



BIMCO STANDARD BAREBOAT CHARTER
CODE NAME: "BARECON 2001"

PART I

1. Shipbroker		2. Place and date	
3. Owners/Place of business (Cl. 1)		4. Bareboat Charterers/Place of business (Cl. 1)	
5. Vessel's name, call sign and flag (Cl. 1 and 3)			
6. Type of Vessel		7. GT/NT	
8. When/Where built		9. Total DWT (abt.) in metric tons on summer freeboard	
10. Classification Society (Cl. 3)		11. Date of last special survey by the Vessel's classification society	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3)			
13. Port or Place of delivery (Cl. 3)		14. Time for delivery (Cl. 4)	15. Cancelling date (Cl. 5)
16. Port or Place of redelivery (Cl. 15)		17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15)	
18. Running days' notice if other than stated in Cl. 4		19. Frequency of dry-docking (Cl. 10(g))	
20. Trading limits (Cl. 6)			
21. Charter period (Cl. 2)		22. Charter hire (Cl. 11)	
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(Cl. 10(a)(ii))			
24. Rate of interest payable acc. to Cl. 11(f) and, if applicable, acc. to PART IV		25. Currency and method of payment (Cl. 11)	

First issued by
The Baltic and International Maritime Council (BIMCO), Copenhagen, in 1974
as "Barecon A" and "Barecon B". Revised and amalgamated 1989. Revised 2001

Copyright, published by
The Baltic and International Maritime Council (BIMCO), Copenhagen. Issued November 2001

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))	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies)(optional)	38. Name and place of Builders (only to be filled in if PART III applies)
39. Vessel's Yard Building No. (only to be filled in if PART III applies)	40. Date of Building Contract (only to be filled in if PART III applies)
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) b) c)	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies)(optional)	43. Bareboat Charter Registry (indicate "yes" or "no" whether PART V applies)(optional)
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies)	45. Country of the Underlying Registry (only to be filled in if PART V applies)
46. Number of additional clauses covering special provisions, if agreed	

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

Signature (Owners)	Signature (Charterers)
--------------------	------------------------

PART II
"BARECON 2001" Standard Bareboat Charter

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

PART II
"BARECON 2001" Standard Bareboat Charter

themselves that the Vessel is being properly repaired and maintained. The costs and fees for such inspection or survey shall be paid by the Owners unless the Vessel is found to require repairs or maintenance in order to achieve the condition so provided;	130 131 132 133 134	between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under this Charter shall, in the absence of agreement, be referred to the dispute resolution method agreed in Clause 30.	196 197 198 199 200
(b) in dry-dock if the Charterers have not dry-docked her in accordance with Clause 10(g). The costs and fees for such inspection or survey shall be paid by the Charterers; and	135 136 137 138	(iii) <u>Financial Security</u> - The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.	201 202 203 204 205 206 207 208 209 210 211 212
(c) for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners.	139 140 141 142 143	The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.	213 214 215 216 217 218
All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period.	144 145 146	(b) <u>Operation of the Vessel</u> - The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag State fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners.	209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230
The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.	147 148 149 150 151	Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law.	231 232 233
9. Inventories, Oil and Stores	152	(c) The Charterers shall keep the Owners and the mortgagee(s) advised of the intended employment, planned dry-docking and major repairs of the Vessel, as reasonably required.	234 235 236 237
A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.	153 154 155 156 157 158 159 160 161 162 163 164 165 166 167	(d) <u>Flag and Name of Vessel</u> - During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-registration, if required by the Owners, shall be at the Charterers' expense and time.	220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248
10. Maintenance and Operation	168	(e) <u>Changes to the Vessel</u> - Subject to Clause 10(a)(ii), the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter.	238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256
(a)(i) <u>Maintenance and Repairs</u> - During the Charter Period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, except as provided for in Clause 14(f), if applicable, at their own expense they shall at all times keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.	169 170 171 172 173 174 175 176 177 178 179 180 181 182	(f) <u>Use of the Vessel's Outfit, Equipment and Appliances</u> - The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary wear and tear excepted. The	257 258 259 260 261 262 263
(ii) <u>New Class and Other Safety Requirements</u> - In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing (excluding the Charterers' loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5 per cent. of the Vessel's insurance value as stated in Box 29, then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as	183 184 185 186 187 188 189 190 191 192 193 194 195		

