

**CONTRACT  
BETWEEN THE UNITED STATES OF AMERICA  
AND  
INTERNATIONAL SHIPBREAKING LIMITED, L.L.C.  
18501 R. L. Ostos Road  
Brownsville, TX 78521-2420**

**FOR THE SALE OF THE OBSOLETE VESSEL PONCHATOU LA**

This CONTRACT ("Contract ") is entered into as of April 28, 2014 by and between UNITED STATES OF AMERICA (herein called the "Government"), represented by the SECRETARY OF TRANSPORTATION, acting by and through the MARITIME ADMINISTRATION (herein called "MARAD" or the "Government"), and International Shipbreaking Limited, L.L.C., (herein called the "Contractor"). In consideration of the promises, covenants and undertakings hereinafter set forth, MARAD and Contractor hereby agree to the terms and conditions set forth herein.

A. This Contract incorporates the terms and conditions set forth in the following, with the same force and effect as if they were given in full text:

1. 2013 Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment 05 dated November 15, 2013 (but issued on [www.fbo.gov](http://www.fbo.gov) on November 16, 2013), PART V, Subpart V.B, Requirements (Applicable to Sales Contracts), with the following vessel-specific information applicable hereto:

(a) Paragraph B.3: The amount Contractor has paid to the Government as consideration for the conveyance, sale and transfer of the Obsolete Vessel is **\$907,951** for disposal under the terms of this contract at the Contractor Facility Location specified in 2(d), below.

2. Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment 05 dated November 15, 2013 (but issued on [www.fbo.gov](http://www.fbo.gov) on November 16, 2013), PART V, Subpart V.A., Clauses and Requirements (Applicable to Sales and Service Contracts), with the following vessel-specific information applicable hereto:

(a) Paragraph V.A.1.c: The required performance bond shall be in the amount of **\$150,000**.

(b) Paragraph V.A.1.g.4): The place of delivery is Shipyard; the delivery date will be the day of undocking at the Shipyard determined after award of the dry-docking contract. A separate contact modification will be issued affirming the delivery date once the docking and undocking dates for the vessel have been established.

(c) Paragraph V.A.2:

VESSEL DESCRIPTION			
Name of Obsolete Vessel:		PONCHATOU LA	
Official No:	T-AO148	LOA:	655 ft.
Hull Type:	Tanker	Beam:	86 ft.
Design:	Oiler	Draft:	35 ft.
Year Built:	1955	Lt. Ship Displ.	9,400
Ordnance Equipment:	N/A		

## (d) Fleet and Contractor Facility Information:

Fleet Location:	Suisun Bay Reserve Fleet, Benicia CA.
Contractor Facility:	International Shipbreaking, Ltd. Brownsville, TX
Hull Cleaning:	Contracted by MARAD at a Shipyard in San Francisco, CA

Various clauses contain different requirements depending upon the fleet location from which the vessel is being removed. In this contract for the **PONCHATOULA** the requirements applicable Suisun Bay Reserve Fleet shall apply.

(e) Paragraph A.3.a: The Contract Period of Performance is **253 calendar days**. The Contract Period of Performance begins the calendar day after undocking at the Shipyard.

3. Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment 05 dated November 15, 2013 (but issued on [www.fbo.gov](http://www.fbo.gov) on November 16, 2013), the following Sections of Part VI, Supporting Documents:

(a) Section A, Technical Compliance Plan Requirements;

(b) Section B, Contractor Tow Preparation Responsibilities at the NDRF;

(c) Section C, USCG Towing Requirements;

(d) Performance Milestones are Section F(3), Performance Schedule Milestones – SBRF Vessels; and

(e) Section G, MARAD Fleet Safety Responsibilities.

