



BIMCO STANDARD BAREBOAT CHARTER
CODE NAME: "BARECON 2001"

PART I

1. Shipbroker		2. Place and date	
3. Owners/Place of business (Cl. 1)		4. Bareboat Charterers/Place of business (Cl. 1)	
5. Vessel's name, call sign and flag (Cl. 1 and 3)			
6. Type of Vessel		7. GT/NT	
8. When/Where built		9. Total DWT (abt.) in metric tons on summer freeboard	
10. Classification Society (Cl. 3)		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)		14. Time for delivery (Cl. 4)	15. Cancelling date (Cl. 5)
16. Port or Place of redelivery (Cl. 15)		17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15)	
18. Running days' notice if other than stated in Cl. 4		19. Frequency of dry-docking (Cl. 10(g))	
20. Trading limits (Cl. 6)			
21. Charter period (Cl. 2)		22. Charter hire (Cl. 11)	
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(Cl. 10(a)(ii))			
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)	

(continued)

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26. Place of payment; also state beneficiary and bank account (Cl. 11)	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)	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)
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g))	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g))
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)
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)
36. War cancellation (indicate countries agreed)(Cl. 26(f))	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies)(optional)	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 "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 the 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

1. Definitions	1	Owners notice of cancellation within thirty-six (36)	65
In this Charter, the following terms shall have the	2	running hours after the cancelling date stated in Box	66
meanings hereby assigned to them:	3	15, failing which this Charter shall remain in full force	67
"The Owners" shall mean the party identified in Box 3;	4	and effect.	68
"The Charterers" shall mean the party identified in Box 4;	5	(b) If it appears that the Vessel will be delayed beyond	69
"The Vessel" shall mean the vessel named in Box 5 and	6	the cancelling date, the Owners may, as soon as they	70
with particulars as stated in Boxes 6 to 12.	7	are in a position to state with reasonable certainty the	71
"Financial Instrument" means the mortgage, deed of	8	day on which the Vessel should be ready, give notice	72
covenant or other such financial security instrument as	9	thereof to the Charterers asking whether they will	73
annexed to this Charter and stated in Box 28.	10	exercise their option of cancelling, and the option must	74
		then be declared within one hundred and sixty-eight	75
2. Charter Period	11	(168) running hours of the receipt by the Charterers of	76
In consideration of the hire detailed in Box 22, the	12	such notice or within thirty-six (36) running hours after	77
Owners have agreed to let and the Charterers have	13	the cancelling date, whichever is the earlier. If the	78
agreed to hire the Vessel for the period stated in Box 21	14	Charterers do not then exercise their option of cancelling,	79
("The Charter Period").	15	the seventh day after the readiness date stated in the	80
		Owners' notice shall be substituted for the cancelling	81
3. Delivery	16	date indicated in Box 15 for the purpose of this Clause 5.	82
(not applicable when Part III applies, as indicated in Box 37)	17	(c) Cancellation under this Clause 5 shall be without	83
(a) The Owners shall before and at the time of delivery	18	prejudice to any claim the Charterers may otherwise	84
exercise due diligence to make the Vessel seaworthy	19	have on the Owners under this Charter.	85
and in every respect ready in hull, machinery and	20		
equipment for service under this Charter.	21	6. Trading Restrictions	86
The Vessel shall be delivered by the Owners and taken	22	The Vessel shall be employed in lawful trades for the	87
over by the Charterers at the port or place indicated in	23	carriage of suitable lawful merchandise within the trading	88
Box 13 in such ready safe berth as the Charterers may	24	limits indicated in Box 20.	89
direct.	25	The Charterers undertake not to employ the Vessel or	90
(b) The Vessel shall be properly documented on	26	suffer the Vessel to be employed otherwise than in	91
delivery in accordance with the laws of the flag State	27	conformity with the terms of the contracts of insurance	92
indicated in Box 5 and the requirements of the	28	(including any warranties expressed or implied therein)	93
classification society stated in Box 10. The Vessel upon	29	without first obtaining the consent of the insurers to such	94
delivery shall have her survey cycles up to date and	30	employment and complying with such requirements as	95
trading and class certificates valid for at least the number	31	to extra premium or otherwise as the insurers may	96
of months agreed in Box 12.	32	prescribe.	97
(c) The delivery of the Vessel by the Owners and the	33	The Charterers also undertake not to employ the Vessel	98
taking over of the Vessel by the Charterers shall	34	or suffer her employment in any trade or business which	99
constitute a full performance by the Owners of all the	35	is forbidden by the law of any country to which the Vessel	100
Owners' obligations under this Clause 3, and thereafter	36	may sail or is otherwise illicit or in carrying illicit or	101
