



**THE BALTIC AND INTERNATIONAL MARITIME COUNCIL
(BIMCO)
STANDARD BAREBOAT CHARTER
CODE NAME: "BARECON 89"**

PART I

First issued by
The Baltic and International Maritime Council (BIMCO), Copenhagen
in 1974 as "Barecon 'A'" and "Barecon 'B'"
Revised and amalgamated 1989

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the Documentary Committee of The
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(BIMCO), Copenhagen, September 1989

1. Shipbroker		2. Place and date	
3. Owners/Place of business		4. Bareboat charterers (Charterers)/Place of business	
5. Vessel's name, Call Sign and Flag (Cl. 9(c))			
6. Type of Vessel	7. GRT/NRT		
8. When/Where built	9. Total DWT (abt.) in metric tons on summer freeboard		
10. Class (Cl. 9)	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. 14)			
13. Port or Place of delivery (Cl. 2)		14. Time for delivery (Cl. 3)	15. Cancelling date (Cl. 4)
		16. Port or Place of redelivery (Cl. 14)	
17. Running days' notice if other than stated in Cl. 3		18. Frequency of dry-docking if other than stated in Cl. 9(f)	
19. Trading Limits (Cl. 5)			
20. Charter period		21. Charter hire (Cl. 10)	
22. Rate of interest payable acc. to Cl. 10(f) and, if applicable, acc. to PART IV		23. Currency and method of payment (Cl. 10)	

(continued)

(continued)

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24. Place of payment; also state beneficiary and bank account (Cl. 10)	25. Bank guarantee/bond (sum and place) (Cl. 22) (optional)
26. Mortgage(s), if any, (state whether Cl. 11(a) or (b) applies; if 11(b) applies state date of Deed(s) of Covenant and name of Mortgagee(s)/Place of business) (Cl. 11)	27. Insurance (marine and war risks) (state value acc. to Cl. 12(f) or, if applicable, acc. to Cl. 13(k)) (also state if Cl. 13 applies)
28. Additional insurance cover, if any, for Owners' account limited to (Cl. 12(b)) or, if applicable, (Cl. 13(g))	29. Additional insurance cover, if any, for Charterers' account limited to (Cl. 12(b)) or, if applicable, (Cl. 13(g))
30. Latent defects (only to be filled in if period other than stated in Cl. 2)	31. War cancellation (indicate countries agreed) (Cl. 24)
32. Brokerage commission and to whom payable (Cl. 25)	
33. Law and arbitration (state 26.1., 26.2., or 26.3. of Cl. 26 as agreed; if 26.3. agreed, also state place of arbitration) (Cl. 26)	34. Number of additional clauses covering special provisions, if agreed
35. Newbuilding Vessel (indicate with "yes" or "no" whether Part III applies) (optional)	36. Name of place of Builders (only to be filled in if Part III applies)
37. Vessel's Yard Building No. (only to be filled in if Part III applies)	38. Date of Building Contract (only to be filled in if Part III applies)
39. Hire/Purchase agreement (indicate with "yes" or "no" whether Part IV applies) (optional)	40. Bareboat Charter Registry (Indicate with "yes" or "no" whether Part V applies) (optional)
41. Flag and Country of the Bareboat Charter Registry (only to be filled in if Part V applies)	42. Country of the Underlying Registry (only to be filled in if Part V applies)

