

discharged and the rent shall continue to be payable notwithstanding such arrest. The Lessee shall immediately notify the Lessor if such an arrest occurs.

(6) If the Vessel is sold by order of judicial or other authority while under arrest, the Lessee shall pay the Lessor the stipulated loss value referred to in item (9) of the Schedule hereto.

(7) The Lessor shall be entitled by a written notice to the Lessee to terminate this Lease Agreement in the event of the capture or seizure of the Vessel solely due to the fault of the Lessee: PROVIDED HOWEVER that if after such termination the Lessee or the Lessor shall have regained possession of the Vessel before the end of the lease period and insurers have not by then agreed that the Vessel be treated as an actual or constructive total loss, the Lessor can elect at his entire discretion and upon giving notice, in writing if practicable, to the Lessee to revive this Lease Agreement as from the date of such repossession. With effect from the date of such revival, the obligations of both parties hereunder shall revive. The interval between termination and revival shall be counted as part of the lease period and rent shall be payable in respect of such interval and all other obligations hereunder where applicable shall subsist during such interval. The rate of the rent on the revival of the Lease Agreement shall be the rate which would have been applicable if the lease had remained in force throughout the interval.

(8) The Lessee at his own expense may paint the Vessel his own colours, install and display his funnel insignia and fly his own house flag.

(9) The Lessee shall compensate the Lessor for all damages to the Vessel or to a third party (whether or not caused by the Lessee) and shall indemnify the Lessor against all loss, damages, costs, claims and demands which may be made against the Lessor arising out of or in consequence of the operation, custody or use of the Vessel during the lease period.

#### Article 8. (Maintenance of Vessel)

(1) The Vessel shall during the lease period be in the full possession and at the disposal for all purposes of the Lessee and under his complete control in every respect. The Lessee shall, during the lease period, take all reasonable steps at his own expense:

- (a) to maintain the Vessel, her machinery, boilers, appurtenances and spare parts in good state of repair and in efficient operating condition in accordance with good commercial practice, ordinary wear and tear excepted;
- (b) to keep the Vessel with unexpired classification stipulated in item (1) of the Schedule and other requisite certificates in force and observe and perform the terms and conditions of the said classification society and any restrictions or recommendations imposed on the Vessel's use and generally to maintain the Vessel in accordance with all laws and regulations to which the Vessel may be subject;
- (c) to keep continuous machinery survey certificate current at all times; and

(d) to observe and perform save for the payment of the principal monies and interest thereby secured all the terms and conditions of any mortgage granted over the Vessel, of all insurance effected on the Vessel and of the laws and regulations of the country of the Vessel's registration or of any country visited by the Vessel.

(2) During the lease period, the Lessee shall, at his own expense or by his own procurement, and in accordance with the laws and regulations of the Vessel's registration or any other country the Vessel may visit and in accordance with the provisions of any insurance on the Vessel or the regulations of the classification society, properly victual, navigate, operate, supply, fuel and repair the Vessel whenever required and shall be responsible for all charges and expenses of every kind and nature whatsoever incidental to his use and operation of the Vessel under this lease. The Lessee shall ensure that the Master, the officers and the crew are at all times properly certified according to the laws and regulations of the Vessel's registration.

The Lessee shall notify the Lessor of the nationality of a majority of the crew members and any alteration thereof.

(3) The Lessee shall dry-dock the Vessel and clean and paint her underwater parts whenever necessary and at least once in every year. The Lessee shall give the Lessor, in so far as circumstances permit, not less than 14 days prior written notice of the date and place of any proposed dry-docking.

(4) The Lessee undertakes to pass the Vessel's annual docking, annual survey yearly and special survey (Hull) every 4 years (or such other intervals as the Classification Society permits) strictly in accordance with rules of Class.

(5) The Lessee shall have the use of all equipment (which expression includes cabin, crew and galley equipment, navigational aids and technical equipment, furnishing, furniture and fittings and spare and replacement parts) the property of the Lessor on board the Vessel at the time of delivery, and the same, or their substantial equivalent, shall be returned to the Lessor on redelivery in good order and condition, ordinary wear and tear alone excepted. The Lessee shall from time to time during the lease period replace at his own expense such items of equipment as shall be so damaged or worn as to be unfit for use. The Lessee shall be responsible for furnishing all supplies and all items so supplied shall become the property of the Lessor.

