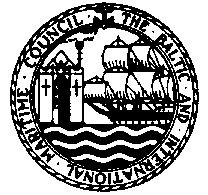
**BIMCO STANDARD BAREBOAT CHARTER**

**CODE NAME: “BARECON 2001”**

|  |  |  |
| --- | --- | --- |
| 1. Shipbroker  **NA** |  | |
| 2. Place and date | |
| 3. Owners/Place of business (Cl. 1) | 1. Bareboat Charterers/Place of business (Cl. 1) | |
| 1. Vessel’s name, call sign and flag (Cl. 1 and 3) | | |
| 6. Type of Vessel  **OIL/CHEMICAL TANKER** | 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)  EXPIRED. **o count 366days (Lapse days means that in 2008/2012/2016 February has 29days,those days to be paid)** | 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) | |

**PART I**



**8**

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**"BARECON 2001" STANDARD BAREBOAT CHARTER** PART I

|  |  |
| --- | --- |
| 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 must be stated (Cl. 30) |
| 36. War cancellation (indicate countries agreed) (Cl. 26(f))  **Deleted** | |
| 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) | |
| 42. Hire/Purchase agreement (indicate with “yes” or “no” whether PART IV  applies) (optional) | 43. Bareboat Charter Registry (indicate with “yes” or “no” whether PART V  applies) (optional) |
| 44.Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) | 45. Country of the Underlying Registry (only to be filled in if PART V applies) |
| 46. Number of additional clauses covering special provisions, if agreed | |

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the

event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART

III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

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**"BARECON 2001" STANDARD BAREBOAT CHARTER** PART I

Signature (Owners) Signature (Charterers)

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**PART II**

**“BARECON 2001” Standard Bareboat Charter**

**1. Definitions** 1

In this Charter, the following terms shall have the 2

meanings hereby assigned to them: 3

*“The Owners”* shall mean the party identified in Box 3; 4

*“The Charterers”* shall mean the party identified in Box 4; 5

*“The Vessel”* shall mean the vessel named in Box 5 and 6

with particulars as stated in Boxes 6 to 12. 7

*“Financial Instrument”* means the mortgage, deed of 8 covenant or other such financial security instrument as 9 annexed to this Charter and stated in Box 28. 10

**2. Charter Period** 11

In consideration of the hire detailed in Box 22, 12 the Owners have agreed to let and the Charterers have 13 agreed to hire the Vessel for the period stated in Box 21 14

(“The Charter Period”). 15

**3. Delivery** 16

*(not applicable when Part III applies, as indicated in Box 37)* 17

**(a)** The Owners shall before and at the time of delivery 18

exercise due diligence to make the Vessel seaworthy 19

And in every respect ready in hull, machinery and 20

equipment for service under this Charter. 21

The Vessel shall be delivered by the Owners and taken 22

over by the Charterers at the port or place indicated in 23

Box 13 in such ready safe berth as the Charterers may 24

direct. 25

**(b)** The Vessel shall be properly documented on 26

delivery in accordance with the laws of the flag State 27 indicated in Box 5 and the requirements of the 28 classification society stated in Box 10. The Vessel upon 29 delivery shall have her survey cycles up to date and 30 trading and class certificates valid for at least the number 31 of months agreed in Box 12. 32

**(c)** The delivery of the Vessel by the Owners and the 33

thereof to the Charterers asking whether they will 73

|  |  |  |
| --- | --- | --- |
|  | taking over of the Vessel by the Charterers shall | 34 |
|  | constitute a full performance by the Owners of all the | 35 |
|  | Owners’ obligations under this Clause 3, and thereafter | 36 |
|  | the Charterers shall not be entitled to make or assert | 37 |
|  | any claim against the Owners on account of any | 38 |
|  | conditions, representations or warranties expressed or | 39 |
|  | implied with respect to the Vessel but the Owners shall | 40 |
|  | be liable for the cost of but not the time for repairs or | 41 |
|  | renewals occasioned by **proven** latent defects in the Vessel, | 42 |
|  | her machinery or appurtenances, existing at the time of | 43 |
|  | delivery under this Charter, provided such defects have | 44 |
|  | manifested themselves within twelve (12) months after | 45 |
|  | Delivery unless otherwise provided in Box 32. | 46 |
| **4.** | **Time for Delivery** | 47 |
|  | *(not applicable when Part III applies, as indicated in Box 37)* | 48 |
|  | The Vessel shall not be delivered before the date | 49 |
|  | indicated in Box 14 without the Charterers’ consent and | 50 |
|  | the Owners shall exercise due diligence to deliver the | 51 |
|  | Vessel not later than the date indicated in Box 15. | 52 |
|  | Unless otherwise agreed in Box 18, the Owners shall | 53 |
|  | give the Charterers not less than thirty (30) running days’ | 54 |
|  | preliminary and not less than fourteen (14) running days’ | 55 |
|  | definite notice of the date on which the Vessel is | 56 |
|  | expected to be ready for delivery. | 57 |
|  | The Owners shall keep the Charterers closely advised | 58 |
|  | of possible changes in the Vessel’s position. | 59 |
| **5.** | **Cancelling** | 60 |
|  | *(not applicable when Part III applies, as indicated in Box 37)* | 61 |

exercise their option of cancelling, and the option must 74

then be declared within one hundred and sixty-eight 75

(168) running hours of the receipt by the Charterers of 76

such notice or within thirty-six (36) running hours after 77

the cancelling date, whichever is the earlier. If the 78

Charterers do not then exercise their option of cancelling, 79

the seventh day after the readiness date stated in the 80

Owners’ notice shall be substituted for the cancelling 81

date indicated in Box 15 for the purpose of this Clause 5. 82

**(c)** Cancellation under this Clause 5 shall be without 83 prejudice to any claim the Charterers may otherwise 84 have on the Owners under this Charter. 85

**6. Trading Restrictions** 86

The Vessel shall be employed in lawful trades for the 87 carriage of suitable lawful merchandise within the trading 88 limits indicated in Box 20. 89

The Charterers undertake not to employ the Vessel or 90 suffer the Vessel to be employed otherwise than in 91 conformity with the terms of the contracts of insurance 92

(including any warranties expressed or implied therein) 93 without first obtaining the consent of the insurers to such 94 employment and complying with such requirements as 95 to extra premium or otherwise as the insurers may 96 prescribe. 97

The Charterers also undertake not to employ the Vessel 98 or suffer her employment in any trade or business which 99 is forbidden by the law of any country to which the Vessel 100 may sail or is otherwise illicit or in carrying illicit or 101 prohibited goods or in any manner whatsoever which 102 may render her liable to condemnation, destruction, 103 seizure or confiscation. 104

Notwithstanding any other provisions contained in this 105

Charter it is agreed that nuclear fuels or radioactive 106

products or waste are specifically excluded from the 107

cargo permitted to be loaded or carried under this 108

Charter. This exclusion does not apply to radio-isotopes 109 used or intended to be used for any industrial, 110 commercial, agricultural, medical or scientific purposes 111 provided the Owners’ prior approval has been obtained 112 to loading thereof. 113

**7. Surveys on Delivery and Redelivery** 114

*(not applicable when Part III applies, as indicated in Box 37)* 115

The Owners and Charterers shall each appoint 116

surveyors for the purpose of determining and agreeing 117 in writing the condition of the Vessel at the time of 118 delivery and redelivery hereunder. The Owners shall 119 bear all expenses of the On-hire Survey including loss 120 of time, if any, and the Charterers shall bear all expenses 121 of the Off-hire Survey including loss of time, if any, at 122

the daily equivalent to the rate of hire or pro rata thereof.

