

**CONTRACT
BETWEEN THE UNITED STATES OF AMERICA
AND
INTERNATIONAL SHIPBREAKING LTD., LLC.
18601 R.L. Ostos Rd
Brownsville, TX 78521-2420**

FOR THE SALE OF THE OBSOLETE VESSEL ex-BONHOMME RICHARD

This CONTRACT ("Contract") is entered into as of April 09, 2021 by and between UNITED STATES OF AMERICA (herein called the "Government"), represented by the SECRETARY OF TRANSPORTATION, acting by and through the MARITIME ADMINISTRATION (herein called "MARAD" or the "Government"), and INTERNATIONAL SHIPBREAKING LTD., LLC., (herein called the "Buyer"). In consideration of the promises, covenants, and undertakings hereinafter set forth, MARAD and Buyer hereby agree to the terms and conditions set forth herein.

A. This Contract incorporates the terms and conditions set forth in the following, with the same force and effect as if they were given in the full text:

I. March 2021 ANNOUNCEMENT No. 1, Request for Sales Offers – ex-BONHOMME RICHARD (Applicable to Sales Contracts), with the following vessel-specific information applicable to:

- (a) Retained Hull Structural Piece - The Buyer will set aside and retain the following items for the U.S. Navy ("Navy"). Costs associated with the Navy requests for additional equipment or items not priced in the submitted sales offer, post title conveyance after arrival at the Buyer's facility, shall be negotiated between the Navy and the Buyer.
 - i. Vessel Name Plate
- (b) Harvested Equipment- The Buyer will not assume responsibility for any property damage due to (a) Improper removal and packaging guidance, (b) Incomplete removal and packaging guidance, (c) Improper instructions for the critical and non-critical engineering oversight for harvested equipment, or (d) the failure to provide specialized tools for the equipment identified in the ex-BONHOMME RICHARD LHD 6 (BHR) PHASE 3 Harvesting List Final, dated March 19, 2021.

The Buyer shall be responsible for notifying the MARAD COR, the U.S. Navy On-Site Representative in writing, including critical and non-critical engineering oversight personnel, of any damage to a harvested item in a timely manner, not to exceed 24 hrs. The notification shall include the item and degree of damage to the potential harvested item. If the Navy fails to provide the shipping destination or pickup any harvested items, the Buyers may dispose of the property at their discretion without any repercussions from the U.S. Navy or Government. The deadline for removing the harvested equipment from the Buyer's storage facility is 30 days after submitting the certificate of destruction to MARAD, per the dismantlement project schedule.

- (c) Specialized Tools for Harvesting Equipment - The U.S. Navy shall ensure that lead time for any required specialized tools does not impact or delay the harvesting or dismantlement efforts. Any unforeseen property damage of harvested items due to improper instructions provided by critical and non-critical engineering oversight will not result in an incompleteness of terms and conditions for the Ex-BONHOMME RICHARD recycling contract.
 - (d) On-Site Representative & Engineering Oversight - The U.S. Navy shall provide a Point of Contact List upon the vessel arrival of the U.S. Navy's On-Site Representative (s) and Engineering Oversight personnel to support the harvesting efforts until the destruction certificate is submitted to MARAD. The harvesting team shall not instruct nor direct the Buyers during any phase of the vessel's dismantlement process. Doing so would result in a delay of the harvesting items and safety to everyone involved in the project. The harvesting team should work with the Buyers, the experts in ship dismantlement and disposal processes.
 - (e) Harvesting Equipment Final Delivery Destination- The Buyer will not assume responsibility for shipping delays due to the unavailability of specialized tools for harvesting efforts. The Buyer will no longer assume responsibility for any property damage to harvested equipment after the proper removal, packaging, and shipping of any item to its final destination.
 - (f) Attachments:
 - i. A list of known retained equipment for PHASE III Harvesting efforts
 - ii. Performance Schedule Milestones – San Diego Naval Base Vessels
2. 2013 Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment 13 dated April 14, 2017, PART V, Subpart V.B, Requirements (Applicable to Sales Contracts), with the following vessel-specific information applicable hereto:
- (a) Paragraph B.3: The amount the Buyer has paid to MARAD as consideration for the conveyance, sale, and transfer of the Obsolete Vessel is **\$3,659,236** for disposal under the terms of this contract at the Buyer's Facility Location specified in 2(d), below.
3. Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment 13 dated April 14, 2017, PART V, Subpart V.A., Clauses and Requirements (Applicable to Sales and Service Contracts), with the following vessel-specific information applicable hereto:
- (a) Paragraph V.A.1.c: The required performance bond shall be in the amount of **\$150,000**.
 - (b) Paragraph V.A.1.g.4): The place of delivery is at the Buyer's facility.
 - (c) Paragraph V.A.2:

VESSEL DESCRIPTION			
Name of Obsolete Vessel:	Ex-BONHOMME RICHARD		
Official No:	CG608027	LOA:	847.00 ft.
Hull Type:	AMPHIBIOUS ASSAULT	Beam:	106.00 ft.
Design:	LHD-6	Draft:	28.00 ft.
Year Built:	1998	Ordnance Equipment:	N/A

(d) Fleet and Buyer Facility Information:

Fleet Location:	San Diego Navy Base, San Diego, CA
Buyer Facility:	INTERNATIONAL SHIPBREAKING LTD., LLC., Brownsville, TX
Hull Cleaning:	N/A

Various clauses contain different requirements depending upon the fleet location from which the vessel is being removed. In this contract for the ex-BONHOMME RICHARD, the requirements applicable to the San Diego Navy Based) Performance Schedule Milestones shall apply. However, U.S. Navy has assumed responsibility for those requirements.

(e) Paragraph A.3.a: The Contract Period of Performance is **423 calendar days**. The Contract Period of Performance begins on the Contract Award Date or the Contract Start Date, whichever is later.

4. Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment 13 dated April 14, 2017, the following Sections of Part VI, Supporting Documents:

(a) Section A, Technical Compliance Plan Requirements.

5. The General Technical Proposal, as approved by MARAD as of the date of this Contract, for the Buyer's Facility Location specified above.

B. Any inconsistencies in the contract provisions set forth above shall be resolved by giving precedence in the following order:

1. Paragraph 1 - Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment 13 dated April 14, 2017, PART V, Subpart V.B, Requirements (Applicable to Sales Contracts).
2. Paragraph 2 - Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment 13 dated April 14, 2017, PART V, Subpart V.A., Clauses and Requirements (Applicable to Sales and Service Contracts).
3. The Buyer's General Technical Proposal incorporated by reference.

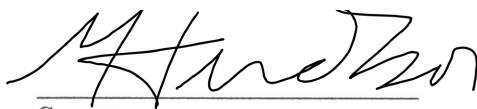
C. The Buyer acknowledges receipt of amendments to Ship Disposal Solicitation DTMA-91-Q-2013-0014 through April 14, 2017.

D. The Contract Award Date for this Contract is the date the Contracting Officer executes the contract. The Contract Start Date, if different, will be established via contract amendment. If the Contract contains a Contract Start Date, the Performance Schedule Milestones for the San Diego Naval Base vessel is calculated based on the Contract Start Date instead of the Contract Award Date.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

UNITED STATES OF AMERICA
SECRETARY OF TRANSPORTATION
MARITIME ADMINISTRATION

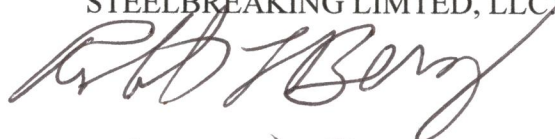
ATTEST:

By: 
Secretary
Maritime Administration
(Seal)

By: 
Ship Sales Contracting Officer,
Office of Ship Disposal Programs

ATTEST:

By: _____
(Title)
(Corporate Seal)

By: INTERNATIONAL
STEELBREAKING LIMITED, LLC

By: Robert L. Berry
(Title) Vice President

Attachments: Exhibit 1: Form of Bill of Sale

Exhibit 1

BILL OF SALE

TO ALL TO WHOM THESE PRESENTS COME, GREETINGS: KNOW YE, THAT THE UNITED STATES OF AMERICA REPRESENTED BY THE SECRETARY OF TRANSPORTATION ACTING BY AND THROUGH THE MARITIME ADMINISTRATOR (THE "SELLER"), THE SOLE OWNER OF THE VESSEL (THE "VESSEL") HEREIN BELOW MORE PARTICULARLY IDENTIFIED, AS FOLLOWS:

NAME: **ex-BONHOMME RICHARD (LHD-6)**

OFFICIAL NUMBER: **CG608027**

TYPE: **AMPHIBIOUS ASSAULT**

LOCATION: **San Diego Navy Base**

FOR AND IN CONSIDERATION OF THE SUM OF THREE MILLION, SIX HUNDRED FIFTY-NINE THOUSAND TWO HUNDRED AND THIRTY-SIX DOLLARS (**\$3,659,236**) LAWFUL MONEY OF MARAD, TO IT IN HAND PAID BEFORE DELIVERY BY INTERNATIONAL SHIPBREAKING, LIMITED, LLC. ("THE BUYER"), AND OTHER GOOD AND VALUABLE CONSIDERATIONS, THE RECEIPT OF BOTH OF WHICH IT DOES HEREBY ACKNOWLEDGE AND IS THEREWITH FULLY SATISFIED, CONTENTED AND PAID, HAS BARGAINED AND SOLD, ANY BY THESE PRESENTS, DOES BARGAIN AND SELL UNTO THE BUYER, ITS SUCCESSORS AND ASSIGNS ALL OF THE RIGHTS, TITLE, AND INTEREST OF THE SELLER IN AND TO THE VESSEL, ALL ENGINES, BOILERS, MASTS, SAILS, BOATS, CABLES, TACKLE, FURNITURE AND ALL OTHER NECESSARIES THERE TO APPERTAINING AND ON BOARD THE VESSEL, TO HAVE AND TO HOLD THE VESSEL EXCEPT FOR THE HARVESTED EQUIPMENT


REFERENCED IN THE CONTRACT NO. MA-14470. THERE UNTO BELONGING UNTO IT, THE SAID BUYER, ITS SUCCESSORS AND ASSIGNS FOREVER TO THE SOLE AND ONLY PROPER USE, BENEFIT, AND BEHALF OF THE SAID BUYER AND ITS SUCCESSORS AND ASSIGNS. THE SELLER HEREBY EXPRESSLY SELLS THE VESSEL "AS IS, WHERE IS" AFLOAT AND MAKES NO WARRANTY, GUARANTY, OR REPRESENTATION AS TO SEAWORTHINESS, DESCRIPTION, CAPACITY, CONDITIONS, TONNAGE, OR OTHERWISE CONCERNING SAID VESSEL AND APPURTENANCES, EXCEPT THAT SELLER HAS PROMISED, COVENANTED AND AGREED, AND BY THESE PRESENTS DOES HEREBY PROMISE, COVENANT AND AGREE FOR ITSELF AND ASSIGNS, TO AND WITH THE SAID BUYER, ITS SUCCESSORS AND ASSIGNS, TO WARRANT AND DEFEND THE TITLE IN AND TO THE SAID VESSEL AND APPURTENANCES AGAINST ALL AND EVERY PERSON OR PERSONS WHOMSOEVER, AND ALSO WARRANTS THAT THE SAID VESSEL AND APPURTENANCES ARE FREE AND CLEAR OF LIENS AND ENCUMBRANCES.

TITLE TO THE AFORESAID VESSEL IS BEING TRANSFERRED TO THE BUYER BY THIS BILL OF SALE PURSUANT TO AND SUBJECT TO THE TERMS AND PROVISIONS OF THE PURCHASE CONTRACT BETWEEN THE UNITED STATES OF AMERICA, AND THE BUYER DATED AS OF THIS DATE, CONTRACT NO. MA-14470 (THE "SALES CONTRACT"), WHICH PROVIDES, AMONG OTHER THINGS, THAT TITLE TO THE VESSEL TRANSFERS UPON ARRIVAL AT BUYER'S FACILITY, THAT THE VESSEL SHALL ONLY BE REMEDIATED, DISMANTLED, AND RECYCLED BY THE BUYER, AND THAT THE VESSEL SHALL NOT BE USED FOR ANY OTHER PURPOSE INCLUDING, BUT NOT LIMITED TO, THE CARRIAGE OF CARGOES RESERVED BY LAW TO VESSELS OF

THE UNITED STATES.

IN TESTIMONY, WHEREOF, THE UNITED STATES OF AMERICA, REPRESENTED AS AFORESAID, HAS CAUSED THIS BILL OF SALE TO BE DULY SIGNED AND SEALED ON ITS BEHALF BY ITS PROPER OFFICER, THEREUNTO DULY AUTHORIZES THIS DAY OF APRIL 9, 2021.

UNITED STATES OF AMERICA
SECRETARY OF TRANSPORTATION
MARITIME ADMINISTRATION

By 
Ship Sales Contracting Officer
Office of Ship Disposal Programs

ATTEST:

By: 

(Seal)

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