PART II
"BARECON 2001" Standard Bareboat Charter

- Charterers shall from time to time during the Charter Period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period if requested by the Owners. Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.
- (g) Periodical Dry-Docking** - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not less than once during the period stated in Box 19 or, if Box 19 has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag State.
- 11. Hire**
- (a)** The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.
- (b)** The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22 which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.
- (c)** Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25 and at the place mentioned in Box 26.
- (d)** Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally according to the number of days and hours remaining before redelivery and advance payment to be effected accordingly.
- (e)** Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.
- (f)** Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If Box 24 has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) for the currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due, increased by 2 per cent., shall apply.
- (g)** Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.
- 12. Mortgage**
(only to apply if Box 28 has been appropriately filled in)
- *)** (a) The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.
- *)** (b) The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.
- *)** *(Optional, Clauses 12(a) and 12(b) are alternatives; indicate alternative agreed in Box 28).*
- 13. Insurance and Repairs**
- (a)** During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve, which approval shall not be un-reasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.
- 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.
- All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers' account.
- (b)** If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional

PART II
"BARECON 2001" Standard Bareboat Charter

insurance effected, including copies of any cover notes	397	presentation of accounts.	464
or policies and the written consent of the insurers of	398	(e) The Charterers to remain responsible for and to	465
any such required insurance in any case where the	399	effect repairs and settlement of costs and expenses	466
consent of such insurers is necessary.	400	incurred thereby in respect of all other repairs not	467
(c) The Charterers shall upon the request of the	401	covered by the insurances and/or not exceeding any	468
Owners, provide information and promptly execute such	402	possible franchise(s) or deductibles provided for in the	469
documents as may be required to enable the Owners to	403	insurances.	470
comply with the insurance provisions of the Financial	404	(f) All time used for repairs under the provisions of	471
Instrument.	405	sub-clauses 14(d) and 14(e) and for repairs of latent	472
(d) Subject to the provisions of the Financial Instru-	406	defects according to Clause 3 above, including any	473
ment, if any, should the Vessel become an actual,	407	deviation, shall be for the Charterers' account and shall	474
constructive, compromised or agreed total loss under	408	form part of the Charter Period.	475
the insurances required under sub-clause 13(a), all	409	The Owners shall not be responsible for any expenses	476
insurance payments for such loss shall be paid to the	410	as are incident to the use and operation of the Vessel	477
Owners who shall distribute the moneys between the	411	for such time as may be required to make such repairs.	478
Owners and the Charterers according to their respective	412	(g) If the conditions of the above insurances permit	479
interests. The Charterers undertake to notify the Owners	413	additional insurance to be placed by the parties such	480
and the mortgagee(s), if any, of any occurrences in	414	cover shall be limited to the amount for each party set	481
consequence of which the Vessel is likely to become a	415	out in Box 30 and Box 31, respectively. The Owners or	482
total loss as defined in this Clause.	416	the Charterers as the case may be shall immediately	483
(e) The Owners shall upon the request of the	417	furnish the other party with particulars of any additional	484
Charterers, promptly execute such documents as may	418	insurance effected, including copies of any cover notes	485
be required to enable the Charterers to abandon the	419	or policies and the written consent of the insurers of	486
Vessel to insurers and claim a constructive total loss.	420	any such required insurance in any case where the	487
(f) For the purpose of insurance coverage against hull	421	consent of such insurers is necessary.	488
and machinery and war risks under the provisions of	422	(h) Should the Vessel become an actual, constructive,	489
sub-clause 13(a), the value of the Vessel is the sum	423	compromised or agreed total loss under the insurances	490
indicated in Box 29.	424	required under sub-clause 14(a), all insurance payments	491
		for such loss shall be paid to the Owners, who shall	492
		distribute the moneys between themselves and the	493
		Charterers according to their respective interests.	494
14. Insurance, Repairs and Classification	425	(i) If the Vessel becomes an actual, constructive,	495
(Optional, only to apply if expressly agreed and stated	426	compromised or agreed total loss under the insurances	496
in Box 29, in which event Clause 13 shall be considered	427	arranged by the Owners in accordance with sub-clause	497
deleted).	428	14(a), this Charter shall terminate as of the date of such	498
(a) During the Charter Period the Vessel shall be kept	429	loss.	499
insured by the Owners at their expense against hull and	430	(j) The Charterers shall upon the request of the	500
machinery and war risks under the form of policy or	431	Owners, promptly execute such documents as may be	501
policies attached hereto. The Owners and/or insurers	432	required to enable the Owners to abandon the Vessel	502
shall not have any right of recovery or subrogation	433	to the insurers and claim a constructive total loss.	503
against the Charterers on account of loss of or any	434	(k) For the purpose of insurance coverage against hull	504
damage to the Vessel or her machinery or appurte-	435	and machinery and war risks under the provisions of	505
enances covered by such insurances, or on account of	436	sub-clause 14(a), the value of the Vessel is the sum	506
payments made to discharge claims against or liabilities	437	indicated in Box 29.	507
of the Vessel or the Owners covered by such insurance.	438	(l) Notwithstanding anything contained in sub-clause	508
Insurance policies shall cover the Owners and the	439	10(a), it is agreed that under the provisions of Clause	509
Charterers according to their respective interests.	440	14, if applicable, the Owners shall keep the Vessel's	510
(b) During the Charter Period the Vessel shall be kept	441	Class fully up to date with the Classification Society	511
insured by the Charterers at their expense against	442	indicated in Box 10 and maintain all other necessary	512
Protection and Indemnity risks (and any risks against	443	certificates in force at all times.	513
which it is compulsory to insure for the operation of the	444		
Vessel, including maintaining financial security in	445		
accordance with sub-clause 10(a)(iii)) in such form as	446		
the Owners shall in writing approve which approval shall	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 all	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		
		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
		such ready safe berth as the Owners may direct. The	518
		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

