

Invitation for Bids No. EXC-8642
Dated: December 13, 2000

The
UNITED STATES OF AMERICA
represented by the
DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION

hereby invites bids for the purchase of the following vessels "for the limited purpose of reconstruction of those vessels for sale or charter to a North Atlantic Treaty Organization country for full use as an oiler," pursuant to Public Law 105-261 and upon the terms and conditions set forth in the form of Contract attached hereto:

<u>Vessel</u>	<u>Number</u>	<u>Basic Type</u>	<u>Location</u>
BENJAMIN ISHERWOOD	TAO-191	Tanker	James River R.F.
HENRY ECKFORD	TAO-192	Tanker	James River R.F.

Bids will be received until 2:30 p.m., local time, January 26, 2001, and public opening will be held at that time in the offices of the Maritime Administration (MARAD), Department of Transportation, 400 Seventh Street, SW, Washington, DC, 20590, in Conference Room 8236.

Each bid must be on the bid form attached hereto and in a sealed envelope marked

"Bid enclosed for the purchase of the Vessel(s) under Invitation for Bids
No. EXC-8642, dated December 13, 2000."

No bid transmitted by telegram (which includes mailgram and facsimile) will be accepted or considered.

No bid received by MARAD after the above date and time will be considered unless it is received before acceptance of a bid and either: (1) it was sent by registered or certified mail not later than the fifth calendar day prior to January 26, 2001; (2) it was sent by overnight carrier not later than the second calendar day prior to January 26, 2001; or (3) it was sent by mail and it is determined by the Contracting Officer that the late receipt was due solely to mishandling by the Government.

Modification of a bid already submitted may be submitted by mail or telegram (which includes mailgram and facsimile) which must be received not later than 2:30 p.m., local time, January 26, 2001. Modifications which increase the amount offered must provide for an increased good faith deposit which must be received not later than 2:30 p.m., local time, January 26, 2001.

The Contracting Officer reserves the right to reject any and all bids, call for new bids, waive any informality in any bid, and make such award as may be deemed most advantageous to the Government or will serve the purposes and policy of Public Law 105-261, and other applicable laws, including environmental laws, and the Merchant Marine Act, 1936, as amended.

The recipient of the Vessel(s) must agree that any repair (except for emergency repairs), restoration, or reconstruction work for the Vessel(s) will be performed in the United States. The terms "repair," "restoration" and "reconstruction" have the same meaning as "rebuilt" and "rebuilding" found in 46 App. U.S.C. 883. The recipient of the Vessel(s) must also agree to hold the government harmless for any claims arising from defects in the Vessel(s) or from exposure to hazardous material, including asbestos and polychlorinated biphenyls, after the conveyance of the Vessel(s), except for claims arising before the date of the conveyance or from use of the Vessel(s) by the Government after that date.

Each bid must be accompanied by a Business Plan showing: (1) what repair, restoration, and reconstruction work will be performed on the Vessel(s); (2) where in the United States the work will be performed, and by whom; and (3) evidence that the recipient possesses the financial resources, in the form of (a) cash, (b) liquid assets, or (c) written loan commitments, to complete the reconstruction of the Vessel(s). Failure to submit the Business Plan with the bid shall render the bid nonresponsive.

The contract will be awarded to that responsible Bidder whose bid conforming to this Invitation for Bids (IFB) is the highest acceptable bid, provided that the amount offered is not less than the fair market value of the Vessel(s) in the United States, as determined by the Secretary of Transportation. The Contracting Officer reserves the right to favor a bid for both Vessels above bids for a single Vessel.

A bid may be withdrawn **via written or telegraphic** (which includes mailgram and facsimile) **request** to MARAD (Code MAR-630) from the Bidder, *Provided*, that such is received not later than 2:30 p.m., local time, January 26, 2001. A bid also may be withdrawn **in person** by a Bidder or his/her authorized representative, provided his/her identity is made known, he/she signs a receipt for the bid, and the withdrawal is made prior to 2:30 p.m., local time, January 26, 2001.