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 shall only form part of this Charter if expressly agreed and stated in Boxes 35, 39 and 40. If PART III and/or PART IV and/or PART V apply, it is further mutually 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
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1. Definitions	1	the cost of any docking and undocking, if required, in connection herewith.	75
In this Charter, the following terms shall have the meanings hereby assigned to them:	2		
"The Owners" shall mean the person or company registered as Owners of the Vessel.	3		
"The Charterers" shall mean the Bareboat charterers and shall not be construed to mean a time charterer or a voyage charterer.	4		
2. Delivery (<i>not applicable to newbuilding vessels</i>)	5		
The Vessel shall be delivered and taken over by the Charterers at the port or place indicated in Box 13, in such ready berth as the Charterers may direct.	6		
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 properly documented at time of delivery.	7		
The delivery to the Charterers of the Vessel and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners' obligations under Clause 2, 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 but the Owners shall be responsible for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under the Charter, provided such defects have manifested themselves within 18 months after delivery unless otherwise provided in Box 30.	8		
3. Time for Delivery (<i>not applicable to newbuilding vessels</i>)	9		
The Vessel to be delivered not before the date indicated in Box 14 unless with the Charterers' consent.	10		
Unless otherwise agreed in Box 17, the Owners to give the Charterers not less than 30 running days' preliminary and not less than 14 days' definite notice of the date on which the Vessel is expected to be ready for delivery.	11		
The Owners to keep the Charterers closely advised of possible changes in the Vessel's position.	12		
4. Cancelling (<i>not applicable to newbuilding vessels</i>)	13		
Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers to have the option of cancelling this Charter without prejudice to any claim the Charterers may otherwise have on the Owners under the Charter.	14		
If it appears that the Vessel will be delayed beyond the cancelling date, the Owners shall, 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) hours of the receipt by the Charterers of such notice. 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 regarded as a new cancelling date for the purpose of this Clause.	15		
5. Trading Limits	16		
The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 19.	17		
The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the instruments of insurance (including any warranties expressed or implied therein) without first obtaining the consent to such employment of the Insurers and complying with such requirements as to extra premium or otherwise as the Insurers may prescribe. If required, the Charterers shall keep the Owners and the Mortgagees advised of the intended employment of the Vessel.	18		
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.	19		
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 to loading thereof.	20		
6. Surveys (<i>not applicable to newbuilding vessels</i>)	21		
<u>Survey on Delivery and Redelivery.</u> - 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 Owners shall bear all expenses of the On-Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-Survey including loss of time, if any, at the rate of hire per day or pro rata, also including in each case	22		
7. Inspection	23		
<u>Inspection.</u> - The Owners shall have the right at any time to inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. Inspection or survey in dry-dock shall be made only when the Vessel shall be in dry-dock for the Charterers' purpose. However, the Owners shall have the right to require the Vessel to be dry-docked for inspection if the Charterers are not docking her at normal classification intervals. The fees for such inspection or survey shall in the event of the Vessel being found to be in the condition provided in Clause 9 of this Charter be payable by the Owners and shall be paid by the Charterers only in the event of the Vessel being found to require repairs or maintenance in order to achieve the condition so provided. All time taken in respect of inspection, survey or repairs shall count as time on hire and shall form part of the Charter period.	24		
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. For the purpose of this Clause, the Charterers shall keep the Owners advised of the intended employment of the Vessel.	25		
8. Inventories and Consumable Oil and Stores	26		
A complete inventory of the Vessel's entire equipment, outfit, 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, water and unbroached provisions, paints, oils, ropes and other consumable stores in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively.	27		
9. Maintenance and Operation	28		
(a) The Vessel shall during the Charter period 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 13 (l), they shall keep the Vessel with unexpired classification of the class indicated in Box 10 and with other required certificates in force at all times. The Charterers to take immediate steps to have the necessary repairs done within a reasonable time failing which the Owners shall have the right of withdrawing the Vessel from the service of the Charterers without noting any protest and without prejudice to any claim the Owners may otherwise have against the Charterers under the Charter.	29		
Unless otherwise agreed, in the event of any improvement, structural changes or expensive new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing more than 5 per cent. of the Vessel's marine insurance value as stated in Box 27, 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 the Charter, shall in the absence of agreement, be referred to arbitration according to Clause 26. The Charterers are required to establish and maintain financial security or responsibility in respect of oil or other pollution damage 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.	30		
<u>TOVALOP SCHEME.</u> (<i>Applicable to oil tank vessels only.</i>) - The Charterers are required to enter the Vessel under the TOVALOP SCHEME or under any similar compulsory scheme upon delivery under this Charter and to maintain her so during the currency of this Charter.	31		
(b) The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and repair the Vessel whenever required 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 any foreign general	32		