PART II
"BARECON 2001" Standard Bareboat Charter

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

PART II
"BARECON 2001" Standard Bareboat Charter

- 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 Acquisition" 672
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
acts of terrorists, acts of hostility or malicious damage, 684
blockades (whether imposed against all vessels or 685
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 dangerous, 701
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 a 711
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
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

PART II
"BARECON 2001" Standard Bareboat Charter

Charterers or their bankers, the Owners shall give	787	from the Charterers at her current or next port of call, or	854
the Charterers written notice of the number of clear	788	at a port or place convenient to them without hindrance	855
banking days stated in Box 34 (as recognised at	789	or interference by the Charterers, courts or local	856
the agreed place of payment) in which to rectify	790	authorities. Pending physical repossession of the Vessel	857
the failure, and when so rectified within such	791	in accordance with this Clause 29, the Charterers shall	858
number of days following the Owners' notice, the	792	hold the Vessel as gratuitous bailee only to the Owners.	859
payment shall stand as regular and punctual.	793	The Owners shall arrange for an authorised represent-	860
Failure by the Charterers to pay hire within the	794	ative to board the Vessel as soon as reasonably	861
number of days stated in Box 34 of their receiving	795	practicable following the termination of the Charter. The	862
the Owners' notice as provided herein, shall entitle	796	Vessel shall be deemed to be repossessed by the	863
the Owners to withdraw the Vessel from the service	797	Owners from the Charterers upon the boarding of the	864
of the Charterers and terminate the Charter without	798	Vessel by the Owners' representative. All arrangements	865
further notice;	799	and expenses relating to the settling of wages,	866
(ii) the Charterers fail to comply with the requirements of:	800	disembarkation and repatriation of the Charterers'	867
(1) Clause 6 (Trading Restrictions)	801	Master, officers and crew shall be the sole responsibility	868
(2) Clause 13(a) (Insurance and Repairs)	802	of the Charterers.	869
provided that the Owners shall have the option, by	803		
written notice to the Charterers, to give the	804	30. Dispute Resolution	870
Charterers a specified number of days grace within	805	*) (a) This Contract shall be governed by and construed	871
which to rectify the failure without prejudice to the	806	in accordance with English law and any dispute arising	872
Owners' right to withdraw and terminate under this	807	out of or in connection with this Contract shall be referred	873
Clause if the Charterers fail to comply with such	808	to arbitration in London in accordance with the Arbitration	874
notice;	809	Act 1996 or any statutory modification or re-enactment	875
(ii) the Charterers fail to rectify any failure to comply	810	thereof save to the extent necessary to give effect to	876
with the requirements of sub-clause 10(a)(i)	811	the provisions of this Clause	877
(Maintenance and Repairs) as soon as practically	812	The arbitration shall be conducted in accordance with	878
possible after the Owners have requested them in	813	the London Maritime Arbitrators Association (LMAA)	879
writing so to do and in any event so that the Vessel's	814	Terms current at the time when the arbitration proceed-	880
insurance cover is not prejudiced.	815	ings are commenced.	881
(b) <u>Owners' Default</u>	816	The reference shall be to three arbitrators. A party	882
If the Owners shall by any act or omission be in breach	817	wishing to refer a dispute to arbitration shall appoint its	883
of their obligations under this Charter to the extent that	818	arbitrator and send notice of such appointment in writing	884
the Charterers are deprived of the use of the Vessel	819	to the other party requiring the other party to appoint its	885
and such breach continues for a period of fourteen (14)	820	own arbitrator within 14 calendar days of that notice and	886
running days after written notice thereof has been given	821	stating that it will appoint its arbitrator as sole arbitrator	887
by the Charterers to the Owners, the Charterers shall	822	unless the other party appoints its own arbitrator and	888
be entitled to terminate this Charter with immediate effect	823	gives notice that it has done so within the 14 days	889
by written notice to the Owners.	824	specified. If the other party does not appoint its own	890
(c) <u>Loss of Vessel</u>	825	arbitrator and give notice that it has done so within the	891
This Charter shall be deemed to be terminated if the	826	14 days specified, the party referring a dispute to	892
Vessel becomes a total loss or is declared as a	827	arbitration may, without the requirement of any further	893
constructive or compromised or arranged total loss. For	828	prior notice to the other party, appoint its arbitrator as	894
the purpose of this sub-clause, the Vessel shall not be	829	sole arbitrator and shall advise the other party	895
deemed to be lost unless she has either become an	830	accordingly. The award of a sole arbitrator shall be	896
actual total loss or agreement has been reached with	831	binding on both parties as if he had been appointed by	897
her underwriters in respect of her constructive,	832	agreement.	898
compromised or arranged total loss or if such agreement	833	Nothing herein shall prevent the parties agreeing in	899
with her underwriters is not reached it is adjudged by a	834	writing to vary these provisions to provide for the	900
competent tribunal that a constructive loss of the Vessel	835	appointment of a sole arbitrator.	901
has occurred.	836	In cases where neither the claim nor any counterclaim	902
(d) Either party shall be entitled to terminate this	837	exceeds the sum of US\$50,000 (or such other sum as	903
Charter with immediate effect by written notice to the	838	the parties may agree) the arbitration shall be conducted	904
other party in the event of an order being made or	839	in accordance with the LMAA Small Claims Procedure	905
resolution passed for the winding up, dissolution,	840	current at the time when the arbitration proceedings are	906
liquidation or bankruptcy of the other party (otherwise	841	commenced.	907
than for the purpose of reconstruction or amalgamation)	842	*) (b) This Contract shall be governed by and construed	908
or if a receiver is appointed, or if it suspends payment,	843	in accordance with Title 9 of the United States Code	909
ceases to carry on business or makes any special	844	and the Maritime Law of the United States and any	910
arrangement or composition with its creditors.	845	dispute arising out of or in connection with this Contract	911
(e) The termination of this Charter shall be without	846	shall be referred to three persons at New York, one to	912
prejudice to all rights accrued due between the parties	847	be appointed by each of the parties hereto, and the third	913
prior to the date of termination and to any claim that	848	by the two so chosen; their decision or that of any two	914
either party might have.	849	of them shall be final, and for the purposes of enforcing	915
		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
		In cases where neither the claim nor any counterclaim	920
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		