123

**8. Inspection** 124

The Owners shall have the right at any time after giving 125 reasonable notice to the Charterers to inspect or survey 126 the Vessel or instruct a duly authorised surveyor to carry 127 out such survey on their behalf:- 128

**(a)** to ascertain the condition of the Vessel and satisfy 129

themselves that the Vessel is being properly repaired 130 and maintained. The costs and fees for such inspection 131 or survey shall be paid by the Owners ~~unless the Vessel~~ 132 ~~is found to require repairs or maintenance in order to~~ 133

**(a)** Should the Vessel not be delivered latest by the 62

cancelling date indicated in Box 15, the Charterers shall 63

~~achieve the condition so provided;~~

134

have the option of cancelling this Charter by giving the 64

Owners notice of cancellation within thirty-six (36) 65

running hours after the cancelling date stated in Box 66

15, failing which this Charter shall remain in full force 67

and effect. 68

**(b)** If it appears that the Vessel will be delayed beyond 69 the cancelling date, the Owners may, as soon as they 70 are in a position to state with reasonable certainty the 71 day on which the Vessel should be ready, give notice 72

**(b)** in dry-dock if the Charterers have not dry-docked 135

Her in accordance with Clause 10(g). The costs and fees 136

for such inspection or survey shall be paid by the 137

Charterers; and 138

**(c)** for any other commercial reason they consider 139 necessary (provided it does not unduly interfere with 140 the commercial operation of the Vessel). The costs and 141 fees for such inspection and survey shall be paid by the 142

Owners. 143

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**PART II**

**“BARECON 2001” Standard Bareboat Charter**

All time used in respect of inspection, survey or repairs 144

shall be for the Charterers’ account and form part of the 145

Charter Period. 146

The Charterers shall also permit the Owners to inspect 147

the Vessel’s log books whenever requested and shall 148 whenever required by the Owners furnish them with full 149 information regarding any casualties or other accidents 150 or damage to the Vessel. 151

against all consequences whatsoever (including loss of 217

time) for any failure or inability to do so. 218

**(b)** Operation of the Vessel - The Charterers shall at 219 their own expense and by their own procurement man, 220 victual, navigate, operate, supply, fuel and, whenever 221 required, repair the Vessel during the Charter Period 222 and they shall pay all charges and expenses of every 223 kind and nature whatsoever incidental to their use and 224 operation of the Vessel under this Charter, including 225

**9. Inventories, Oil and Stores** 152

A complete inventory of the Vessel’s entire equipment, 153

annual flag State feesand any foreign general

226

outfit including spare parts, appliances and of all 154

consumable stores on board the Vessel shall be made 155 by the Charterers in conjunction with the Owners on 156 delivery and again on redelivery of the Vessel. The 157

Charterers and the Owners, respectively, shall at the 158 time of delivery and redelivery take over and pay for all 159 bunkers, lubricating oil, unbroached provisions, paints, 160 ropes and other consumable stores (excluding spare 161 parts) in the said Vessel at the then current market prices 162

|  |  |  |
| --- | --- | --- |
|  | at the ports of delivery and redelivery, respectively. The | 163 |
|  | Charterers shall ensure that all spare parts listed in the | 164 |
|  | inventory and used during the Charter Period are | 165 |
|  | replaced at their expense prior to redelivery of the | 166 |
|  | Vessel. | 167 |

**10. Maintenance and Operation** 168

**(a)(i)**Maintenance and Repairs - During the Charter 169

Period the Vessel shall be in the full possession 170

and at the absolute disposal for all purposes of the 171

Charterers and under their complete control in 172

every respect. The Charterers shall maintain the 173

Vessel, her machinery, boilers, appurtenances and 174 spare parts in a good state of repair, in efficient 175 operating condition and in accordance with good 176 commercial maintenance practice and, ~~except as~~ 177 ~~provided for in Clause~~ ~~14(l), if applicable~~, at their 178 own expense they shall at all times keep the 179

Vessel’s Class fully up to date with the Classification 180

Society indicated in Box 10 and maintain all other 181

necessary certificates in force at all times. 182

**(ii)** ~~New Class and Other Safety Requirements - In the~~ 183 ~~event of any improvement, structural changes or~~ 184 ~~new equipment becoming necessary for the~~ 185 ~~continued operation of the Vessel by reason of new~~ 186 ~~class requirements or by compulsory legislation~~ 187 ~~costing (excluding the Charterers’ loss of time)~~ 188 ~~more than the percentage stated in Box 23, or if~~ 189

~~Box 23 is left blank, 5 per cent. of the Vessel’s~~ 190 ~~insurance value as stated in Box 29, then the~~ 191 ~~extent, if any, to which the rate of hire shall be varied~~ 192 ~~and the ratio in which the cost of compliance shall~~ 193 ~~be shared between the parties concerned in order~~ 194 ~~to achieve a reasonable distribution thereof as~~ 195 ~~between the Owners and the Charterers having~~ 196 ~~regard, inter alia, to the length of the period~~ 197 ~~remaining under this Charter shall, in the absence~~ 198 ~~of agreement, be referred to the dispute resolution~~ 199 ~~method agreed in Clause 30.~~ 200

**(iii)** Financial Security - The Charterers shall maintain 201

financial security or responsibility in respect of third 202 party liabilities as required by any government, 203 including federal, state or municipal or other division 204 or authority thereof, to enable the Vessel, without 205 penalty or charge, lawfully to enter, remain at, or 206 leave any port, place, territorial or contiguous 207 waters of any country, state or municipality in 208 performance of this Charter without any delay. This 209 obligation shall apply whether or not such 210 requirements have been lawfully imposed by such 211 government or division or authority thereof. 212

The Charterers shall make and maintain all arrange- 213 ments by bond or otherwise as may be necessary to 214 satisfy such requirements at the Charterers’ sole 215 expense and the Charterers shall indemnify the Owners 216

municipality and/or state taxes. The Master, officers 227 and crew of the Vessel shall be the servants of the Charterers 228 for all purposes whatsoever, even if for any reason 229 appointed by the Owners. 230

Charterers shall comply with the regulations regarding 231 officers and crew in force in the country of the Vessel’s 232 flag or any other applicable law. 233

**(c)** The Charterers shall keep the Owners and the 234

mortgagee(s) advised of the intended employment, 235 planned dry-docking and major repairs of the Vessel, 236 as reasonably required. 237

**(d)** Flag and Name of Vessel – During the Charter 238

Period, the Charterers shall have the liberty to paint the 239

Vessel in their own colours, install and display their 240

funnel insignia and fly their own house flag. The 241

Charterers shall also have the liberty, with the Owners’ 242

consent, which shall not be unreasonably withheld, to 243 change the flag and/or the name of the Vessel during 244 the Charter Period. Painting and re-painting, instalment 245 and re-instalment, registration and re-registration, if 246 required by the Owners, shall be at the Charterers’ 247 expense and time. 248

**(e)** Changes to the Vessel – Subject to Clause 10(a)(ii), 249

the Charterers shall make no structural changes in the 250

Vessel or changes in the machinery, boilers, appurten- 251

ances or spare parts thereof without in each instance 252 first securing the Owners’ approval thereof. If the Owners 253 so agree, the Charterers shall, if the Owners so require, 254 restore the Vessel to its former condition before the 255 termination of this Charter. 256

**(f)** Use of the Vessel’s Outfit, Equipment and 257

Appliances - The Charterers shall have the use of all 258 outfit, equipment, and appliances on board the Vessel 259 at the time of delivery, provided the same or their 260 substantial equivalent shall be returned to the Owners 261 on redelivery in the same good order and condition as 262 when received, ordinary wear and tear excepted. The 263

Charterers shall from time to time during the Charter 264

Period replace such items of equipment as shall be so 265 damaged or worn as to be unfit for use. The Charterers 266 are to procure that all repairs to or replacement of any 267 damaged, worn or lost parts or equipment be effected 268 in such manner (both as regards workmanship and 269 quality of materials) as not to diminish the value of the 270

Vessel. The Charterers have the right to fit additional 271

equipment at their expense and risk but the Charterers 272 shall remove such equipment at the end of the period if 273 requested by the Owners. Any equipment including radio 274 equipment on hire on the Vessel at time of delivery shall 275 be kept and maintained by the Charterers and the 276

Charterers shall assume the obligations and liabilities 277

of the Owners under any lease contracts in connection 278 therewith and shall reimburse the Owners for all 279 expenses incurred in connection therewith, also for any 280 new equipment required in order to comply with radio 281 regulations. 282

**(g)** Periodical Dry-Docking - The Charterers shall dry- 283 dock the Vessel and clean and paint her underwater 284 parts whenever the same may be necessary, but not 285 less than once during the period stated in Box 19 or, if 286