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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.	151 152 153
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.	154 155
(c) During the currency of this Charter, the Vessel shall retain her present name as indicated in Box 5 and shall remain under and fly the flag as indicated in Box 5. Provided, however, that 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. Painting and re-painting, instalment and re-instalment to be for the Charterers' account and time used thereby to count as time on hire.	156 157 158 159 160 161 162
(d) 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 the Charter.	163 164 165 166 167
(e) 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.	168 169 170 171 172 173 174 175 176 177 178 179
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.	180 181 182 183 184 185
(f) 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 in every eighteen calendar months after delivery unless otherwise agreed in Box 18.	186 187 188 189
10. Hire	190
(a) The Charterers shall pay to the Owners for the hire of the Vessel at the lump sum per calendar month as indicated in Box 21 commencing on and from the date and hour of her delivery to the Charterers and at and after the agreed lump sum for any part of a month. Hire to continue until the date and hour when the Vessel is redelivered by the Charterers to her Owners.	191 192 193 194 195
(b) Payment of Hire, except for the first and last month's Hire, if sub-clause (c) of this Clause is applicable, shall be made in cash without discount every month in advance on the first day of each month in the currency and in the manner indicated in Box 23 and at the place mentioned in Box 24.	196 197 198 199
(c) Payment of Hire for the first and last month's Hire if less than a full month shall be calculated proportionally according to the number of days in the particular calendar month and advance payment to be effected accordingly.	200 201 202
(d) Should the Vessel be lost or missing, Hire to cease from the date and time when she was lost or last heard of. Any Hire paid in advance to be adjusted accordingly.	203 204 205
(e) Time shall be of the essence in relation to payment of Hire hereunder. In default of payment beyond a period of seven running days, the Owners shall have the right to withdraw the Vessel from the service of the Charterers without noting any protest and without interference by any court or any other formality whatsoever, and shall, without prejudice to any other claim the Owners may otherwise have against the Charterers under the Charter, be entitled to damages in respect of all costs and losses incurred as a result of the Charterers' default and the ensuing withdrawal of the Vessel.	206 207 208 209 210 211 212 213
(f) Any delay in payment of Hire shall entitle the Owners to an interest at the rate per annum as agreed in Box 22. If Box 22 has not been filled in the current market rate in the country where the Owners have their Principal Place of Business shall apply.	214 215 216 217
11. Mortgage	218
*) (a) Owners warrant that they have not effected any mortgage of the Vessel.	219
*) (b) The Vessel chartered under this Charter is financed by a mortgage according to the Deed(s) of Covenant annexed to this Charter and as stated in Box 26. By their counter-signature on the Deed(s) of Covenant, the Charterers undertake to have acquainted themselves with all terms, conditions and provisions of the said Deed(s) of Covenant. The Charterers undertake that they will comply with all such instructions or directions in regard to the employment, insurances, repairs and maintenance of the Vessel, etc., as laid down in the Deed(s) of Covenant or as may be directed	220 221 222 223 224 225 226 227
from time to time during the currency of the Charter by the Mortgagee(s) in conformity with the Deed(s) of Covenant.	228 229
(c) The Owners warrant that they have not effected any mortgage(s) other than stated in Box 26 and that they will not effect any other mortgage(s) without the prior consent of the Charterers.	230 231 232
*) (<i>Optional</i> , Clauses 11(a) and 11(b) are alternatives; indicate alternative agreed in Box 26).	233 234
12. Insurance and Repairs	235
(a) During the Charter period the Vessel shall be kept insured by the Charterers at their expense against marine, war and Protection and Indemnity risks in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld. Such marine war and P. and I. insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and mortgagees (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. All insurance policies shall be in the joint names of the Owners and the Charterers as their interests may appear. If the Charterers fail to arrange and keep any of the insurances provided for under the provisions of sub-clause (a) above in the manner described therein, the Owners shall notify the Charterers whereupon the Charterers shall rectify the position within seven running days, failing which Owners shall have the right to withdraw the Vessel from the service of the Charterers without prejudice to any claim the Owners may otherwise have against the Charterers.	236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251
The Charterers shall, subject to the approval of the Owners and the Underwriters, effect all insured repairs and shall undertake settlement of all costs in connection with such repairs as well as insured charges, expenses and liabilities (reimbursement to be secured by the Charterers from the Underwriters) to the extent of coverage under the insurances herein provided for.	252 253 254 255 256 257
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.	258 259 260 261
All time used for repairs under the provisions of sub-clause (a) of this Clause and for repairs of latent defects according to Clause 2 above including any deviation shall count as time on hire and shall form part of the Charter period.	262 263 264
(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 28 and Box 29, 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.	265 266 267 268 269 270 271
(c) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause (a) of Clause 12, all insurance payments for such loss shall be paid to the Mortgagee, if any, in the manner described in the Deed(s) of Covenant, who shall distribute the moneys between themselves, the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the Mortgagee, if any, of any occurrences in consequence of which the Vessel is likely to become a Total Loss as defined in this Clause.	272 273 274 275 276 277 278 279
(d) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Charterers in accordance with sub-clause (a) of this Clause, this Charter shall terminate as of the date of such loss.	280 281 282 283
(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.	284 285 286
(f) For the purpose of insurance coverage against marine and war risks under the provisions of sub-clause (a) of this Clause, the value of the Vessel is the sum indicated in Box 27.	287 288 289
13. Insurance, Repairs and Classification	290
(<i>Optional</i> , only to apply if expressly agreed and stated in Box 27, in which event Clause 12 shall be considered deleted).	291 292
(a) During the Charter period the Vessel shall be kept insured by the Owners at their expense against marine 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. All insurance policies shall be in the joint names of the Owners and the Charterers as their interests may appear.	293 294 295 296 297 298 299 300 301
(b) During the Charter period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks in such form as the Owners shall in writing approve which approval shall not be	302 303 304