PART II
"BARECON 2001" Standard Bareboat Charter

- exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.
- *) (c) This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.
- (d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.
- In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:-
- (i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.
- (ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.
- (iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.
- (iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.
- (v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.
- (vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.
- (vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.
- (Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)*
- (e) If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall apply in all cases.
- *) Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.
- 31. Notices**
- (a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.
- (b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.

**PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY**
(Optional, only to apply if expressly agreed and stated in Box 37)

1. **Specifications and Building Contract**
 - (a) The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract") as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been countersigned as approved by the Charterers.
 - (b) No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.
 - (c) The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.
 - (d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any. Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies. However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred. Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties. The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.
2. **Time and Place of Delivery**
 - (a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.
 - (b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.
 - (c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon
 - (i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or
 - (ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;
 - (iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;
 - (iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.
 - (d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.
3. **Guarantee Works**

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

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

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

PART IV
HIRE/PURCHASE AGREEMENT

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

On expiration of this Charter and provided the Charterers
have fulfilled their obligations according to Part I and II
as well as Part III, if applicable, it is agreed, that on
payment of the final payment of hire as per Clause 11
the Charterers have purchased the Vessel with
everything belonging to her and the Vessel is fully paid
for.

In the following paragraphs the Owners are referred to
as the Sellers and the Charterers as the Buyers.

The Vessel shall be delivered by the Sellers and taken
over by the Buyers on expiration of the Charter.

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

In exchange for payment of the last month's hire
instalment the Sellers shall furnish the Buyers with a
Bill of Sale duly attested and legalized, together with a
certificate setting out the registered encumbrances, if
any. On delivery of the Vessel the Sellers shall provide
for deletion of the Vessel from the Ship's Register and
deliver a certificate of deletion to the Buyers.
The Sellers shall, at the time of delivery, hand to the
Buyers all classification certificates (for hull, engines,
anchors, chains, etc.), as well as all plans which may
be in Sellers' possession.

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

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.

The Buyers undertake to pay for the repatriation of the
Master, officers and other personnel if appointed by the
Sellers to the port where the Vessel entered the Bareboat
Charter as per Clause 3 (Part II) or to pay the equivalent
cost for their journey to any other place.

Sample

PART V
PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY
(Optional, only to apply if expressly agreed and stated in Box 43)

- | | |
|---|---|
| <p>1. Definitions</p> <p>For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:</p> <p>"<u>The Bareboat Charter Registry</u>" 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.</p> <p>"<u>The Underlying Registry</u>" 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.</p> <p>2. Mortgage</p> <p>The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.</p> | <p>3. Termination of Charter by Default</p> <p>If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.</p> <p>In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.</p> |
|---|---|

Sample COPY