Box 19 has been left blank, every sixty (60) calendar 287 months after delivery or such other period as may be 288 required by the Classification Society or flag State. 289

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**PART II**

**“BARECON 2001” Standard Bareboat Charter**

**11. Hire** 290

**(a)** The Charterers shall pay hire due to the Owners 291 punctually in accordance with the terms of this Charter 292 in respect of which time shall be of the essence. 293

**(b)** The Charterers shall pay to the Owners for the hire 294

of the Vessel as per the Additional Clauses and Annex A to this Agreement.. 300

**(c)** Payment of hire shall be made in cash without 301

discount in the currency and in the manner indicated in 302

Box 25 and at the place mentioned in Box 26. 303

**(d)** Final payment of hire, if for a period of less than 304 thirty (30) running days, shall be calculated proportionally 305 according to the number of days and hours remaining 306 before redelivery and advance payment to be effected 307 accordingly. 308

**(e)** Should the Vessel be lost or missing, hire shall 309 cease from the date and time when she was lost or last 310 heard of. The date upon which the Vessel is to be treated 311 as lost or missing shall be ten (10) days after the Vessel 312 was last reported or when the Vessel is posted as 313 missing by Lloyd’s, whichever occurs first. Any hire paid 314 in advance to be adjusted accordingly. 315

**(f)** Any delay in payment of hire shall entitle the 316

Owners to interest at the rate per annum as agreed 317

in Box 24. If Box 24 has not been filled in, the three months 318

Interbank offered rate in London (LIBOR or its successor) 319

for the currency stated in Box 25, as quoted by the British 320

Bankers’ Association (BBA) on the date when the hire 321

fell due, increased by 2 per cent., shall apply. 322

**(g)** Payment of interest due under sub-clause 11(f) 323 shall be made within seven (7) running days of the date 324 of the Owners’ invoice specifying the amount payable 325 or, in the absence of an invoice, at the time of the next 326 hire payment date. 327

**12. Mortgage** 328

*(only to apply if Box 28 has been appropriately filled in)* 329

**~~\*) (a)~~** ~~The Owners warrant that they have not effected~~ 330

~~any mortgage(s) of the Vessel and that they shall not~~ 331

~~effect any mortgage(s) without the prior consent of the~~ 332

~~Charterers, which shall not be unreasonably withheld.~~ 333

**\*) (b)** The Vessel chartered under this Charter is financed 334

by a mortgage according to the Financial Instrument. 335

The Charterers undertake to comply, and provide such 336 information and documents to enable the Owners to 337 comply, with all such instructions or directions in regard 338 to the employment, insurances, operation, repairs and 339 maintenance of the Vessel as laid down in the Financial 340

Instrument or as may be directed from time to time during 341 the currency of the Charter by the mortgagee(s) in 342 conformity with the Financial Instrument. The Charterers 343 confirm that, for this purpose, they have acquainted 344 themselves with all relevant terms, conditions and 345 provisions of the Financial Instrument and agree to 346 acknowledge this in writing in any form that may be 347 required by the mortgagee(s). The Owners warrant that 348 they have not effected any mortgage(s) other than stated 349 in Box 28 and that they shall not agree to any 350 amendment of the mortgage(s) referred to in Box 28 or 351 effect any other mortgage(s) without the prior consent 352

financial security in accordance with sub-clause 363

|  |  |  |
| --- | --- | --- |
|  | of the Charterers, which shall not be unreasonably | 353 |
|  | withheld. | 354 |
| ***\*)*** | *~~(Optional, Clauses 12(a) and 12(b) are alternatives;~~* | 355 |
|  | *~~indicate alternative agreed in Box 28).~~* | 356 |
| **13.** | **Insurance and Repairs** | 357 |
|  | **(a)** During the Charter Period the Vessel shall be kept | 358 |
|  | insured by the Charterers at their expense against hull | 359 |
|  | and machinery, war and Protection and Indemnity risks | 360 |
|  | (and any risks against which it is compulsory to insure | 361 |
|  | for the operation of the Vessel, including maintaining | 362 |

10(a)(iii)) in such form as the Owners shall in writing 364 approve, which approval shall not be un-reasonably 365 withheld. Such insurances shall be arranged by the 366

Charterers to protect the interests of both the Owners 367

and the Charterers and the mortgagee(s) (if any), and 368

The Charterers shall be at liberty to protect under such 369 insurances the interests of any managers they may 370 appoint. Insurance policies shall cover the Owners and 371 the Charterers according to their respective interests. 372

Subject to the provisions of the Financial Instrument, if 373

any, and the approval of the Owners and the insurers, 374

the Charterers shall effect all insured repairs and shall 375 undertake settlement and reimbursement from the 376 insurers of all costs in connection with such repairs as 377 well as insured charges, expenses and liabilities to the 378 extent of coverage under the insurances herein provided 379 for. 380

The Charterers also to remain responsible for and to 381 effect repairs and settlement of costs and expenses 382 incurred thereby in respect of all other repairs not 383 covered by the insurances and/or not exceeding any 384 possible franchise(s) or deductibles provided for in the 385 insurances. 386

All time used for repairs under the provisions of sub- 387 clause 13(a) and for repairs of latent defects according 388 to Clause 3(c) above, including any deviation, shall be 389 for the Charterers’ account. 390

**(b)** If the conditions of the above insurances permit 391 additional insurance to be placed by the parties, such 392 cover shall be limited to the amount for each party set 393 out in Box 30 and Box 31, respectively. The Owners or 394 the Charterers as the case may be shall immediately 395 furnish the other party with particulars of any additional 396 insurance effected, including copies of any cover notes 397 or policies and the written consent of the insurers of 398 any such required insurance in any case where the 399 consent of such insurers is necessary. 400

**(c)** The Charterers shall upon the request of the 401

Owners, provide information and promptly execute such 402 documents as may be required to enable the Owners to 403 comply with the insurance provisions of the Financial 404

Instrument. 405

**(d)** Subject to the provisions of the Financial Instru- 406 ment, if any, should the Vessel become an actual, 407 constructive, compromised or agreed total loss under 408 the insurances required under sub-clause 13(a), all 409 insurance payments for such loss shall be paid to the 410

Owners who shall distribute the moneys between the 411

Owners and the Charterers according to their respective 412 interests. The Charterers undertake to notify the Owners 413 and the mortgagee(s), if any, of any occurrences in 414 consequence of which the Vessel is likely to become a 415 total loss as defined in this Clause. 416

**(e)** The Owners shall upon the request of the 417

Charterers, promptly execute such documents as may 418

be required to enable the Charterers to abandon the 419

Vessel to insurers and claim a constructive total loss. 420

**(f)** For the purpose of insurance coverage against hull 421

and machinery and war risks under the provisions of 422 sub-clause 13(a), the value of the Vessel is the sum 423 indicated in Box 29. 424

**~~14. Insurance, Repairs and Classification~~** 425

*~~(Optional, only to apply if expressly agreed and stated~~* 426 *~~in Box~~ ~~29, in which event Clause 13 shall be considered~~* 427 *~~deleted).~~* 428

**~~(a)~~** ~~During the Charter Period the Vessel shall be kept~~ 429

i~~nsured by the Owners at their expense against hull and~~ 430 ~~machinery and war risks under the form of policy or~~ 431 ~~policies attached hereto. The Owners and/or insurers~~ 432 ~~shall not have any right of recovery or subrogation~~ 433 ~~against the Charterers on account of loss of or any~~ 434 ~~damage to the Vessel or her machinery or appurt-~~ 435 ~~enances covered by such insurance, or on account of~~ 436

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**PART II**

**“BARECON 2001” Standard Bareboat Charter**

~~payments made to discharge claims against or liabilities~~ 437

~~of the Vessel or the Owners covered by such insurance.~~ 438

~~Insurance policies shall cover the Owners and the~~ 439

~~Charterers according to their respective interests.~~ 440

**~~(b)~~** ~~During the Charter Period the Vessel shall be kept~~ 441

~~insured by the Charterers at their expense against~~ 442

~~Protection and Indemnity risks (and any risks against~~ 443

~~indicated in Box~~ ~~10~~ ~~and maintain all other necessary~~ 512

~~certificates in force at all times.~~ 513

**15. Redelivery** 514

At the expiration of the Charter Period the Vessel shall 515 be redelivered by the Charterers to the Owners at a 516 safe and ice-free port or place as indicated in Box 16, in 517