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unreasonably withheld. If the Charterers fail to arrange and keep any of the insurances provided for under the provisions of sub-clause (b) in the manner described therein, the Owners shall notify the Charterers whereupon the Charterers shall rectify the position within seven running days, failing which the Owners shall have the right to withdraw the Vessel from the service of the Charterers without prejudice to any claim the Owners may otherwise have against the Charterers.	305 306 307 308 309 310 311
(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.	312 313 314 315
(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 (a) of this Clause. The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.	316 317 318 319 320 321 322
(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.	323 324 325 326
(f) All time used for repairs under the provisions of sub-clause (d) and (e) of this Clause and for repairs of latent defects according to Clause 2 above, including any deviation, shall count as time on hire and shall form part of the Charter period.	327 328 329 330
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.	331 332 333
(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 28 and Box 29, 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.	334 335 336 337 338 339 340
(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause (a) of this Clause, 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.	341 342 343 344 345
(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 (a) of this Clause, this Charter shall terminate as of the date of such loss.	346 347 348 349
(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 Insurers and claim a constructive total loss.	350 351 352
(k) For the purpose of insurance coverage against marine and war risks under the provisions of sub-clause (a) of this Clause, the value of the Vessel is the sum indicated in Box 27.	353 354 355
(l) Notwithstanding anything contained in Clause 9 (a), it is agreed that under the provisions of Clause 13, if applicable, the Owners shall keep the Vessel with unexpired classification in force at all times during the Charter period.	356 357 358
14. Redelivery	359
The Charterers shall at the expiration of the Charter period redeliver the Vessel at a safe and ice-free port or place as indicated in Box 16. The Charterers shall give the Owners not less than 30 running days' preliminary and not less than 14 days' definite notice of expected date, range of ports of redelivery or port or place of redelivery. Any changes thereafter in Vessel's position shall be notified immediately to the Owners.	360 361 362 363 364 365
Should the Vessel be ordered on a voyage by which the Charter period may be exceeded the Charterers to have the use of the Vessel to enable them to complete the voyage, provided it could be reasonably calculated that the voyage would allow redelivery about the time fixed for the termination of the Charter.	366 367 368 369 370
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.	371 372 373
The Vessel upon redelivery shall have her survey cycles up to date and class certificates valid for at least the number of months agreed in Box 12.	374 375
15. Non-Lien and Indemnity	376
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.	377 378 379
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:-	380 381 382
"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."	383 384 385 386
The Charterers shall indemnify and hold the Owners harmless against any lien of whatsoever nature arising upon the Vessel during the Charter period while she is under the control of the Charterers, and against any claims against the Owners arising out of or in relation to the operation of the Vessel by the Charterers. Should the Vessel be arrested 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 and at their own expense put up bail to secure release of the Vessel.	387 388 389 390 391 392 393 394 395
16. Lien	396
The Owners to have a lien upon all cargoes and sub-freights belonging to the 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.	397 398 399 400
17. Salvage	401
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.	402 403 404
18. Wreck Removal	405
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.	406 407 408 409
19. General Average	410
General Average, if any, shall be adjusted according to the York-Antwerp Rules 1974 or any subsequent modification thereof current at the time of the casualty.	411 412 413
The Charter Hire not to contribute to General Average.	414
20. Assignment and Sub-Demise	415
The Charterers shall not assign this Charter nor sub-demise the Vessel 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.	416 417 418 419
21. Bills of Lading	420
The Charterers are to procure that all Bills of Lading issued for carriage of goods under this Charter 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 Bills of Lading shall incorporate the British Carriage of Goods by Sea Act. The Bills of Lading shall also contain the amended New Jason Clause and the Both-to-Blame Collision Clause.	421 422 423 424 425 426
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.	427 428 429
22. Bank Guarantee	430
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 25 as guarantee for full performance of their obligations under this Charter.	431 432 433
<i>(Optional only to apply if Box 25 filled in).</i>	434
23. Requisition/Acquisition	435
(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 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.	436 437 438 439 440 441 442 443 444 445 446 447 448 449
The Hire under this Charter shall be payable to the Owners from the same time as the Requisition Hire is payable to the Charterers.	450 451
(b) In the event of the Owners being deprived of their ownership in the Vessel	452