(6) The Lessee may at any time at his own expense alter or remove all or any items of equipment, or may fit any additional items of equipment required to render the Vessel available for any purpose for which the Lessee may require to use the Vessel. Any additional equipment so fitted by the Lessee shall be the property of the Lessor who may remove such additional equipment at any time before the expiration of the lease period. The cost of fitting or removing any equipment together with the cost of making good any damage caused by such fitting or removal shall be payable in full by the Lessee who shall redeliver the Vessel's equipment to the Lessor in accordance with the preceding provisions.

(7) The Lessee shall bear and pay as notified by the Lessor all registration fees, taxes and levies (if any) which may be imposed upon the ownership, custody or use of the Vessel, and any taxes which may be imposed in respect of this Agreement, excluding taxes to be imposed on the Lessor's income.

Article 9. (Alteration of Vessel)

(1) The Lessee shall make no changes in the structure of the Vessel nor in her machinery or boilers without in each instance first securing the written approval of the Lessor.

The cost of any such changes shall be borne by the Lessee who shall produce to the Lessor satisfactory evidence that such costs shall not constitute a lien on the Vessel. Notwithstanding the Lessor's approval to such changes on redelivery of the Vessel to the Lessor the Lessor shall have the option (exercisable before or within 30 days after redelivery) of accepting the Vessel with such changes or of requiring the Lessee at the Lessee's expense to restore the Vessel to her original condition.

(2) If the Lessee does make any changes to the Vessel or changes the Vessel without the consent of the Lessor, the Lessee shall immediately upon being required so to do by the Lessor restore the Vessel to her original condition at the Lessee's expense.

(3) Any additions, improvements or alterations made to the Vessel (whether or not with the Lessor's consent) shall be deemed to form part of the Vessel.

Article 10. (Inspection of Vessel)

(1) The Lessor shall have the right at any time, on reasonable notice, to inspect or survey the Vessel or instruct a duly authorized surveyor to carry out such survey on his behalf in order to ascertain the condition of the Vessel and to satisfy himself that the Vessel is being properly repaired and maintained.

(2) In so far as practicable and subject to circumstances giving rise to the Lessor wishing to survey or inspect the Vessel the Lessor shall endeavour (but not be obligated) to restrict inspections or surveys to times when the Vessel is being dry-docked by the Lessee.

(3) If the Lessor shall require the Vessel to be dry-docked solely for the purpose of such inspection or survey and such inspection or survey shall reveal that the Lessee has complied with his obligations under this Lease Agreement the cost of such dry-docking and inspection or survey shall be payable by the Lessor and no rent shall be payable hereunder in respect of any period during which the Vessel is not available for use and operation solely by reason of such dry-docking and inspection or survey and any rent paid in advance shall be repaid to the Lessee. Similarly, where an inspection or survey is carried out in accordance with paragraph (1) hereof without dry-docking and such inspection or survey shall reveal that the Lessee has complied with his obligations under this Lease Agreement the cost thereof shall be payable by the Lessor and no rent shall be payable hereunder and any rent paid in advance shall be repaid to the Lessee. Save as aforesaid the cost reasonably incurred in respect of any inspection or survey carried out in accordance with paragraph (1) hereof shall be paid by the Lessee to the Lessor.

(4) Such repairs as shall be shown to be required by any such inspection or survey shall be carried out at the Lessee's expense and shall be commenced within three months or such other period as can be mutually agreed of the Lessee's receiving notice in writing from the Lessor requiring him to carry out such repairs. Time taken in respect of inspection, survey or repairs shall not extend the lease period.

(5) The Lessee shall, whenever requested, on reasonable notice permit the Lessor to inspect the Vessel's log-books and furnish the Lessor with the full information regarding any accidents or damage to the Vessel as soon as the same occurs. The Lessee shall also furnish the Lessor with full information regarding the operation of the Vessel upon request by the Lessor.

Article 11. (Loss and Damage to Vessel)

(1) The Lessee hereby assumes and shall bear the entire risk of loss and damage to the Vessel which may be caused until redelivery of the Vessel (ordinary wear and tear only excepted).

(2) In the event of loss or damage to the Vessel, the Lessee, at his cost and expense and at the option of the Lessor, shall:

(a) place the same in good repair, condition and working order, or

(b) replace the same with like Vessel in good repair, condition and working order.

(3) In the event of the Vessel being totally lost (including constructive total loss or infringement of ownership), the Lessee shall pay to the Lessor the stipulated loss value described in item (9) of the Schedule.

(4) In case of paragraph (2) above, this Lease Agreement shall continue without any amendment and in particular rent shall continue to be payable, and in case of paragraph (3) above, this Lease Agreement shall terminate upon completion of payment of the stipulated loss value but until such payment is made rent shall continue to be payable.