~~which it is compulsory to insure for the operation of the~~ 444

~~Vessel, including maintaining financial security in~~ 445

such ready safe berth as the ~~Owners~~ **Charterers** may

direct. The

518

~~accordance with sub-clause 10(a)(iii)) in such form as~~ 446 ~~the Owners shall in writing approve which approval shal~~l 447 ~~not be unreasonably withheld.~~ 448

**~~(c)~~** ~~In the event that any act or negligence of the~~ 449

~~Charterers shall vitiate any of the insurance herein~~ 450 ~~provided, the Charterers shall pay to the Owners al~~l 451 ~~losses and indemnify the Owners against all claims and~~ 452 ~~demands which would otherwise have been covered by~~ 453 ~~such insurance.~~ 454

**~~(d)~~** ~~The Charterers shall, subject to the approval of the~~ 455

~~Owners or Owners’ Underwriters, effect all insured~~ 456 ~~repairs, and the Charterers shall undertake settlement~~ 457 ~~of all miscellaneous expenses in connection with such~~ 458 ~~repairs as well as all insured charges, expenses and~~ 459 ~~liabilities, to the extent of coverage under the insurances~~ 460 ~~provided for under the provisions of sub-clause 14(a).~~ 461

~~The Charterers to be secured reimbursement through~~ 462 ~~the Owners’ Underwriters for such expenditures upon~~ 463 ~~presentation of accounts.~~ 464

**~~(e)~~** ~~The Charterers to remain responsible for and to~~ 465 ~~effect repairs and settlement of costs and expenses~~ 466 ~~incurred thereby in respect of all other repairs not~~ 467 ~~covered by the insurances and/or not exceeding any~~ 468 ~~possible franchise(s) or deductibles provided for in the~~ 469 ~~insurances.~~ 470

**~~(f)~~** ~~All time used for repairs under the provisions of~~ 471 ~~sub-clauses~~ ~~14(d) and 14(e) and for repairs of latent~~ 472 ~~defects according to Clause 3 above, including any~~ 473 ~~deviation, shall be for the Charterers’ account and shal~~l 474 ~~form part of the Charter Period.~~ 475

~~The Owners shall not be responsible for any expenses~~ 476 ~~as are incident to the use and operation of the Vesse~~l 477 ~~for such time as may be required to make such repairs.~~ 478

**~~(g)~~** ~~If the conditions of the above insurances permit~~ 479 ~~additional insurance to be placed by the parties such~~ 480 ~~cover shall be limited to the amount for each party set~~ 481 ~~out in Box~~ ~~30~~ ~~and Box 31, respectively. The Owners or~~ 482 ~~the Charterers as the case may be shall immediately~~ 483 ~~furnish the other party with particulars of any additiona~~l 484 ~~insurance effected, including copies of any cover notes~~ 485 ~~or policies and the written consent of the insurers of~~ 486 ~~any such required insurance in any case where the~~ 487 ~~consent of such insurers is necessary.~~ 488

**~~(h)~~** ~~Should the Vessel become an actual, constructive,~~ 489 ~~compromised or agreed total loss under the insurances~~ 490 ~~required under sub-clause 14(a), all insurance payments~~ 491 ~~for such loss shall be paid to the Owners, who shal~~l 492 ~~distribute the moneys between themselves and the~~ 493

~~Charterers according to their respective interests.~~ 494

**~~(i)~~** ~~If the Vessel becomes an actual, constructive,~~ 495

~~compromised or agreed total loss under the insurances~~ 496

~~arranged by the Owners in accordance with sub-clause~~ 497

~~14(a), this Charter shall terminate as of the date of such~~ 498

~~loss.~~ 499

**~~(j)~~** ~~The Charterers shall upon the request of the~~ 500

~~Owners, promptly execute such documents as may be~~ 501 ~~required to enable the Owners to abandon the Vesse~~l 502 ~~to the insurers and claim a constructive total loss.~~ 503

**~~(k)~~** ~~For the purpose of insurance coverage against hul~~l 504 ~~and machinery and war risks under the provisions of~~ 505 ~~sub-clause 14(a), the value of the Vessel is the sum~~ 506

i~~ndicated in Box 29.~~ 507

**~~(l)~~** ~~Notwithstanding anything contained in sub-clause~~ 508

~~10(a), it is agreed that under the provisions of Clause~~ 509

~~14, if applicable, the Owners shall keep the Vessel’s~~ 510

~~Class fully up to date with the Classification Society~~ 511

Charterers shall give the Owners not less than thirty 519

(30) running days’ preliminary notice of expected date, 520 range of ports of redelivery or port or place of redelivery 521 and not less than fourteen (14) running days’ definite 522 notice of expected date and port or place of redelivery. 523

Any changes thereafter in the Vessel’s position shall be 524

notified immediately to the Owners. 525

The Charterers warrant that they will not permit the 526

Vessel to commence a voyage (including any preceding 527 ballast voyage) which cannot reasonably be expected 528 to be completed in time to allow redelivery of the Vessel 529 within the Charter Period. Notwithstanding the above, 530 should the Charterers fail to redeliver the Vessel within 531

The Charter Period, the Charterers shall pay the daily 532 equivalent to the rate of hire stated in Box 22 plus 10 533 per cent. or to the market rate, whichever is the higher, 534 for the number of days by which the Charter Period is 535 exceeded. All other terms, conditions and provisions of 536 this Charter shall continue to apply. 537

Subject to the provisions of Clause 10, the Vessel shall 538

be redelivered to the Owners in the same or as good 539 structure, state, condition and class as that in which she 540 was delivered, fair wear and tear not affecting class 541 excepted. 542

The Vessel upon redelivery shall have her survey cycles 543

up to date and trading and class certificates valid for at 544

least the number of months agreed in Box 17. 545

**16. Non-Lien** 546

The Charterers will not suffer, nor permit to be continued, 547 any lien or encumbrance incurred by them or their 548 agents, which might have priority over the title and 549 interest of the Owners in the Vessel. The Charterers 550 further agree to fasten to the Vessel in a conspicuous 551 place and to keep so fastened during the Charter Period 552 a notice reading as follows: 553

“This Vessel is the property of (name of Owners). It is 554

under charter to (name of Charterers) and by the terms 555

of the Charter Party neither the Charterers nor the 556

Master have any right, power or authority to create, incur 557 or permit to be imposed on the Vessel any lien 558 whatsoever.” 559

**17. Indemnity** 560

**(a)** The Charterers shall indemnify the Owners against 561

any loss, damage or expense incurred by the Owners 562 arising out of or in relation to the operation of the Vessel 563 by the Charterers, and against any lien of whatsoever 564 nature arising out of an event occurring during the 565

Charter Period. If the Vessel be arrested or otherwise 566 detained by reason of claims or liens arising out of her 567 operation hereunder by the Charterers, the Charterers 568 shall at their own expense take all reasonable steps to 569 secure that within a reasonable time the Vessel is 570 released, including the provision of bail. 571

Without prejudice to the generality of the foregoing, the 572

Charterers agree to indemnify the Owners against all 573 consequences or liabilities arising from the Master, 574 officers or agents signing Bills of Lading or other 575 documents. 576

**(b)** If the Vessel be arrested or otherwise detained by 577

reason of a claim or claims against the Owners, the 578

Owners shall at their own expense take all reasonable 579 steps to secure that within a reasonable time the Vessel 580 is released, including the provision of bail. 581

In such circumstances the Owners shall indemnify the 582

Charterers against any loss, damage or expense 583

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incurred by the Charterers (including hire paid under 584

this Charter) as a direct consequence of such arrest or 585

detention. 586

**18. Lien** 587

The Owners to have a lien upon all cargoes, sub-hires 588 and sub-freights belonging or due to the Charterers or 589 any sub-charterers and any Bill of Lading freight for all 590 claims under this Charter, and the Charterers to have a 591 lien on the Vessel for all moneys paid in advance and 592 not earned. 593

**19. Salvage** 594

All salvage and towage performed by the Vessel shall 595 be for the Charterers’ benefit and the cost of repairing 596 damage occasioned thereby shall be borne by the 597