PART II
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by any Compulsory Acquisition of the Vessel or requisition for title by any 453
governmental or other competent authority (hereinafter referred to as 454
"Compulsory Acquisition"), then, irrespective of the date during the Charter 455
period when "Compulsory Acquisition" may occur, this Charter shall be 456
deemed terminated as of the date of such "Compulsory Acquisition". In such 457
event Charter Hire to be considered as earned and to be paid up to the date 458
and time of such "Compulsory Acquisition". 459

24. War 460

(a) The Vessel unless the consent of the Owners be first obtained not to be 461
ordered nor continue to any place or on any voyage nor be used on any 462
service which will bring her within a zone which is dangerous as the result of 463
any actual or threatened act of war, war, hostilities, warlike operations, acts of 464
piracy or of hostility or malicious damage against this or any other vessel or 465
its cargo by any person, body or State whatsoever, revolution, civil war, civil 466
commotion or the operation of international law, nor be exposed in any way to 467
any risks or penalties whatsoever consequent upon the imposition of 468
Sanctions, nor carry any goods that may in any way expose her to any risks of 469
seizure, capture, penalties or any other interference of any kind whatsoever 470
by the belligerent or fighting powers or parties or by any Government or Ruler. 471
(b) The Vessel to have liberty to comply with any orders or directions as to 472
departure, arrival, routes, ports of call, stoppages, destination, delivery or in 473
any other wise whatsoever given by the Government of the nation under 474
whose flag the Vessel sails or any other Government or any person (or body) 475
acting or purporting to act with the authority of such Government or by any 476
committee or person having under the terms of the war risks insurance on the 477
Vessel the right to give any such orders or directions. 478
(c) In the event of outbreak of war (whether there be a declaration of war or 479
not) between any two or more of the countries as stated in Box 31, both the 480
Owners and the Charterers shall have the right to cancel this Charter, 481
whereupon the Charterers shall redeliver the Vessel to the Owners in 482
accordance with Clause 14, if she has cargo on board after discharge thereof 483
at destination, or if debarred under this Clause from reaching or entering it at 484
a near open and safe port as directed by the Owners, or if she has no cargo on 485
board, at the port at which she then is or if at sea at a near open and safe port 486
as directed by the Owners. In all cases hire shall continue to be paid in 487
accordance with clause 10 and except as aforesaid all other provisions of this 488
Charter shall apply until redelivery. 489