4. The General Technical Proposal, as approved by MARAD as of the date of this Contract, for the Contractor Facility Location specified above.<sup>1</sup>

B. Any inconsistencies in the contract provisions set forth above shall be resolved by giving precedence in the following order:

<sup>1</sup> Per Amendment 0005, until a new General Technical Proposal (GTP), inclusive of its Technical Compliance Plan (TCP), submitted under the 2013 Ship Disposal Solicitation is determined to be technically acceptable (See **paragraphs C.2.a and F of PART I, Qualification of Facilities**), previously qualified facilities shall perform the work in accordance with the contract provisions set forth in this solicitation and their previously approved GTP from the predecessor solicitation (“the old GTP”). If there is a conflict between the old GTP and the terms of the 2013 Ship Disposal Solicitation, the terms of the 2013 solicitation shall have precedence over the old GTP. Until the new GTP is approved, wherever any portion of this solicitation refers to the Contractor’s approved GTP or TCP, the Contractor’s approved, “old GTP,” including TCP, shall be substituted. Once a facility’s new GTP is found technically acceptable, any contract issued while the evaluation of the new GTP was pending will be modified to incorporate by reference the new, technically acceptable GTP.

1. Paragraph 1 - Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment 05 dated November 15, 2013 (but issued on [www.fbo.gov](http://www.fbo.gov) on November 16, 2013), PART V, Subpart V.B, Requirements (Applicable to Sales Contracts);
  2. Paragraph 2 - Ship Disposal Solicitation DTMA-91-Q-2013-0014, as in effect through Amendment 05 dated November 15, 2013 (but issued on [www.fbo.gov](http://www.fbo.gov) on November 16, 2013), PART V, Subpart V.A., Clauses and Requirements (Applicable to Sales and Service Contracts);
  3. The Contractor's General Technical Proposal, incorporated by reference.
- C. The Contractor acknowledges receipt of amendments to Ship Disposal Solicitation DTMA-91-Q-2013-0014 through November 16, 2013.
- D. The Contract Award Date for this Contract is the date the Contracting Officer executes the contract. The Contract Start Date, if different, will be established via contract amendment. If the Contract contains a Contract Start Date, the Performance Milestones in PART VI, Section F, are calculated based on the Contract Start Date instead of the Contract Award Date.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

UNITED STATES OF AMERICA  
SECRETARY OF TRANSPORTATION  
MARITIME ADMINISTRATION

ATTEST:

By: Julie P. Agarwal  
Secretary  
Maritime Administration  
(Seal)

By: [Signature]  
Contracting Officer,<sup>2</sup>  
Office of Ship Disposal

ATTEST:

By: International Shipbreaking Limited,  
L.L.C.

By: Irma Campos  
(Title)  
(Corporate Seal)  
Irma Campos  
Secretary.

By: [Signature]  
(Title)  
Robert L. BERRY  
Vice President

**ACKNOWLEDGMENT IN PROPER LEGAL FORM TO BE EXECUTED AND FIRMLY AFFIXED HERETO.**

Attachments:  
Exhibit 1: Form of Bill of Sale

<sup>2</sup> The Maritime Administrator has delegated Contracting Officer responsibility for sales to the Director of the Office of Ship Disposal Programs or the Program Manager for the Ship Disposal Staff. See MAO 64-1, Office of Ship Disposal, which is available upon request.

Exhibit 1

BILL OF SALE

TO ALL TO WHOM THESE PRESENTS COME, GREETINGS: KNOW YE, THAT THE UNITED STATES OF AMERICA REPRESENTED BY THE SECRETARY OF TRANSPORTATION ACTING BY AND THROUGH THE MARITIME ADMINISTRATOR (THE "SELLER"), THE SOLE OWNER OF THE VESSEL (THE "VESSEL") HEREIN BELOW MORE PARTICULARLY IDENTIFIED, AS FOLLOWS:

NAME: **PONCHATOULA**

OFFICIAL NUMBER: **T-AO148**

TYPE: **Oiler**

LOCATION: **Suisun Bay Reserve Fleet**

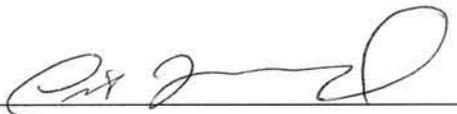
FOR AND IN CONSIDERATION OF THE SUM OF NINE HUNDRED AND SEVEN THOUSAND NINE HUNDRED AND FIFTY-ONE DOLLARS (**\$907,951**) LAWFUL MONEY OF THE UNITED STATES OF AMERICA, TO IT IN HAND PAID BEFORE DELIVERY BY INTERNATIONAL SHIPBREAKING LIMITED, L.L.C., ("THE BUYER"), AND OTHER GOOD AND VALUABLE CONSIDERATIONS, THE RECEIPT OF BOTH OF WHICH IT DOES HEREBY ACKNOWLEDGE AND IS THEREWITH FULLY SATISFIED, CONTENTED AND PAID, HAS BARGAINED AND SOLD, ANY BY THESE PRESENTS, DOES BARGAIN AND SELL UNTO THE BUYER, ITS SUCCESSORS AND ASSIGNS, ALL OF THE RIGHTS, TITLE AND INTEREST OF THE SELLER IN AND TO THE VESSEL, ALL ENGINES, BOILERS, MASTS, SAILS, BOATS, CABLES, TACKLE, FURNITURE AND ALL OTHER NECESSARIES THERE TO APPERTAINING AND ON BOARD THE VESSEL, TO HAVE AND TO HOLD THE VESSEL AND APPURTENANCES THEREUNTO BELONGING UNTO

IT, THE SAID BUYER, ITS SUCCESSORS AND ASSIGNS FOREVER TO THE SOLE AND ONLY PROPER USE, BENEFIT, AND BEHALF OF THE SAID BUYER AND ITS SUCCESSORS AND ASSIGNS. THE SELLER HEREBY EXPRESSLY SELLS THE VESSEL "AS IS, WHERE IS" AFLOAT AND MAKES NO WARRANTY, GUARANTY, OR REPRESENTATION AS TO SEAWORTHINESS, DESCRIPTION, CAPACITY, CONDITIONS, TONNAGE, OR OTHERWISE CONCERNING SAID VESSEL AND APPURTENANCES, EXCEPT THAT SELLER HAS PROMISED, COVENANTED AND AGREED, AND BY THESE PRESENTS DOES HEREBY PROMISE, COVENANT AND AGREE FOR ITSELF AND ASSIGNS, TO AND WITH THE SAID BUYER, ITS SUCCESSORS AND ASSIGNS, TO WARRANT AND DEFEND THE TITLE IN AND TO THE SAID VESSEL AND APPURTENANCES AGAINST ALL AND EVERY PERSON OR PERSONS WHOMSOEVER, AND ALSO WARRANTS THAT THE SAID VESSEL AND APPURTENANCES ARE FREE AND CLEAR OF LIENS AND ENCUMBRANCES.

TITLE TO THE AFORESAID VESSEL IS BEING TRANSFERRED TO THE BUYER BY THIS BILL OF SALE PURSUANT TO AND SUBJECT TO THE TERMS AND PROVISIONS OF THE PURCHASE CONTRACT BETWEEN THE UNITED STATES OF AMERICA, AND THE BUYER DATED AS OF THIS DATE, **CONTRACT NO. MA-14333** (THE "SALES CONTRACT"), WHICH PROVIDES, AMONG OTHER THINGS, THAT TITLE TO THE VESSEL TRANSFERS UPON ARRIVAL AT BUYER'S FACILITY, THAT THE VESSEL SHALL ONLY BE REMEDIATED, DISMANTLED, AND RECYCLED BY THE BUYER, AND THAT THE VESSEL SHALL NOT BE USED FOR ANY OTHER PURPOSE INCLUDING, BUT NOT LIMITED TO, THE CARRIAGE OF CARGOES RESERVED BY LAW TO VESSELS OF THE UNITED STATES.

IN TESTIMONY WHEREOF, THE UNITED STATES OF AMERICA, REPRESENTED AS AFORESAID, HAS CAUSED THIS BILL OF SALE TO BE DULY SIGNED AND SEALED ON ITS BEHALF BY ITS PROPER OFFICER, THEREUNTO DULY AUTHORIZES THIS DAY OF APRIL 28, 2014.

UNITED STATES OF AMERICA  
SECRETARY OF TRANSPORTATION  
MARITIME ADMINISTRATION

By 

Contracting Officer  
Office of Ship Disposal

ATTEST:

By: 

(Seal)