Charterers. 598

**20. Wreck Removal** 599

In the event of the Vessel becoming a wreck or 600 obstruction to navigation the Charterers shall indemnify 601 the Owners against any sums whatsoever which the 602

Owners shall become liable to pay and shall pay in 603 consequence of the Vessel becoming a wreck or 604 obstruction to navigation. 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 609 sub-charter the Vessel on a bareboat basis except with 610 the prior consent in writing of the Owners, which shall 611 not be unreasonably withheld, and subject to such terms 612

length thereof and whether or not it be for an indefinite 653

or a limited period of time, and irrespective of whether it 654

may or will remain in force for the remainder of the 655

Charter Period, this Charter shall not be deemed thereby 656

or thereupon to be frustrated or otherwise terminated 657 and the Charterers shall continue to pay the stipulated 658 hire in the manner provided by this Charter until the time 659 when the Charter would have terminated pursuant to 660 any of the provisions hereof always provided however 661 that in the event of “Requisition for Hire” any Requisition 662

Hire or compensation received or receivable by the 663

Owners shall be payable to the Charterers during the 664

remainder of the Charter Period or the period of the 665

“Requisition for Hire” whichever be the shorter. 666

**(b)** In the event of the Owners being deprived of their 667 ownership in the Vessel by any Compulsory Acquisition 668 of the Vessel or requisition for title by any governmental 669 or other competent authority (hereinafter referred to as 670

“Compulsory Acquisition”), then, irrespective of the date 671 during the Charter Period when “Compulsory Acqui- 672 sition” may occur, this Charter shall be deemed 673 terminated as of the date of such “Compulsory 674

Acquisition”. In such event Charter Hire to be considered 675 as earned and to be paid up to the date and time of 676 such “Compulsory Acquisition”. 677

**26. War** 678

**(a)** For the purpose of this Clause, the words “War 679

Risks” shall include any war (whether actual or 680

threatened), act of war, civil war, hostilities, revolution, 681 rebellion, civil commotion, warlike operations, the laying 682 of mines (whether actual or reported), acts of piracy, 683

and conditions as the Owners shall approve.

613

acts of terrorists, acts of hostility or malicious damage, 684

blockades (whether imposed against all vessels or 685

**(b)** The Owners shall not sell the Vessel during the 614 currency of this Charter except with the prior written 615 consent of the Charterers, which shall not be unreason- 616 ably withheld, and subject to the buyer accepting an 617 assignment of this Charter. 618

**23. Contracts of Carriage** 619

**\*) (a)** The Charterers are to procure that all documents 620 issued during the Charter Period evidencing the terms 621 and conditions agreed in respect of carriage of goods 622 shall contain a paramount clause incorporating any 623 legislation relating to carrier’s liability for cargo 624 compulsorily applicable in the trade; if no such legislation 625 exists, the documents shall incorporate the Hague-Visby 626

Rules. The documents shall also contain the New Jason 627

Clause and the Both-to-Blame Collision Clause. 628

**~~\*) (b)~~** ~~The Charterers are to procure that all passenger~~ 629 ~~tickets issued during the Charter Period for the carriage~~ 630 ~~of passengers and their luggage under this Charter shal~~l 631 ~~contain a paramount clause incorporating any legislation~~ 632 ~~relating to carrier’s liability for passengers and their~~ 633 ~~luggage compulsorily applicable in the trade; if no such~~ 634 ~~legislation exists, the passenger tickets shall incorporate~~ 635 ~~the Athens Convention Relating to the Carriage of~~ 636

~~Passengers and their Luggage by Sea, 1974, and any~~ 637

~~protocol thereto.~~ 638

***\*)*** *Delete as applicable.* 639

**24.  ~~Bank Guarantee - deleted~~** 640

*~~(Optional, only to apply if Box 27 filled in)~~* 641

~~The Charterers undertake to furnish, before delivery of~~ 642 ~~the Vessel, a first class bank guarantee or bond in the~~ 643 ~~sum and at the place as indicated in Box 27 as guarantee~~ 644 ~~for full performance of their obligations under this~~ 645

~~Charter.~~ 646

**25. Requisition/Acquisition** 647

**(a)** In the event of the Requisition for Hire of the Vessel 648

by any governmental or other competent authority 649

(hereinafter referred to as “Requisition for Hire”) 650

irrespective of the date during the Charter Period when 651

“Requisition for Hire” may occur and irrespective of the 652

imposed selectively against vessels of certain flags or 686

ownership, or against certain cargoes or crews or 687 otherwise howsoever), by any person, body, terrorist or 688 political group, or the Government of any state 689 whatsoever, which may be dangerous or are likely to be 690 or to become dangerous to the Vessel, her cargo, crew 691 or other persons on board the Vessel. 692

**(b)** The Vessel, unless the written consent of the 693

Owners be first obtained, shall not continue to or go 694 through any port, place, area or zone (whether of land 695 or sea), or any waterway or canal, where it reasonably 696 appears that the Vessel, her cargo, crew or other 697 persons on board the Vessel, in the reasonable 698 judgement of the Owners, may be, or are likely to be, 699 exposed to War Risks. Should the Vessel be within any 700 such place as aforesaid, which only becomes danger- 701 ous, or is likely to be or to become dangerous, after her 702 entry into it, the Owners shall have the right to require 703 the Vessel to leave such area. 704

**(c)** The Vessel shall not load contraband cargo, or to 705 pass through any blockade, whether such blockade be 706 imposed on all vessels, or is imposed selectively in any 707 way whatsoever against vessels of certain flags or 708 ownership, or against certain cargoes or crews or 709 otherwise howsoever, or to proceed to an area where 710 she shall be subject, or is likely to be subject to 711 a belligerent’s right of search and/or confiscation. 712

**(d)** If the insurers of the war risks insurance, when 713

Clause 14 is applicable, should require payment of 714

premiums and/or calls because, pursuant to the 715

Charterers’ orders, the Vessel is within, or is due to enter 716 and remain within, any area or areas which are specified 717 by such insurers as being subject to additional premiums 718 because of War Risks, then such premiums and/or calls 719 shall be reimbursed by the Charterers to the Owners at 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, recommend- | 723 |
|  | ations or advice as to departure, arrival, routes, | 724 |
|  | sailing in convoy, ports of call, stoppages, | 725 |
|  | destinations, discharge of cargo, delivery, or in any | 726 |

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other way whatsoever, which are given by the 727

Government of the Nation under whose flag the 728

Vessel sails, or any other Government, body or 729 group whatsoever acting with the power to compel 730 compliance with their orders or directions; 731

**(ii)** to comply with the orders, directions or recom- 732

mendations of any war risks underwriters who have 733 the authority to give the same under the terms of 734 the war risks insurance; 735

**(iii)** to comply with the terms of any resolution of the 736

Security Council of the United Nations, any 737 directives of the European Community, the effective 738 orders of any other Supranational body which has 739 the right to issue and give the same, and with 740 national laws aimed at enforcing the same to which 741 the Owners are subject, and to obey the orders 742 and directions of those who are charged with their 743 enforcement. 744

**~~(f)~~** ~~In the event of outbreak of war (whether there be a~~ 745 ~~declaration of war or not) (i) between any two or more~~ 746 ~~of the following countries: the United States of America;~~ 747

~~Russia; the United Kingdom; France; and the People’s~~ 748

~~Republic of China, (ii) between any two or more of the~~ 749

~~countries stated in Box 36, both the Owners and the~~ 750

~~Charterers shall have the right to cancel this Charter,~~ 751 ~~whereupon the Charterers shall redeliver the Vessel to~~ 752 ~~the Owners in accordance with Clause 15, if the Vessel~~ 753 ~~has cargo on board after discharge thereof at~~ 754 ~~destination, or if debarred under this Clause from~~ 755 ~~reaching or entering it at a near, open and safe port as~~ 756 ~~directed by the Owners, or if the Vessel has no cargo~~ 757 ~~on board, at the port at which the Vessel then is or if at~~ 758 ~~sea at a near, open and safe port as directed by the~~ 759