25. Commission 490

The Owners to pay a commission at the rate indicated in Box 32 to the Brokers 491
named in Box 32 on any Hire paid under the Charter but in no case less than is 492
necessary to cover the actual expenses of the Brokers and a reasonable fee 493
for their work. If the full Hire is not paid owing to breach of Charter by either of 494
the parties the party liable therefor to indemnify the Brokers against their loss 495
of commission. 496
Should the parties agree to cancel the Charter, the Owners to indemnify the 497
Brokers against any loss of commission but in such case the commission not 498
to exceed the brokerage on one year's Hire. 499

26. Law and Arbitration 500

- *) 26.1. This Charter shall be governed by English law and any dispute arising 501
out of this Charter shall be referred to arbitration in London, one arbitrator 502
being appointed by each party, in accordance with the Arbitration Acts 1950 503
and 1979 or any statutory modification or re-enactment thereof for the time 504
being in force. On the receipt by one party of the nomination in writing of the 505
other party's arbitrator, that party shall appoint their arbitrator within fourteen 506
days, failing which the decision of the single Arbitrator appointed shall apply. 507
If two Arbitrators properly appointed shall not agree they shall appoint an 508
umpire whose decision shall be final. 509
- *) 26.2. Should any dispute arise out of this Charter, the matter in dispute shall 510
be referred to three persons at New York, one to be appointed by each of the 511
parties hereto, and the third by the two so chosen; their decision or that of any 512
two of them shall be final, and for purpose of enforcing any award, this 513
agreement may be made a rule of the Court. 514
The arbitrators shall be members of the Society of Maritime Arbitrators, Inc. of 515
New York and the proceedings shall be conducted in accordance with the 516
rules of the Society. 517
- *) 26.3. Any dispute arising out of this Charter shall be referred to arbitration at 518
the place indicated in Box 33, subject to the law and procedures applicable 519
there. 520
- 26.4. If Box 33 in Part I is not filled in, sub-clause 26.1. of this Clause shall 521
apply. 522
- *) 26.1., 26.2. and 26.3. are alternatives; indicate alternative agreed in Box 33. 523

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PART III PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY

(Optional only to apply if expressly agreed and stated in Box 35)

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 provided nevertheless that the Charterers shall be bound to accept the Vessel from the Owners on the date of delivery by the Builders as having been completed and constructed in accordance with the Building Contract and the Charterers undertake that after having so 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 except that in respect of any repair or replacement of any defects which appear within the first 12 months from delivery the Owners shall use their best endeavours to recover any expenditure incurred in remedying such defects from the Builders, but shall only be liable to the Charterers 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) provided that the Charterers shall be bound to accept such sums as the Owners are able to recover under this clause and shall make no claim upon the Owners for any difference between the amounts so recovered and the actual expenditure incurred on repairs or replacements or for any loss of time incurred thereby.

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 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 which the Builders after completion of trials whether that be before or after as indicated in the Building Contract. Notwithstanding the foregoing, the Charterers shall not be obliged to take delivery of the Vessel until she has been classed and documented as provided in this Charter and free for transfer to the flag she has to fly. Subject as aforesaid the Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance 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 or otherwise howsoever.