(5) On payment by the Lessee of the stipulated loss value in accordance with paragraph (2) hereof the Lessor shall transfer to the Lessee the ownership of the Vessel in its then present condition together with its rights against third parties PROVIDED THAT the Lessor shall not be held responsible for nor be deemed to have made any warranties whatsoever as to the condition, functioning, quality or working order of the Vessel or the financial ability or otherwise of any such third party to sustain any claim against him, or the validity of any such transfer of ownership.

Article 12. (Insurance)

(1) During the lease period the Vessel shall be kept insured by the Lessee at his expense with first class insurers satisfactory to the Lessor (and mortgagees, if any) against marine, war and Protection and Indemnity risks including freight, demurrage and defence in the Lessor's name (and in the name of the mortgagees, if any) of the Vessel in such form as the Lessor (and mortgagees, if any) shall in writing approve, which approval shall not be unreasonably withheld. The Lessee shall furnish the Lessor with originals of all insurance policies.

The Lessee shall insure the Vessel in the amounts during the periods as set forth in item (13) of the Schedule.

(2) The Lessee shall also take out at his expense, but in the name of the Lessor loss of carriage insurance on the Vessel during the lease period covering loss of earnings for a period of 180 days after the first 14 days; the amount, terms and conditions of such cover to be to the Lessor's satisfaction.

(3) The Lessee may at his own expense insure the Vessel against other risks as he desires but failure to do so shall not relieve the Lessee from his obligations under Article 8 hereof.

(4) Failure to recover under any insurance shall not relieve the Lessee from his responsibilities under Article 8 hereof.

(5) Should the underwriters accept the Vessel as an actual or constructive or compromised total loss all insurance payments for such loss shall, after satisfying any mortgages, be paid to the Lessor, who shall distribute the monies between the Lessor and the Lessee according to their respective interests. For this purpose, the Lessee's interest is limited to the insured value of any stores, bunkers and any additional equipment which he may put on board and insured against by the Lessee over and above the amount insured to protect the interests of the Lessor and mortgages.

(6) The proceeds of such insurance, at the option of the Lessor, shall be applied:

- (a) towards payment for the acts set forth in (a) and (b) of paragraph (2), Article 11,
- (b) towards payment to the Lessor by the Lessee as provided for in paragraph (3), Article 11, or
- (c) towards payment of damages to a third person or the Lessee due to the occurrence of the accident covered by insurance.

(7) After the Lessor receives such insurance monies the Lessee shall cease to be liable further to the Lessor in respect of the loss of the Vessel, notwithstanding that such loss may have been caused by the negligence of the Lessee or of those for whom he is responsible PROVIDED HOWEVER, if insurers do not or only partially honour the total loss claim on the grounds of the negligence of the Lessee or of those for whom he is responsible, then the Lessee shall be responsible for the total loss of the Vessel to the Lessor to the extent to which the Lessor fails to recover from the Insurers within six months of the claim being made and shall pay the same on written demand by the Lessor. PROVIDED HOWEVER that the Lessee's liability under this provision shall be limited to the difference between the amount, if any, recovered from the insurers within the said period of six months and the stipulated loss value referred to in the Schedule hereto applicable at the time such claim is met or the end of the said six months period whichever is the earlier.

(8) Where there is an apparent constructive total loss the Lessor shall, upon the request of the Lessee, promptly execute such documents as may be required to enable the Lessor and/or the Lessee to abandon the Vessel to insurers and claim a constructive total loss PROVIDED THAT the Lessor shall be entitled by notice in writing to the Lessee to require that in lieu of claim for a constructive total loss a partial loss only shall be claimed.

(9) Neither the Lessor nor the Lessee shall do any act or voluntarily permit or suffer any act to be done whereby any insurance required as aforesaid shall or may be suspended, impaired or defeated. Neither the Lessor nor the Lessee shall, however, be responsible for any failure to comply with this item in so far as such compliance has been delayed, hindered or prevented by any circumstance of whatever

nature which is not within the control of the Lessor or the Lessee as the case may be. Nothing in the foregoing provision shall prohibit either the Lessor or the Lessee from placing additional insurance for their own account, provided that (a) such insurance shall not exceed the amount permitted by warranties or other conditions contained in any insurance required by this Lease Agreement without the consent of the insurers of such required insurance, and (b) the Lessor or the Lessee as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(10) The Lessor shall be entitled whenever any insurance requires renewal to stipulate the currency of the insurance.