~~Owners. In all cases hire shall continue to be paid in~~ 760 ~~accordance with Clause 11 and except as aforesaid all~~ 761 ~~other provisions of this Charter shall apply until~~ 762 ~~redelivery.~~ 763

**27. Commission** 764

The Owners to pay a commission at the rate indicated 765 in Box 33 to the Brokers named in Box 33 on any hire 766 paid under the Charter. If no rate is indicated in Box 33, 767 the commission to be paid by the Owners shall cover 768 the actual expenses of the Brokers and a reasonable 769 fee for their work. 770

If the full hire is not paid owing to breach of the Charter 771 by either of the parties the party liable therefor shall 772 indemnify the Brokers against their loss of commission. 773

Should the parties agree to cancel the Charter, the 774

Owners shall indemnify the Brokers against any loss of 775

commission but in such case the commission shall not 776

exceed the brokerage on one year’s hire. 777

**28. Termination** 778

**(a)** Charterers’ Default 779

The Owners shall be entitled to withdraw the Vessel from 780 the service of the Charterers and terminate the Charter 781 with immediate effect by written notice to the Charterers if: 782

**(i)** the Charterers fail to pay hire in accordance with 783

Clause 11. However, where there is a failure to 784

make punctual payment of hire due to oversight, 785

negligence, errors or omissions on the part of the 786

Charterers or their bankers, the Owners shall give 787

the Charterers written notice of the number of clear 788 banking days stated in Box 34 (as recognised at 789 the agreed place of payment) in which to rectify 790 the failure, and when so rectified within such 791 number of days following the Owners’ notice, the 792 payment shall stand as regular and punctual. 793

Failure by the Charterers to pay hire within the 794 number of days stated in Box 34 of their receiving 795 the Owners’ notice as provided herein, shall entitle 796 the Owners to withdraw the Vessel from the service 797 of the Charterers and terminate the Charter without 798 further notice; 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 803 written notice to the Charterers, to give the 804

Charterers a specified number of days grace within 805

which to rectify the failure without prejudice to the 806

Owners’ right to withdraw and terminate under this 807

Clause if the Charterers fail to comply with such 808

notice; 809

**(iii)** the Charterers fail to rectify any failure to comply 810

with the requirements of sub-clause 10(a)(i) 811

(Maintenance and Repairs) as soon as practically 812 possible after the Owners have requested them in 813 writing so to do and in any event so that the Vessel’s 814 insurance cover is not prejudiced. 815

**(b)** Owners’ Default 816

If the Owners shall by any act or omission be in breach 817 of their obligations under this Charter to the extent that 818 the Charterers are deprived of the use of the Vessel 819 and such breach continues for a period of fourteen (14) 820 running days after written notice thereof has been given 821 by the Charterers to the Owners, the Charterers shall 822 be entitled to terminate this Charter with immediate effect 823 by written notice to the Owners. 824

**(c)** Loss of Vessel 825

This Charter shall be deemed to be terminated if the 826

Vessel becomes a total loss or is declared as a 827 constructive or compromised or arranged total loss. For 828 the purpose of this sub-clause, the Vessel shall not be 829 deemed to be lost unless she has either become an 830 actual total loss or agreement has been reached with 831 her underwriters in respect of her constructive, 832 compromised or arranged total loss or if such agreement 833 with her underwriters is not reached it is adjudged by a 834 competent tribunal that a constructive loss of the Vessel 835 has occurred. 836

**(d)** Either party shall be entitled to terminate this 837

Charter with immediate effect by written notice to the 838

other party in the event of an order being made or 839 resolution passed for the winding up, dissolution, 840 liquidation or bankruptcy of the other party (otherwise 841 than for the purpose of reconstruction or amalgamation) 842 or if a receiver is appointed, or if it suspends payment, 843 ceases to carry on business or makes any special 844 arrangement or composition with its creditors. 845

**(e)** The termination of this Charter shall be without 846 prejudice to all rights accrued due between the parties 847 prior to the date of termination and to any claim that 848 either party might have. 849

**29. Repossession** 850

In the event of the termination of this Charter in 851 accordance with the applicable provisions of Clause 28, 852 the Owners shall have the right to repossess the Vessel 853 from the Charterers at her current or next port of call, or 854 at a port or place convenient to them without hindrance 855 or interference by the Charterers, courts or local 856 authorities. Pending physical repossession of the Vessel 857 in accordance with this Clause 29, the Charterers shall 858 hold the Vessel as gratuitous bailee only to the Owners. 859

The Owners shall arrange for an authorised represent- 860 ative to board the Vessel as soon as reasonably 861 practicable following the termination of the Charter. The 862

Vessel shall be deemed to be repossessed by the 863

Owners from the Charterers upon the boarding of the 864

Vessel by the Owners’ representative. All arrangements 865

and expenses relating to the settling of wages, 866

disembarkation and repatriation of the Charterers’ 867

Master, officers and crew shall be the sole responsibility 868

of the Charterers. 869

**30. Dispute Resolution** 870

**\*) (a)** This Contract shall be governed by and construed 871

in accordance with English law and any dispute arising 872

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out of or in connection with this Contract shall be referred 873

to arbitration in London in accordance with the Arbitration 874

Act 1996 or any statutory modification or re-enactment 875 thereof save to the extent necessary to give effect to 876 the provisions of this Clause. 877

The arbitration shall be conducted in accordance with 878

the London Maritime Arbitrators Association (LMAA) 879

Terms current at the time when the arbitration proceed- 880

ings are commenced. 881

The reference shall be to three arbitrators. A party 882 wishing to refer a dispute to arbitration shall appoint its 883 arbitrator and send notice of such appointment in writing 884 to the other party requiring the other party to appoint its 885 own arbitrator within 14 calendar days of that notice and 886 stating that it will appoint its arbitrator as sole arbitrator 887 unless the other party appoints its own arbitrator and 888 gives notice that it has done so within the 14 days 889 specified. If the other party does not appoint its own 890 arbitrator and give notice that it has done so within the 891

14 days specified, the party referring a dispute to 892 arbitration may, without the requirement of any further 893 prior notice to the other party, appoint its arbitrator as 894 sole arbitrator and shall advise the other party 895 accordingly. The award of a sole arbitrator shall be 896 binding on both parties as if he had been appointed by 897 agreement. 898

Nothing herein shall prevent the parties agreeing in 899

writing to vary these provisions to provide for the 900

appointment of a sole arbitrator. 901

In cases where neither the claim nor any counterclaim 902 exceeds the sum of US$50,000 (or such other sum as 903 the parties may agree) the arbitration shall be conducted 904 in accordance with the LMAA Small Claims Procedure 905 current at the time when the arbitration proceedings are 906 commenced. 907

**~~\*) (b)~~** ~~This Contract shall be governed by and construed~~ 908

~~in accordance with Title 9 of the United States Code~~ 909 ~~and the Maritime Law of the United States and any~~ 910 ~~dispute arising out of or in connection with this Contract~~ 911 ~~shall be referred to three persons at New York, one to~~ 912 ~~be appointed by each of the parties hereto, and the third~~ 913 ~~by the two so chosen; their decision or that of any two~~ 914 ~~of them shall be final, and for the purposes of enforcing~~ 915

14 calendar days, failing which on the application 948

of either party a mediator will be appointed promptly 949 by the Arbitration Tribunal (“the Tribunal”) or such 950 person as the Tribunal may designate for that 951 purpose. The mediation shall be conducted in such 952 place and in accordance with such procedure and 953 on such terms as the parties may agree or, in the 954 event of disagreement, as may be set by the 955 mediator. 956

**(iii)** If the other party does not agree to mediate, that 957 fact may be brought to the attention of the Tribunal 958 and may be taken into account by the Tribunal when 959 allocating the costs of the arbitration as between 960 the parties. 961

**(iv)** The mediation shall not affect the right of either 962 party to seek such relief or take such steps as it 963 considers necessary to protect its interest. 964

**(v)** Either party may advise the Tribunal that they have 965 agreed to mediation. The arbitration procedure shall 966 continue during the conduct of the mediation but 967 the Tribunal may take the mediation timetable into 968 account when setting the timetable for steps in the 969 arbitration. 970

**(vi)** Unless otherwise agreed or specified in the 971

mediation terms, each party shall bear its own costs 972 incurred in the mediation and the parties shall share 973 equally the mediator’s costs and expenses. 974