VESSEL PARTICULARS
(Estimate Only)

<u>BENJAMIN ISHERWOOD - TA0-191 - O.N. NONE</u>	
Type	Tanker
Built	1988
Length Overall	677.35'
Beam	97.58'
Depth	36'
Light Ship Weight	9,500 long tons
Fuel Oil on Board	0 long tons

HENRY ECKFORD - TA0-192 - O.N. NONE

Type	Tanker
Built	1989
Length Overall	677.35'
Beam	97.58'
Depth	36'
Light Ship Weight	9,500 long tons
Fuel Oil on Board	0 long tons

The above description of the Vessels is based on the best information available to MARAD. It is reasonably believed that the Vessels do not contain polychlorinated biphenyls or asbestos, and that the provisions of the Toxic Substances Control Act do not apply to sale of this Vessel. **However, the Government does not warrant or guarantee, by expression or implication, either the size, tonnage, or any other description of the Vessels or the reasonable beliefs just stated.**

Bidders are cautioned and urged to inspect the Vessels and to rely solely on their own inspection for the preparation of bids.

The Vessels are being sold "AS IS, WHERE IS" free from liens and encumbrances with warranty of title only.

Delivery of the Vessel(s) shall be at the place where the Vessel(s) is located on the date of the conveyance of title, in its condition on that date, and at no cost to the United States Government.

Note: The United States Government has removed the clutch/coupling assembly from the BENJAMIN ISHERWOOD and will replace it with a serviceable remanufactured assembly within 12 months of the delivery of the BENJAMIN ISHERWOOD.

INSPECTION OF VESSELS BY BIDDERS

Bidders are cautioned and urged to inspect the offered Vessels before making bids. Directions are attached. The Vessels may be inspected by appointment only Monday through Friday between 7:30 a.m. and 2:30 p.m., local time. To arrange to inspect the Vessels, contact:

Mr. Mike Bagley, Fleet Superintendent, James River
Reserve Fleet, Drawer "C", Fort Eustis, Virginia 23604
Telephone (757) 887-3233
Facsimile (757) 887-1188

BIDS ACCEPTABLE ON ONE OR BOTH VESSELS

Bids may be submitted on one or both Vessels. The Bidder must indicate the type of award it is willing to accept by placing an "X" in the proper space on the Bid Form. **IN ALL CASES THE BID FOR EACH VESSEL MUST BE STATED, AND SO STATED IN UNITED STATES DOLLARS.**

BID DEPOSIT

All bids must be accompanied by a good faith deposit in the sum equal to ten (10) percent of the amount of the bid. A separate deposit shall be submitted for each Vessel. The good faith deposit(s) must be in the possession of MARAD not later than 2:30 p.m., local time, January 26, 2001, and must be valid for a period of not less than ninety (90) calendar days from such date. **Failure to accompany a bid with said good faith deposit(s) shall render the bid nonresponsive.**

The good faith deposit of unsuccessful Bidders will be returned via return of check submitted with bid or issuance of check as soon as practicable after an award on the bids received.

The good faith deposit shall be in United States Dollars and in the form of:

- (a) Certified or cashier's check made payable to "Maritime Adm.-Transportation"; OR
- (b) Electronic transfer of funds (instructions and text format attached); OR
- (c) Irrevocable letter of credit (Bid) (instructions and text format attached); OR

Note: All of the foregoing forms must be issued by
and on a United States financial institution.

- (d) U.S. Government securities; OR
- (e) Bid bond executed by a U.S. commercial surety company appearing on the U.S. Treasury List of acceptable sureties (submitted on Standard Form 24 attached).

The buyer will be required to execute a purchase agreement in the form of the Contract attached hereto. This solicitation invites bids, not proposals. Therefore, changes to or proposals to change the Contract attached shall render a bid nonresponsive.

Payment of the balance of the purchase price must be submitted by the Bidder to MARAD within forty-five (45) calendar days from date of acceptance by MARAD of the bid. **THIS REQUIREMENT WILL NOT BE WAIVED UNDER ANY CIRCUMSTANCES.** Simultaneous with payment of the balance of the purchase price, the Bidder must post with MARAD a performance guarantee in the amount of \$1,000,000 per Vessel. The guarantee shall be in the form of:

- (a) Certified or cashier's check made payable to "Maritime Adm.-Transportation"; OR

- (b) Electronic transfer of funds (instructions and text format attached); OR
- (c) Irrevocable letter of credit (Performance) (instructions and text format attached); OR

Note: All of the foregoing forms must be issued by
and on a United States financial institution.

- (d) U. S. Government securities; OR
- (e) Performance bond executed by a U. S. commercial surety company appearing on the U. S. Treasury list of acceptable sureties (submitted on Standard Form 25 attached); OR
- (f) Written guarantee of the Government of which the Buyer is a National.