Article 13. (Prepayment of Rent)

(1) The Lessee shall prepay to the Lessor simultaneously with the execution of this Agreement such amount of rent as described in item (6) of the Schedule as security for performance of this Agreement.

(2) The prepaid rent provided for in the preceding paragraph shall bear no interest, and subject to paragraph (3) hereof shall be automatically applied by the Lessor in satisfaction of the rents falling due on the dates mentioned in the said item (6) on the due dates therefor until it is exhausted. This provision shall in no way relieve the Lessee from promptly paying rents falling due on dates other than those mentioned in item (6).

(3) Notwithstanding the provisions of paragraph (2) of this Article if the Lessee is in default under any of the provisions of this Agreement (including the events referred to in Article 21 hereof) or of any of the provisions of any transaction referred to in paragraph (4) of this Article then the Lessor shall be entitled to apply the said prepaid rent against all and any monies, damages, arrears of rent and/or stipulated loss value as the Lessor thinks fit and, unless the Lessor shall terminate the leasing under provision (c) of paragraph (1) of Article 14, the Lessee shall, on written demand by the Lessor, again pay to the Lessor the amount of aforesaid prepaid rent (or such amount as may be required to make up the amount referred to in the said item (6)) which shall serve as security and be treated in the same way as the original prepaid rent.

(4) If there is any transaction between the Lessor and the Lessee other than the transaction evidenced by this Agreement, or if there is any security submitted to the Lessor other than the prepaid rent provided for in paragraph (1) or treated as such under paragraph (3) including the prepaid rent herein provided for, all of such securities shall be considered to secure all claims of the Lessor and the order of use of such securities shall be at the entire and unfettered discretion of the Lessor.

(5) Any taxes, excluding taxes attributable to the Lessor's income, that the Lessor may be required to pay to any Government in respect of this Lease shall be reimbursed by the Lessee to the Lessor on demand.

(6) For the avoidance of doubt it is expressly agreed that the rent shall continue to be payable by the Lessee:

- (a) notwithstanding that the Vessel (i) be the subject of capture and/or seizure (within the meaning of Lloyds insurance policies) subject always to the provisions of Article 7, paragraph (7), hereof or (ii) be lost or missing or (iii) be the subject of or prospective subject of a Notice of Abandonment or (iv) be requisitioned for hire, unless the Lessor shall in such a case give the Lessee notice of discontinuance of this Lease, PROVIDED HOWEVER that when the Vessel's underwriters shall compensate the Lessor for such capture, seizure or loss the rent shall cease to be payable by the Lessee. If the date of the capture, seizure or loss is unknown it shall, for the purpose of calculating the aforesaid reimbursements, be deemed to be the day following the last date there was communication with the Vessel;
- (b) notwithstanding that the Vessel may be under arrest or detention by any court or the judicial authority;
- (c) notwithstanding that the Vessel may be damaged or un navigable or any of her certificates have expired or are otherwise invalid or not in order.

Article 14. (Default)

- (1) If the Lessee fails to pay the rent provided for in Article 3 hereof after the same becomes due and payable, or if the Lessee fails to observe or perform all and every provision of this Agreement the Lessor shall have the right to exercise any one or more of the following remedies without having to give any prior notice or demand to the Lessee:
  - (a) to declare a part of or the entire amount of the total rent payable under the Agreement and all other costs and expenses immediately due and payable;
  - (b) to withdraw the Vessel from the Lessee or demand its return;
  - (c) to terminate the leasing created by this Agreement and to look to the Lessee for compensation for all direct and consequential damages including loss of profits.
- (2) Even if the remedies provided for in (a) and (b) of the preceding paragraph have been taken by the Lessor, the Lessee shall not be relieved from any other liability under this Agreement including particularly liability for damages.
- (3) If the Lessee fails to pay any amount including rent due to the Lessor under this Lease Agreement, or any costs and expenses advanced by the Lessor on behalf of the Lessee, the same shall bear interest at the rate described in item (11) of the Schedule until paid in full with such interest.
- (4) If the Lessee fails to pay compensation as aforesaid within 14 days of notice of termination referred to in Article 7, paragraph (4), hereof the Lessee shall be liable to pay the Lessor the then applicable stipulated loss value as set forth in item (9) of the Schedule hereto.
- (5) No monetary obligations of the Lessee under this Lease Agreement may be offset with claims against the Lessor, the Seller, the Lessor's assignees or predecessors in title.