**(vii)** The mediation process shall be without prejudice 975 and confidential and no information or documents 976 disclosed during it shall be revealed to the Tribunal 977 except to the extent that they are disclosable under 978 the law and procedure governing the arbitration. 979

*(Note: The parties should be aware that the mediation* 980

*process may not necessarily interrupt time limits.)* 981

**(e)** If Box 35 in Part I is not appropriately filled in, sub-clause 982

30(a) of this Clause shall apply. Sub-clause 30(d) shall 983

apply in all cases. 984

***\*)*** *Sub-clauses 30(a), 30(b) and 30(c) are alternatives;* 985

*indicate alternative agreed in Box 35.* 986

**31. Notices** 987

**(a)** Any notice to be given by either party to the other 988

party shall be in writing and may be sent by fax, telex, 989

~~any award, judgement may be entered on an award by~~ 916 ~~any court of competent jurisdiction. The proceedings~~ 917 ~~shall be conducted in accordance with the rules of the~~ 918

~~Society of Maritime Arbitrators, Inc.~~ 919

registered or recorded mail or by personal service **or by**

**electronic mail (e-mail). In case the sender request a confirmation of receipt of the e-mail, the other party shall confirm such receipt accordingly**, HOWEVER failure to acknowledge or confirm receipt of the email notice shall not constitute non-delivery of the correspondence sent thereunder and the party sending the email notice has the right and is entitled to rely on the notification sent via email only with no acknowledgement.

990

~~In cases where neither the claim nor any counterclaim~~ 920 ~~exceeds the sum of US$50,000 (or such other sum as~~ 921 ~~the parties may agree) the arbitration shall be conducted~~ 922 ~~in accordance with the Shortened Arbitration Procedure~~ 923 ~~of the Society of Maritime Arbitrators, Inc. current at~~ 924

t~~he time when the arbitration proceedings are commenced~~. 925

**~~\*) (c)~~** ~~This Contract shall be governed by and construed~~ 926

~~in accordance with the laws of the place mutually agreed~~ 927 ~~by the parties and any dispute arising out of or in~~ 928 ~~connection with this Contract shall be referred to~~ 929 ~~arbitration at a mutually agreed place, subject to the~~ 930 ~~procedures applicable there.~~ 931

**(d)** Notwithstanding (a), (b) or (c) above, the parties 932 may agree at any time to refer to mediation any 933 difference and/or dispute arising out of or in connection 934 with this Contract. 935

In the case of a dispute in respect of which arbitration 936 has been commenced under (a), (b) or (c) above, the 937 following shall apply:- 938

**(b)** The address of the Parties for service of such 991

communication shall be as stated in Boxes 3 and 4 992

respectively. 993

|  |  |  |
| --- | --- | --- |
| **(i)** | Either party may at any time and from time to time | 939 |
|  | elect to refer the dispute or part of the dispute to | 940 |
|  | mediation by service on the other party of a written | 941 |
|  | notice (the “Mediation Notice”) calling on the other | 942 |
|  | party to agree to mediation. | 943 |
| **(ii)** | The other party shall thereupon within 14 calendar | 944 |
|  | days of receipt of the Mediation Notice confirm that | 945 |
|  | they agree to mediation, in which case the parties | 946 |
|  | shall thereafter agree a mediator within a further | 947 |

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**“BARECON 2001” Standard Bareboat Charter**

**PART III**

**PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY**

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

**OPTIONAL PART**

**~~1. Specifications and Building Contract~~** 1

**~~(a)~~** ~~The Vessel shall be constructed in accordance with~~ 2

t~~he Building Contract (hereafter called “the Building~~ 3

~~Contract”) as annexed to this Charter, made between the~~ 4

~~Builders and the Owners and in accordance with the~~ 5

~~specifications and plans annexed thereto, such Building~~ 6

~~Contract, specifications and plans having been counter-~~ 7

~~and upon and after such acceptance, subject to Clause~~ 69

~~1(d), the Charterers shall not be entitled to make any claim~~ 70 ~~against the Owners in respect of any conditions,~~ 71 ~~representations or warranties, whether express or implied,~~ 72 ~~as to the seaworthiness of the Vessel or in respect of delay~~ 73

i~~n delivery.~~ 74

**~~(b)~~** ~~If for any reason other than a default by the Owners~~ 75

~~signed as approved by the Charterers.~~ 8 ~~under the Building Contract, the Builders become entitled~~ 76

**~~(b)~~** ~~No change shall be made in the Building Contract or~~ 9

~~in the specifications or plans of the Vessel as approved by~~ 10

t~~he Charterers as aforesaid, without the Charterers~~’ 11

~~consent.~~ 12

**~~(c)~~** ~~The Charterers shall have the right to send their~~ 13

~~representative to the Builders’ Yard to inspect the Vesse~~l 14

~~during the course of her construction to satisfy themselves~~ 15

t~~hat construction is in accordance with such approved~~ 16

~~specifications and plans as referred to under sub-clause~~ 17

~~(a) of this Clause.~~ 18

**~~(d)~~** ~~The Vessel shall be built in accordance with the~~ 19

~~Building Contract and shall be of the description set out~~ 20

t~~herein. Subject to the provisions of sub-clause 2(c)(ii)~~ 21

~~hereunder, the Charterers shall be bound to accept the~~ 22

~~Vessel from the Owners, completed and constructed in~~ 23 ~~accordance with the Building Contract, on the date o~~f 24 ~~delivery by the Builders. The Charterers undertake that~~ 25 ~~having accepted the Vessel they will not thereafter raise~~ 26 ~~any claims against the Owners in respect of the Vessel’s~~ 27 ~~performance or specification or defects, if any.~~ 28

~~Nevertheless, in respect of any repairs, replacements or~~ 29 ~~defects which appear within the first 12 months from~~ 30 ~~delivery by the Builders, the Owners shall endeavour to~~ 31 ~~compel the Builders to repair, replace or remedy any defects~~ 32 ~~or to recover from the Builders any expenditure incurred in~~ 33 ~~carrying out such repairs, replacements or remedies.~~ 34

~~However, the Owners’ liability to the Charterers shall be~~ 35

~~limited to the extent the Owners have a valid claim against~~ 36

t~~he Builders under the guarantee clause of the Building~~ 37

~~Contract (a copy whereof has been supplied to the~~ 38

~~Charterers). The Charterers shall be bound to accept such~~ 39

~~sums as the Owners are reasonably able to recover under~~ 40

t~~his Clause and shall make no further claim on the Owners~~ 41

f~~or the difference between the amount(s) so recovered and~~ 42

t~~he actual expenditure on repairs, replacement or~~ 43

~~remedying defects or for any loss of time incurr~~

~~under that Contract not to deliver the Vessel to the Owners,~~ 77

t~~he Owners shall upon giving to the Charterers written~~ 78 ~~notice of Builders becoming so entitled, be excused from~~ 79 ~~giving delivery of the Vessel to the Charterers and upon~~ 80 ~~receipt of such notice by the Charterers this Charter shal~~l 81 ~~cease to have effect.~~ 82

**~~(c)~~** ~~If for any reason the Owners become entitled under~~ 83

t~~he Building Contract to reject the Vessel the Owners shall,~~ 84

~~before exercising such right of rejection, consult the~~ 85

~~Charterers and thereupon~~ 86

**~~(i)~~** ~~if the Charterers do not wish to take delivery of the Vesse~~l 87

t~~hey shall inform the Owners within seven (7) running days~~ 88 ~~by notice in writing and upon receipt by the Owners of such~~ 89 ~~notice this Charter shall cease to have effect; or~~ 90

**~~(ii)~~** ~~if the Charterers wish to take delivery of the Vesse~~l 91

t~~hey may by notice in writing within seven (7) running days~~ 92

~~require the Owners to negotiate with the Builders as to the~~ 93

t~~erms on which delivery should be taken and/or refrain from~~ 94 ~~exercising their right to rejection and upon receipt of such~~ 95 ~~notice the Owners shall commence such negotiations and/~~ 96 ~~or take delivery of the Vessel from the Builders and deliver~~ 97 ~~her to the Charterers~~; 98