(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

1 Vessel to the Owners, the Owners shall upon giving to the Charterers written
2 notice of Builders becoming so entitled, be excused from giving delivery of the
3 Vessel to the Charterers and upon receipt of such notice by the Charterers this
4 Charter shall cease to have effect. 55
5 (c) If for any reason the Owners become entitled under the Building Contract to
6 reject the Vessel the Owners shall, before exercising such right of rejection, 57
7 consult the Charterers and thereupon 58
8 i) if the Charterers do not wish to take delivery of the vessel they shall inform the 59
9 Owners within seven (7) days by notice in writing and upon receipt by the 60
10 Owners of such notice this Charter shall cease to have effect; or 61
11 ii) if the Charterers wish to take delivery of the Vessel they may by notice in 62
12 writing within seven (7) days require the Owners to negotiate with the Builders 63
13 as to the terms on which delivery should be taken and/or refrain from 64
14 exercising their right to rejection and upon receipt of such notice the Owners 65
15 shall commence such negotiations and/or take delivery of the Vessel from the 66
16 Builders and deliver her to the Charterers; 67
17 iii) in no circumstances shall the Charterers be entitled to reject the Vessel 68
18 unless the Owners are able to reject the Vessel from the Builders; 69
19 iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the 70
20 Owners shall thereafter not be liable to the Charterers for any claim under or 71
21 arising out of this Charter or its termination. 72

Guarantee Works

73
74 If not otherwise agreed, the Owners authorize the Charterers to arrange for the
75 guarantee works to be performed in accordance with the building contract terms,
76 and hire to continue during the period of guarantee works. The Charterers have to
77 advise the Owners about the performance to the extent the Owners may request. 77

Name of Vessel

78
79 The name of the Vessel shall be mutually agreed between the Owners and the
80 Charterers and the Vessel shall be painted in the colours, display the funnel
81 insignia and fly the house flag as required by the Charterers. 81

Survey on Redelivery

82
83 The Owners and the Charterers shall appoint surveyors for the purpose of
84 determining and agreeing in writing the condition of the Vessel at the time of re-
85 delivery. 85
86 Without prejudice to Clause 14 (Part II), the Charterers shall bear all survey
87 expenses and all other costs, if any, including the cost of docking and undocking,
88 if required, as well as all repair costs incurred. 88
89 The Charterers shall also bear all loss of time spent in connection with any
90 docking and undocking as well as repairs, which shall be paid at the rate of Hire
91 per day or pro rata. 91

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PART IV

HIRE/PURCHASE AGREEMENT

(Optional, only to apply if expressly agreed and stated in Box 39)

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 last month's hire instalment as per Clause 10 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.	1	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.	27
If the payment of the instalment due is delayed for less than 7 running days or for reason beyond the Charterers' control, the right of withdrawal under the terms of Clause 10(e) of Part II shall not be exercised. However, any delay in payment of the instalment due shall entitle the Owners to an interest at the rate per annum as agreed in Box 22. If Box 22 has not been filled in the current market rate in the country where the Owners have their Principal Place of Business shall apply.	2	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
	3	The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.	29
<i>In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.</i>	4		30
The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.	5	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.	31
	6		32
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.	7	The Buyers undertake to pay for the repatriation of the Captain, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 2 (Part II) or to pay the equivalent cost for their journey to any other place.	33
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PART V

PROVISION TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

(Optional only to apply if expressly agreed and stated in Box 40)

Definitions

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

"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.

"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.

Mortgage

The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 11 (b) (Part II) shall apply.

1 **Termination of Charter by Default**

2 It the Vessel chartered under this Charter is registered in a Bareboat Charter 14
3 Registry as stated in Box 41, and if the Owners shall default in the payment of any 15
4 amounts due under the mortgage(s) specified in Box 26, the Charterers shall, if so 16
5 required by the mortgagee, direct the Owners to re-register the Vessel in the 17
6 Underlying Registry as shown in Box 42. 18
7 In the event of the Vessel being deleted from the Bareboat Charter Registry as 19
8 stated in Box 41, due to a default by the Owners in the payment of any amounts due 20
9 under the mortgage(s), the Charterers shall have the right to terminate this 21
10 Charter forthwith and without prejudice to any other claim they may have against 22
11 the Owners under this Charter. 23
12