the Charterers shall not be entitled to make or assert	37	prohibited goods or in any manner whatsoever which	102
any claim against the Owners on account of any	38	may render her liable to condemnation, destruction,	103
conditions, representations or warranties expressed or	39	seizure or confiscation.	104
implied with respect to the Vessel but the Owners shall	40	Notwithstanding any other provisions contained in this	105
be liable for the cost of but not the time for repairs or	41	Charter it is agreed that nuclear fuels or radioactive	106
renewals occasioned by latent defects in the Vessel,	42	products or waste are specifically excluded from the	107
her machinery or appurtenances, existing at the time of	43	cargo permitted to be loaded or carried under this	108
delivery under this Charter, provided such defects have	44	Charter. This exclusion does not apply to radio-isotopes	109
manifested themselves within twelve (12) months after	45	used or intended to be used for any industrial,	110
delivery unless otherwise provided in Box 32.	46	commercial, agricultural, medical or scientific purposes	111
		provided the Owners' prior approval has been obtained	112
4. Time for Delivery	47	to loading thereof.	113
(not applicable when Part III applies, as indicated in Box 37)	48		
The Vessel shall not be delivered before the date	49	7. Surveys on Delivery and Redelivery	114
indicated in Box 14 without the Charterers' consent and	50	(not applicable when Part III applies, as indicated in Box 37)	115
the Owners shall exercise due diligence to deliver the	51	The Owners and Charterers shall each appoint	116
Vessel not later than the date indicated in Box 15.	52	surveyors for the purpose of determining and agreeing	117
Unless otherwise agreed in Box 18, the Owners shall	53	in writing the condition of the Vessel at the time of	118
give the Charterers not less than thirty (30) running days'	54	delivery and redelivery hereunder. The Owners shall	119
preliminary and not less than fourteen (14) running days'	55	bear all expenses of the On-hire Survey including loss	120
definite notice of the date on which the Vessel is	56	of time, if any, and the Charterers shall bear all expenses	121
expected to be ready for delivery.	57	of the Off-hire Survey including loss of time, if any, at	122
The Owners shall keep the Charterers closely advised	58	the daily equivalent to the rate of hire or pro rata thereof.	123
of possible changes in the Vessel's position.	59		
5. Cancelling	60	8. Inspection	124
(not applicable when Part III applies, as indicated in Box 37)	61	The Owners shall have the right at any time after giving	125
(a) Should the Vessel not be delivered latest by the	62	reasonable notice to the Charterers to inspect or survey	126
cancelling date indicated in Box 15, the Charterers shall	63	the Vessel or instruct a duly authorised surveyor to carry	127
have the option of cancelling this Charter by giving the	64	out such survey on their behalf:-	128
		(a) to ascertain the condition of the Vessel and satisfy	129

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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;	130 131 132 133 134
(b) in dry-dock if the Charterers have not dry-docked her in accordance with Clause 10(g). The costs and fees for such inspection or survey shall be paid by the Charterers; and	135 136 137 138
(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.	139 140 141 142 143
All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period.	144 145 146
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.	147 148 149 150 151
9. Inventories, Oil and Stores	152
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, unbroke 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.	153 154 155 156 157 158 159 160 161 162 163 164 165 166 167
10. Maintenance and Operation	168
(a)(i) <u>Maintenance and Repairs</u> - 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 Clause 14(l), 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 Box 10 and maintain all other necessary certificates in force at all times.	169 170 171 172 173 174 175 176 177 178 179 180 181 182
(ii) <u>New Class and Other Safety Requirements</u> - 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 Box 23, or if Box 23 is left blank, 5 per cent. of the Vessel's insurance value as stated in Box 29, 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	183 184 185 186 187 188 189 190 191 192 193 194 195
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 Clause 30.	196 197 198 199 200
(iii) <u>Financial Security</u> - 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
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.	213 214 215 216 217 218
(b) <u>Operation of the Vessel</u> - 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.	219 220 221 222 223 224 225 226 227 228 229 230
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.	231 232 233
(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.	234 235 236 237
(d) <u>Flag and Name of Vessel</u> - 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.	238 239 240 241 242 243 244 245 246 247 248
(e) <u>Changes to the Vessel</u> - Subject to Clause 10(a)(ii), 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.	249 250 251 252 253 254 255 256
(f) <u>Use of the Vessel's Outfit, Equipment and 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	257 258 259 260 261 262 263