**~~(iii)~~** ~~in no circumstances shall the Charterers be entitled to~~ 99

~~reject the Vessel unless the Owners are able to reject the~~ 100

~~Vessel from the Builders;~~ 101

**~~(iv)~~** ~~if this Charter terminates under sub-clause (b) or (c) of~~ 102

t~~his Clause, the Owners shall thereafter not be liable to the~~ 103

~~Charterers for any claim under or arising out of this Charter~~ 104

~~or its termination.~~ 105

**~~(d)~~** ~~Any liquidated damages for delay in delivery under the~~ 106

~~Building Contract and any costs incurred in pursuing a claim~~ 107

t~~herefor shall accrue to the account of the party stated in~~ 108

~~Box 41(c)~~ ~~or if not filled in shall be shared equally between~~ 109

t~~he parties.~~ 110

**~~3. Guarantee Works~~** 111

~~Any liquidated damages for physical defects or deficiencies~~ 45 I~~f not otherwise agreed, the Owners authorise the~~ 112

~~shall accrue to the account of the party stated in Box 41(a)~~ 46

~~or if not filled in shall be shared equally between the parties.~~ 47

~~The costs of pursuing a claim or claims against the Builders~~ 48

~~under this Clause (including any liability to the Builders)~~ 49

~~shall be borne by the party stated in Box 41(b)~~ ~~or if not~~ 50

f~~illed in shall be shared equally between the parties.~~ 51

**~~2. Time and Place of Delivery~~** 52

**~~(a)~~** ~~Subject to the Vessel having completed her~~ 53 ~~acceptance trials including trials of cargo equipment in~~ 54 ~~accordance with the Building Contract and specifications~~ 55

t~~o the satisfaction of the Charterers, the Owners shall give~~ 56 ~~and the Charterers shall take delivery of the Vessel afloat~~ 57 ~~when ready for delivery and properly documented at the~~ 58

~~Builders’ Yard or some other safe and readily accessible~~ 59 ~~dock, wharf or place as may be agreed between the parties~~ 60 ~~hereto and the Builders. Under the Building Contract the~~ 61

~~Builders have estimated that the Vessel will be ready for~~ 62 ~~delivery to the Owners as therein provided but the delivery~~ 63 ~~date for the purpose of this Charter shall be the date when~~ 64

t~~he Vessel is in fact ready for delivery by the Builders after~~ 65 ~~completion of trials whether that be before or after as~~ 66 ~~indicated in the Building Contract. The Charterers shall not~~ 67 ~~be entitled to refuse acceptance of delivery of the Vesse~~l 68

~~Charterers to arrange for the guarantee works to be~~ 113

~~performed in accordance with the building contract terms,~~ 114

~~and hire to continue during the period of guarantee works.~~ 115

~~The Charterers have to advise the Owners about the~~ 116

~~performance to the extent the Owners may request~~. 117

**~~4. Name of Vessel~~** 118

~~The name of the Vessel shall be mutually agreed between~~ 119

t~~he Owners and the Charterers and the Vessel shall be~~ 120

~~painted in the colours, display the funnel insignia and fly~~ 121

t~~he house flag as required by the Charterers.~~ 122

**~~5. Survey on Redelivery~~** 123

~~The Owners and the Charterers shall appoint surveyors~~ 124

f~~or the purpose of determining and agreeing in writing the~~ 125

~~condition of the Vessel at the time of re-delivery.~~ 126

~~Without prejudice to Clause 15~~ ~~(Part II), the Charterers~~ 127

~~shall bear all survey expenses and all other costs, if any,~~ 128

i~~ncluding the cost of docking and undocking, if required,~~ 129 ~~as well as all repair costs incurred. The Charterers shal~~l 130 ~~also bear all loss of time spent in connection with any~~ 131 ~~docking and undocking as well as repairs, which shall be~~ 132 ~~paid at the rate of hire per day or pro rata.~~ 133

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**“BARECON 2001” Standard Bareboat Charter**

**PART IV HIRE/PURCHASE AGREEMENT**

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

**OPTIONAL PART**

On expiration of this Charter or at any such earlier period as agreed between the Owners and Charterers and provided the Charterers 1

have fulfilled their obligations according to Part I and II 2 as well as Part III, if applicable, it is agreed, that on 3 payment of the final payment of hire as per Clause 11 4 the Charterers have purchased the Vessel with 5 everything belonging to her and the Vessel is fully paid 6 for. 7

*In the following paragraphs the Owners are referred to* 8

*as the Sellers and the Charterers as the Buyers.* 9

The Vessel shall be delivered by the Sellers and taken 10

over by the Buyers on expiration of the Charter. 11

The Sellers guarantee that the Vessel, at the time of 12 delivery, is free from all encumbrances and maritime 13 liens or any debts whatsoever other than those arising 14 from anything done or not done by the Buyers or any 15 existing mortgage agreed not to be paid off by the time 16 of delivery. Should any claims, which have been incurred 17 prior to the time of delivery be made against the Vessel, 18 the Sellers hereby undertake to indemnify the Buyers 19 against all consequences of such claims to the extent it 20 can be proved that the Sellers are responsible for such 21 claims. Any taxes, notarial, consular and other charges 22 and expenses connected with the purchase and 23 registration under Buyers’ flag, shall be for Buyers’ 24 account. Any taxes, consular and other charges and 25 expenses connected with closing of the Sellers’ register, 26 shall be for Sellers’ account. 27

In exchange for payment of the last month’s hire 28

instalment the Sellers shall furnish the Buyers with a 29

Bill of Sale duly attested and legalized, together with a 30

certificate setting out the registered encumbrances, if 31

any. On delivery of the Vessel the Sellers shall provide 32

for deletion of the Vessel from the Ship’s Register and 33

deliver a certificate of deletion to the Buyers. 34

The Sellers shall, at the time of delivery, hand to the 35

Buyers all classification certificates (for hull, engines, 36 anchors, chains, etc.), as well as all plans which may 37 be in Sellers’ possession. 38

The Wireless Installation and Nautical Instruments, 39 unless on hire, shall be included in the sale without any 40 extra payment. 41

The Vessel with everything belonging to her shall be at 42

Sellers’ risk and expense until she is delivered to the 43

Buyers, subject to the conditions of this Contract and 44

the Vessel with everything belonging to her shall be 45 delivered and taken over as she is at the time of delivery, 46 after which the Sellers shall have no responsibility for 47 possible faults or deficiencies of any description. 48

The Buyers undertake to pay for the repatriation of the 49

Master, officers and other personnel if appointed by the 50

Sellers to the port where the Vessel entered the Bareboat 51

Charter as per Clause 3 (Part II) or to pay the equivalent 52

cost for their journey to any other place. 53

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**“BARECON 2001” Standard Bareboat Charter**

**PART V**

**OPTIONAL PART**

**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

For the purpose of this PART V, the following terms shall 2

have the meanings hereby assigned to them: 3

“The Bareboat Charter Registry” shall mean the registry 4 of the State whose flag the Vessel will fly and in which 5 the Charterers are registered as the bareboat charterers 6 during the period of the Bareboat Charter. 7

“The Underlying Registry” shall mean the registry of the 8 state in which the Owners of the Vessel are registered 9 as Owners and to which jurisdiction and control of the 10

Vessel will revert upon termination of the Bareboat 11

Charter Registration. **THE CHANGE OF FLAG AND/OR** 12

**REGISTRY AND RE-CHANGE BACK TO ITS ORIGINAL FLAG AND/OR REGISTRY SHALL BE**

**ARRANGED BY CHARTERERS AT THEIR RISK, TIME**

**AND COST.**

**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

**3. Termination of Charter by Default** 17

If the Vessel chartered under this Charter is registered 18

in a Bareboat Charter Registry as stated in Box 44, and 19

if the Owners shall default in the payment of any amounts 20

due under the mortgage(s) specified in Box 28, the 21

Charterers shall, if so required by the mortgagee, direct 22

the Owners to re-register the Vessel in the Underlying 23

Registry as shown in Box 45. 24

In the event of the Vessel being deleted from the 25

Bareboat Charter Registry as stated in Box 44, due to a 26 default by the Owners in the payment of any amounts 27 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

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