(a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.</p> <p>The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.</p> <p>The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.</p> <p>Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.</p> <p>In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.</p> <p>*)—(b) This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.</p> <p>In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.</p> <p>*)—(c) This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.</p> <p>(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection</p>	<p>868</p> <p>869</p> <p>870</p> <p>871</p> <p>872</p> <p>873</p> <p>874</p> <p>875</p> <p>876</p> <p>877</p> <p>878</p> <p>879</p> <p>880</p> <p>881</p> <p>882</p> <p>883</p> <p>884</p> <p>885</p> <p>886</p> <p>887</p> <p>888</p> <p>889</p> <p>890</p> <p>891</p> <p>892</p> <p>893</p> <p>894</p> <p>895</p> <p>896</p> <p>897</p> <p>898</p> <p>899</p> <p>900</p> <p>901</p> <p>902</p> <p>903</p> <p>904</p> <p>905</p> <p>906</p> <p>907</p> <p>908</p> <p>909</p> <p>910</p> <p>911</p> <p>912</p> <p>913</p> <p>914</p> <p>915</p> <p>916</p> <p>917</p> <p>918</p> <p>919</p> <p>920</p> <p>921</p> <p>922</p> <p>923</p> <p>924</p> <p>925</p> <p>926</p> <p>927</p> <p>928</p> <p>929</p> <p>930</p> <p>931</p> <p>932</p> <p>933</p> <p>934</p>
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<p>with this Contract.</p> <p>In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:</p> <p>(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.</p> <p>(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.</p> <p>(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.</p> <p>(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.</p> <p>(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.</p> <p>(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.</p> <p>(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.</p> <p><i>(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)</i></p> <p>(e) If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall apply in all cases.</p> <p>* Sub-clause 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.</p> <p>31. Notices</p> <p>(a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.</p> <p>(b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.</p> <p>Additional Clauses</p> <p>32. Taxes</p> <p>(a) The Charterers shall be solely responsible for payment of any and all Taxes which shall arise in any manner from the chartering of the Vessel, the Vessel's importation and exportation, and the operation of the Vessel by the Charterers, or otherwise related to the ownership, possession or use of the Vessel.</p> <p>(b) the Charterers shall remit and pay the full amount of Charter hire due or payable under this Agreement, and the full amounts due under Part IV of this Agreement to the Owners without reducing such sums by the deduction or withholding of any Taxes</p>	<p>935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993</p>	<p>and shall gross-up any such amounts to insure that the Owners receive the full amounts due under this Agreement. The grossed-up amount referred to in the preceding sentence shall be determined by the formula, "$(X/(1-Y))$", where "X" is the amount due under the Agreement and Y is the sum of the number one less the applicable tax rate expressed as a decimal.</p> <p>(c) The Charterers agree, covenant and warrant that they will collect, remit, and pay-over any Taxes due and comply with all Tax obligations which shall arise in any manner from the chartering of the Vessel, the Vessel's importation and exportation, and the operation of the Vessel by the Charterers, or otherwise pertaining to the ownership, possession or use of the Vessel. Failure by the Charterers to comply with their obligations under this paragraph shall constitute an event of default under clause 28(a) (iv) of this Agreement.</p> <p>(d) If the Owners are required to withhold or collect any Taxes from the Charterers, such amounts shall in no manner reduce amounts due to the Owners and such Taxes shall be in addition to amounts of Charter hire due to the Owners under this Agreement or amounts due to the Owners under Part IV of this Agreement.</p> <p>(e) The Owners and the Charterers agree to treat this Charter as an operating lease for United States tax purposes.</p> <p>(f) The term "Taxes" or "Tax" is defined for the purposes of this Agreement to include any taxes, assessments, fees and other governmental authority, including without limitation income, profits, value added, withholding, import duties, customs duties, tariffs, export duties, gross receipts, net proceeds, alternative or ad-on minimum, ad valorem, turnover, sales, use, property, personal property, unclaimed property, environmental, stamp, leasing, lease, user, excise, franchise, transfer, registration, license, social security (or similar) unemployment, disability, payroll, employment, fuel, excess profits, occupational, premium, windfall profit, severance, or estimated taxes, including any interest, penalty, or addition thereto, whether disputed or not. Without limiting the generality of the foregoing, the term "Tax" or "Taxes" shall not include United States federal income taxes imposed on CDI as a direct result of its receipt of Charter hire and other amounts due and payable to CDI under Part IV of this Agreement.</p> <p>33. Option to Purchase.</p> <p>On expiration of this Charter, and provided the Charterers have fulfilled their obligations according to Part I and II, and are not in default of their obligations under any other agreement with Owners, or any of Charterers' affiliates and Owners, or any of Owners' affiliates, then Charterers shall have the option to purchase the Vessel. The purchase price shall be the higher of (i) U.S. dollars \$39,000,000 or (ii) the fair market value of the Vessel. The parties agree that the fair market value shall be determined by one of the following firms of international reputation ["A"] or ["B"]. The cost of the valuation shall be paid by Charterers. The Charterers shall give Owners at least three months written notice of their intention to exercise this option to purchase the Vessel.</p>
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"BARECON 2001" Standard Bareboat Charter

**OPTIONAL
PART**

**PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY**

(Optional, only to apply if expressly agreed and stated in Box 37)

1. Specifications and Building Contract	1	and upon and after such acceptance, subject to Clause	69
(a) The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract") as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been countersigned as approved by the Charterers,	2	4(d), the Charterers shall not be entitled to make any claim	70
(b) No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.	3	against the Owners in respect of any conditions,	71
(c) The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.	4	representations or warranties, whether express or implied,	72
(d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any.	5	as to the seaworthiness of the Vessel or in respect of delay	73
Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedial.	6	in delivery.	74
However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.	7	(b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.	75
Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties. The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.	8	(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon	76
	9	(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or	77
	10	(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;	78
	11	(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;	79
	12	(iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.	80
	13	(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.	81
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"BARECON 2001" Standard Bareboat Charter

PART IV
HIRE/PURCHASE AGREEMENT

(Optional, only to apply if expressly agreed and stated in Box 42)

OPTIONAL
PART

On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per <u>Clause 11</u> the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.	1 2 3 4 5 6 7	month's hire	29
<i>In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.</i>	8 9	instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.	30 31 32 33 34
The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.	10 11	The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession.	35 36 37 38
The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Sellers' account.	12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27	The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.	39 40 41
In exchange for payment of the Purchase Price last	28	The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.	42 43 44 45 46 47 48
		The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per <u>Clause 3</u> (Part II) or to pay the equivalent cost for their journey to any other place.	49 50 51 52 53

PART V

PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

(Optional, only to apply if expressly agreed and stated in Box 43)

1. Definitions	1	3. Termination of Charter by Default	17
For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:	2	If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in <u>Box 44</u> , and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in <u>Box 28</u> , the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in <u>Box 45</u> .	18
"The Bareboat Charter Registry" shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.	3	In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in <u>Box 44</u> , due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.	19
"The Underlying Registry" shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.	4		20
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2. Mortgage	13		29
The Vessel chartered under this Charter is financed by a mortgage and the provisions of <u>Clause 12(b)</u> (Part II) shall apply.	14		30
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