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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.	264 *) 265 266 267 268 *) 269 270 271 272 273 274 275 276 277 278 279 280 281 282	(a) The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	330 331 332 333
(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 Box 19 or, if Box 19 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 Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 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
		<i>(Optional, Clauses 12(a) and 12(b) are alternatives; indicate alternative agreed in Box 28).</i>	355 356
11. Hire	290	13. Insurance and Repairs	357
(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	(a) During the Charter Period the Vessel shall be kept 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. 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.	358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380
(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22 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	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.	381 382 383 384 385 386
(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25 and at the place mentioned in Box 26.	301 302 303	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.	387 388 389 390
(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	(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	391 392 393 394 395 396
(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 Box 24. If Box 24 has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) for the currency stated in Box 25, 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		
<i>(only to apply if Box 28 has been appropriately filled in)</i>	329		

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insurance effected, including copies of any cover notes	397	presentation of accounts.	464
or policies and the written consent of the insurers of	398	(e) The Charterers to remain responsible for and to	465
any such required insurance in any case where the	399	effect repairs and settlement of costs and expenses	466
consent of such insurers is necessary.	400	incurred thereby in respect of all other repairs not	467
(c) The Charterers shall upon the request of the	401	covered by the insurances and/or not exceeding any	468
Owners, provide information and promptly execute such	402	possible franchise(s) or deductibles provided for in the	469
documents as may be required to enable the Owners to	403	insurances.	470
comply with the insurance provisions of the Financial	404	(f) All time used for repairs under the provisions of	471
Instrument.	405	sub-clauses 14(d) and 14(e) and for repairs of latent	472
(d) Subject to the provisions of the Financial Instru-	406	defects according to Clause 3 above, including any	473
ment, if any, should the Vessel become an actual,	407	deviation, shall be for the Charterers' account and shall	474
constructive, compromised or agreed total loss under	408	form part of the Charter Period.	475
the insurances required under sub-clause 13(a), all	409	The Owners shall not be responsible for any expenses	476
insurance payments for such loss shall be paid to the	410	as are incident to the use and operation of the Vessel	477
Owners who shall distribute the moneys between the	411	for such time as may be required to make such repairs.	478
Owners and the Charterers according to their respective	412	(g) If the conditions of the above insurances permit	479
interests. The Charterers undertake to notify the Owners	413	additional insurance to be placed by the parties such	480
and the mortgagee(s), if any, of any occurrences in	414	cover shall be limited to the amount for each party set	481
consequence of which the Vessel is likely to become a	415	out in Box 30 and Box 31, respectively. The Owners or	482
total loss as defined in this Clause.	416	the Charterers as the case may be shall immediately	483
(e) The Owners shall upon the request of the	417	furnish the other party with particulars of any additional	484
Charterers, promptly execute such documents as may	418	insurance effected, including copies of any cover notes	485
be required to enable the Charterers to abandon the	419	or policies and the written consent of the insurers of	486
Vessel to insurers and claim a constructive total loss.	420	any such required insurance in any case where the	487
(f) For the purpose of insurance coverage against hull	421	consent of such insurers is necessary.	488
and machinery and war risks under the provisions of	422	(h) Should the Vessel become an actual, constructive,	489
sub-clause 13(a), the value of the Vessel is the sum	423	compromised or agreed total loss under the insurances	490
indicated in Box 29.	424	required under sub-clause 14(a), all insurance payments	491
14. Insurance, Repairs and Classification	425	for such loss shall be paid to the Owners, who shall	492
(Optional, only to apply if expressly agreed and stated	426	distribute the moneys between themselves and the	493
in Box 29, in which event Clause 13 shall be considered	427	Charterers according to their respective interests.	494
deleted).	428	(i) If the Vessel becomes an actual, constructive,	495
(a) During the Charter Period the Vessel shall be kept	429	compromised or agreed total loss under the insurances	496
insured by the Owners at their expense against hull and	430	arranged by the Owners in accordance with sub-clause	497