Article 15. (Lapse of Period)

Should any one of the following events take place with respect to the Lessee, the Lessor, without any prior notice or demand, may exercise the remedies as provided for in paragraph (1) of Article 14, and the effect thereof shall be the same as those provided for in paragraph (2) of the same Article:

- (a) suspension or discontinuance of business of the Lessee or bankruptcy or dissolution of the Lessee;
- (b) on the Lessee being the subject of any writ of execution or distraint attachment or disposition (regardless of whether or not the same effects the Vessel) or on a petition for the dissolution of the Lessee being presented;
- (c) on the Lessee failing to meet any judgement debt;
- (d) on the Lessee entering into a composition with its creditors.

Article 16. (Report of Business etc.)

The Lessee shall immediately on demand by the Lessor made at any time provide the Lessor with such particulars material to the Lessee's financial status and the place, state and condition of the Vessel as the Lessor shall require.

Article 17. (Purchase of the Vessel)

The Lessee shall inform in advance the Lessor of the Vessel's operating schedule for a period of three months.

The Lessee shall have the option of purchasing the Vessel from the Lessor for at the expiration of the Lease period provided that the Lessee shall not then be in default of any of the provisions of this Lease Agreement.

If the Lessee exercises the said option the Lessee shall be responsible for all expenses including all legal fees, stamp duties, registration charges, government taxes and any tonnage charges in connection with the transfer of ownership.

Article 18. (Return of Vessel)

- (1) The Lessee shall at its own expense immediately return the Vessel to the Lessor on the expiration or sooner determination of the leasing created by this Agreement.
- (2) The Lessee shall bear all costs and expenses incurred in connection with the return of the Vessel.
- (3) The Lessee shall redeliver the Vessel to the Lessor at a port selected by the Lessor. The Vessel shall be redelivered to the Lessor in Class, free of any recommendations, with all requisite trading certificates (which shall be clean and for the full permitted terms), and in the same or as good structure state and condition as she was in at the time of delivery to the Lessee, ordinary wear and tear above excepted.

(4) At or shortly before the time for redelivery a redelivery survey (with or without dry-docking at the Lessor's option) shall, if the Lessor so requires, be made to determine the condition and fitness of the Vessel, her machinery and equipment. In that event, the Lessee and the Lessor shall each appoint surveyors to be present at such survey and the surveyors present shall determine and state the repairs or work necessary to place the Vessel at the date of redelivery in the structure, state and condition required by this Article. If the said surveyors disagree, they shall refer the matter to a third surveyor, whose decision shall be final and binding on the parties hereto.

(5) The Lessee shall at his own expense make all such repairs and do all such work so found to be necessary before redelivery or at the Lessor's option shall discharge his obligation hereunder by payment to the Lessor of a sum sufficient to provide at the prices current at the time of redelivery, for the work and repairs necessary to place the Vessel in such structure, state and condition. The cost of the joint survey, the dry-docking (if any) and the third surveyor shall be borne by the Lessee.

(6) At redelivery it shall be mutually agreed whether consumable stores are to be taken over and paid for by the Lessor at the market prices current at the port of redelivery.

#### Article 19. (Salvage)

All salvage awards for salvage operations carried out by the Lessee shall be for the Lessee's benefit. Any and all salvage expenses incurred by the Vessel shall be for the Lessee's account.

#### Article 20. (General Average)

(1) General Average, if any, shall be payable according to the York/Antwerp Rules, 1950, or any subsequent modifications thereof current at the time of the casualty, and the Lessee shall ensure that all Bills of Lading issued in respect of goods carried or to be carried aboard the Vessel stipulate accordingly.

(2) The Lessee shall ensure that all Bills of Lading issued as aforesaid contain the current "New Jason" and "Both to Blame" clauses.

#### Article 21. (Indemnity)

The Lessee shall fully and effectually indemnify and keep indemnified the Lessor against all action costs, claims and demands which may be brought against the Lessor in consequence of anything done by or any failure on the part of the Lessee.

The Lessee shall not hold himself out as Owner of the Vessel.

#### Article 22. (Transfer of Lessor's Right)

The Lessor may, without the Lessee's consent, transfer, pledge or mortgage the Vessel subject to the terms of this Lease Agreement.

The Lessor may, without the Lessee's consent, assign, transfer or pledge all or part of its right under this Lease Agreement.