machinery and war risks under the form of policy or	431	14(a), this Charter shall terminate as of the date of such	498
policies attached hereto. The Owners and/or insurers	432	loss.	499
shall not have any right of recovery or subrogation	433	(j) The Charterers shall upon the request of the	500
against the Charterers on account of loss of or any	434	Owners, promptly execute such documents as may be	501
damage to the Vessel or her machinery or appurt-	435	required to enable the Owners to abandon the Vessel	502
enances covered by such insurance, or on account of	436	to the insurers and claim a constructive total loss.	503
payments made to discharge claims against or liabilities	437	(k) For the purpose of insurance coverage against hull	504
of the Vessel or the Owners covered by such insurance.	438	and machinery and war risks under the provisions of	505
Insurance policies shall cover the Owners and the	439	sub-clause 14(a), the value of the Vessel is the sum	506
Charterers according to their respective interests.	440	indicated in Box 29.	507
(b) During the Charter Period the Vessel shall be kept	441	(l) Notwithstanding anything contained in sub-clause	508
insured by the Charterers at their expense against	442	10(a), it is agreed that under the provisions of Clause	509
Protection and Indemnity risks (and any risks against	443	14, if applicable, the Owners shall keep the Vessel's	510
which it is compulsory to insure for the operation of the	444	Class fully up to date with the Classification Society	511
Vessel, including maintaining financial security in	445	indicated in Box 10 and maintain all other necessary	512
accordance with sub-clause 10(a)(iii)) in such form as	446	certificates in force at all times.	513
the Owners shall in writing approve which approval shall	447	15. Redelivery	514
not be unreasonably withheld.	448	At the expiration of the Charter Period the Vessel shall	515
(c) In the event that any act or negligence of the	449	be redelivered by the Charterers to the Owners at a	516
Charterers shall vitiate any of the insurance herein	450	safe and ice-free port or place as indicated in Box 16, in	517
provided, the Charterers shall pay to the Owners all	451	such ready safe berth as the Owners may direct. The	518
losses and indemnify the Owners against all claims and	452	Charterers shall give the Owners not less than thirty	519
demands which would otherwise have been covered by	453	(30) running days' preliminary notice of expected date,	520
such insurance.	454	range of ports of redelivery or port or place of redelivery	521
(d) The Charterers shall, subject to the approval of the	455	and not less than fourteen (14) running days' definite	522
Owners or Owners' Underwriters, effect all insured	456	notice of expected date and port or place of redelivery.	523
repairs, and the Charterers shall undertake settlement	457	Any changes thereafter in the Vessel's position shall be	524
of all miscellaneous expenses in connection with such	458	notified immediately to the Owners.	525
repairs as well as all insured charges, expenses and	459	The Charterers warrant that they will not permit the	526
liabilities, to the extent of coverage under the insurances	460	Vessel to commence a voyage (including any preceding	527
provided for under the provisions of sub-clause 14(a).	461	ballast voyage) which cannot reasonably be expected	528
The Charterers to be secured reimbursement through	462	to be completed in time to allow redelivery of the Vessel	529
the Owners' Underwriters for such expenditures upon	463	within the Charter Period. Notwithstanding the above,	530

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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 Box 22 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.	531 532 533 534 535 536		
Subject to the provisions of Clause 10, 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.	537 538 539 540 541 542		
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 Box 17.	543 544 545		
16. Non-Lien	546		
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		
"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		
17. Indemnity	560		
(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		
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		
(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		
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		
18. Lien	587		
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 not earned.	588 589 590 591 592 593		
19. Salvage	594		
All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.	595 596 597 598		
20. Wreck Removal	599		
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		
21. General Average	606		
The Owners shall not contribute to General Average.	607		
22. Assignment, Sub-Charter and Sale	608		
(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.	609 610 611 612 613		
(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.	614 615 616 617 618		
23. Contracts of Carriage	619		
*) (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		
*) (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		
Delete as applicable.	639		
24. Bank Guarantee	640		
(Optional, only to apply if Box 27 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 Box 27 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	648 649 650 651 652 653		

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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 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.	654 655 656 657 658 659 660 661 662 663 664 665 666
(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
26. War	678
(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
(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
(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
(d) If the insurers of the war risks insurance, when Clause 14 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	713 714 715 716 717 718 719 720
the same time as the next payment of hire is due.	721
(e) The Charterers shall have the liberty:	722
(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
(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
(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 the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.	736 737 738 739 740 741 742 743 744
(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 Box 36, 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 Clause 15, 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 Clause 11 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
27. Commission	764
The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33, 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
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
28. Termination	778
(a) <u>Charterers' Default</u>	779
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
(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the	783 784 785 786

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Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (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 Box 34 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;	787 788 789 790 791 792 793 794 795 796 797 798 799		
(ii) the Charterers fail to comply with the requirements of:	800		
(1) Clause 6 (Trading Restrictions)	801		
(2) Clause 13(a) (Insurance and Repairs)	802		
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 notice;	803 804 805 806 807 808 809		
(iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (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		
(b) <u>Owners' Default</u>	816		
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.	817 818 819 820 821 822 823 824		
(c) <u>Loss of Vessel</u>	825		
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.	826 827 828 829 830 831 832 833 834 835 836		
(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		
(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		
29. Repossession	850		
In the event of the termination of this Charter in accordance with the applicable provisions of Clause 28, the Owners shall have the right to repossess the Vessel	851 852 853	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. Pending physical repossession of the Vessel in accordance with this Clause 29, 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' Master, officers and crew shall be the sole responsibility of the Charterers.	854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869
		30. Dispute Resolution	870
		(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
		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.	878 879 880 881
		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.	882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898
		Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	899 900 901
		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.	902 903 904 905 906 907
		(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
		In cases where neither the claim nor any counterclaim	920

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- 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.
- *) (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.
- (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.
- In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:-
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)*
- (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.
- *) Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.
- 31. Notices**
- (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.
- (b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.

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

(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 counter-signed as approved by the Charterers.

(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.

(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.

(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. 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 remedies. 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(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.

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.

2. Time and Place of Delivery

(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel

and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.

(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.

(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

(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

(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;

(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;

(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.

(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.

3. Guarantee Works

If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the building contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

4. Name of Vessel

The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

5. Survey on Redelivery

The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of re-delivery. Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.

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**OPTIONAL
PART**

**PART IV
HIRE/PURCHASE AGREEMENT**

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

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 Clause 11 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	In exchange for payment of the last month's 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. 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.	28 29 30 31 32 33 34 35 36 37 38
<i>In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.</i>	8 9		
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.	12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27	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 Clause 3 (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	2	If the Vessel chartered under this Charter is registered	18
have the meanings hereby assigned to them:	3	in a Bareboat Charter Registry as stated in Box 44, and	19
" <u>The Bareboat Charter Registry</u> " shall mean the registry	4	if the Owners shall default in the payment of any amounts	20
of the State whose flag the Vessel will fly and in which	5	due under the mortgage(s) specified in Box 28, the	21
the Charterers are registered as the bareboat charterers	6	Charterers shall, if so required by the mortgagee, direct	22
during the period of the Bareboat Charter.	7	the Owners to re-register the Vessel in the Underlying	23
" <u>The Underlying Registry</u> " shall mean the registry of the	8	Registry as shown in Box 45.	24
State in which the Owners of the Vessel are registered	9	In the event of the Vessel being deleted from the	25
as Owners and to which jurisdiction and control of the	10	Bareboat Charter Registry as stated in Box 44, due to a	26
Vessel will revert upon termination of the Bareboat	11	default by the Owners in the payment of any amounts	27
Charter Registration.	12	due under the mortgage(s), the Charterers shall have	28
		the right to terminate this Charter forthwith and without	29
		prejudice to any other claim they may have against the	30
		Owners under this Charter.	31
2. Mortgage	13		
The Vessel chartered under this Charter is financed by	14		
a mortgage and the provisions of Clause 12(b) (Part II)	15		
shall apply.	16		