Article 23. (Supplementary Provisions)

- (1) The Lessee hereby agrees that when Supplementary Provisions are made in item (14) of the Schedule hereto such provisions will form part of and be read as one with this Lease Agreement and this Lease Agreement will be supplemented or amended in accordance herewith.
- (2) The captions to the Articles of this Lease Agreement are for reference only and are not an aid in the interpretation of the provisions of this Lease Agreement.
- (3) The lessor at his sole option and discretion shall be entitled on or before the commencement of the lease and at any time thereafter to register against the Vessel a Mortgage in favour of a third party.
- (4) The respective addresses for services of the parties hereto shall be:-  
Lessor:  
  
Lessee:
- (5) Any notice sent by either party to the other at the foregoing address shall be deemed to be duly served if delivered by hand, on the date of delivery; if sent by registered post, three days after posting.
- (6) The said rights and remedies of the Lessor in this Lease contained may be exercised collectively or independently and/or successively.
- (7) No failure or delay on the part of the Lessor to exercise any power or right under this Lease shall operate as a waiver thereof nor shall any single or partial exercise by the Lessor of any power or right hereunder preclude any other or further exercise thereof or the exercise of any other power or right. The remedies provided herein are cumulative and are not exclusive of any remedies provided by law. Notice or demand in similar or other circumstances does not constitute a waiver of the rights of the Lessor to any other or further action in any circumstances without notice or demand.
- (8) Any indulgence or time allowed by the Lessor in respect of any breach shall be valid only if evidenced by a certificate executed by a duly authorized officer of the Lessor and shall relate to the event only for which the indulgence is granted and shall not constitute a waiver in respect of the exercise of rights or remedies with regard to any other breaches whether or not known to the Lessor at the time of granting the aforementioned indulgence.
- (9) All legal charges, costs and expenses in connection with this Lease and all other documentation arising out of or in connection with the transactions evidenced by this Lease or any document herein referred to or connected herewith and all stamp duties, registration fees and taxes will be borne by the Lessee.
- (10) The Lessee agrees to pay (and save the Lessor harmless against liability for the payment of) all out-of-pocket expenses arising in connection with this Lease and the enforcement of any part thereof and otherwise in connection with the transactions evidenced by this Lease, including all stamp duty and other taxes (together with interest and penalties, if any) which may be payable in respect of the execution of this Lease.

Article 24. (Court Jurisdiction etc.)

The governing law of this Agreement and any guarantee given in respect to this Agreement shall be governed by the law of \_\_\_\_\_ and the parties hereto and any guarantor executing the guarantee set out at the end hereof agrees to submit to the jurisdiction of the Courts of \_\_\_\_\_.

IN WITNESS WHEREOF the parties, hereto have caused this Agreement to be executed by the respective representatives hereunto duly authorized as of the date first hereinabove set forth.

SCHEDULE

ITEM (1) Description of Lease Vessel (according to Seller's description):

Name of Vessel:

Gross tonnage:

Net tonnage:

Dead-weight tons:

Type of Vessel:

Official number:

Port of registry:

Type of engine:

Name of Builder:

Date launched:

Classification:

Other description:

ITEM (2) Seller:

ITEM (3) Port at which Vessel is to be delivered:

ITEM (4) Expected Date of Delivery of Vessel by Seller:

Inspection Period: \_\_\_\_\_ weeks from the said expected date of delivery

ITEM (5) Term of Lease:

- ITEM (6) Prepaid Rent: as a deduction from purchase price of the  
Vessel from Seller and to be paid  
within months of delivery date. Said payments to cover last  
months of Term of Lease.
- ITEM (7) Rent: to be paid in instalments by cash Method of payment:  
1st payment: Date of acceptance of delivery of  
Vessel  
2nd and subsequent payments: On day of successive  
remaining calendar months.  
Place of Payment  
To Lessor's account with
- ITEM (8) Rent for renewed lease:
- ITEM (9) Stipulated Loss Value: 1st year:  
2nd year:  
3rd year:  
4th year:  
5th year:  
Year in this item means a period of 12 calendar months calculated from  
the commencement date of the leasing.
- ITEM (10) Stipulated Loss of Value for Renewed Lease:
- ITEM (11) Overdue Interest:
- ITEM (12) Restriction of trading:
- ITEM (13) Insurance amounts: 1st year:  
2nd year:  
3rd year:  
4th year:  
5th year:
- ITEM (14) Supplementary Provisions:

SIGNED for and on behalf of the )  
Lessor By )  
a Director thereof, in the )  
presence of )

SIGNED for and on behalf of the )  
Lessee By )  
a Director thereof, in the )  
presence of: )