If the Bidder fails to either to make full payment of the purchase price or to furnish the required performance guarantee, MARAD shall retain the full amount of the good faith deposit applicable to the Vessel(s) with respect to which the Bidder is so in default.

PRE-BID CONFERENCE

No pre-bid conference is planned. However, upon request received not later than ten (10) calendar days prior to the date of bid opening, and at the complete discretion of the Contracting Officer, a pre-bid conference may be held at a time and place announced by the Contracting Officer. No communication with any person, including a pre-bid conference, if any, shall amend any provision of this IFB unless and until the Contracting Officer shall issue a formal, written Amendment to this IFB.

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION

By: 

WILLIAM F. TROST

Acting Director
Office of Sealift Support
Contracting Officer

MAR-630 Room 7307
400 7th Street, S.W.
Washington, D.C. 20590

Telephone (202) 366-2323
Facsimile (202) 493-2180

U. S. DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION

BID FORM
(Submit in Duplicate Originals)

(Name of Bidder)

(Street Address)

(City) (State) (Zip Code)

Telephone No. _____

Facsimile No. _____

Date _____

Maritime Administration (MAR-630)
Department of Transportation
Room 7307 - 400 7th Street, S.W.
Washington, DC 20590

Gentlemen:

In response to your IFB No. EXC-8642, dated December 13, 2000, and the following
Amendments (if any) issued pursuant to said IFB,

Amendment No. _____ dated _____
Amendment No. _____ dated _____

all of which by this reference are incorporated herein and made a part hereof, and subject to all
the terms and conditions thereof and of Public Law 105-261, the undersigned hereby offers to
purchase the following Vessel(s) **solely** for "the limited purpose of reconstruction" "for sale or

charter to a North Atlantic Treaty Organization country for full use as an oiler":

<u>VESSEL</u>	<u>AMOUNT OF OFFER</u>
BENJAMIN ISHERWOOD	US\$
HENRY ECKFORD	US\$

NOTE: The Bidder must indicate the type of award it is willing to accept by placing an "X" in the proper space below.

- (A) Both only ()
- (B) Either one ()
- (C) BENJAMIN ISHERWOOD only ()
- (D) HENRY ECKFORD only ()

IN EVERY INSTANCE, INDIVIDUAL BIDS FOR EACH VESSEL MUST BE STATED.

The Bidder waives any and all rights against the Government based on a lack of knowledge prior to submission of this bid on the Vessel(s) and its (their) contents.

While a Bidder need not be a citizen of the United States, as such is defined at 46 App. U.S.C. 802, every Bidder must submit a Certification of Nationality on the form attached.

The undersigned Bidder hereby agrees that the aforesaid Vessel(s) will be reconstructed in the United States in accordance with Public Law 105-261 and the provisions of the Contract

At _____

By _____,

as described in detail in the Business Plan accompanying this bid.

Note: If the aggregate amount of this bid exceeds \$25,000 the Bidder must complete the following statements by checking the appropriate box.

The undersigned represents: (A) That he/she has (), has not (), employed or retained any company or person (other than a full-time bona fide employee working solely for the Bidder) to solicit or secure this Contract; and (B) that he/she has (), has not (), paid or agreed to pay to any company or person (other than a full-time bona fide employee working solely for the Bidder) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this Contract; and agrees to furnish information relating to (A) and (B) above as requested by the Department of Transportation, MARAD. (Note: For interpretation of the representation, including the "bona fide employee" see Code of Federal Regulations, Title 41, §101-45.313-4.)

In accordance with the terms of the subject IFB, there are enclosed with this bid:

- (1) The Bidder's good faith deposit(s) of US\$ _____ in the form(s) of _____; AND
- (2) The Bidder's Certification of Nationality; AND
- (3) The Bidder's Business Plan.

The undersigned Bidder agrees not to withdraw the foregoing bid prior to ninety (90) calendar days after January 26, 2001. In the event said ninety (90) calendar days shall expire without an award having been made, the foregoing bid shall remain in full force and effect - -

- until an award is made **OR**
- until Bidder's written notice of the withdrawal of said bid shall have been received **OR**
- until the Bidder's failure to maintain its good faith deposit in full force and effect beyond the original ninety (90) calendar days period.

END OF TEXT. BID TO BE EXECUTED ON NEXT PAGE.

(Name of Bidder - Type or Print)

(1) By _____
(Signature)

(Title)

(2) Witness:

(3) Attest:

CORPORATE
SEAL

By _____
(Name - Type or Print)

By _____
(Signature)

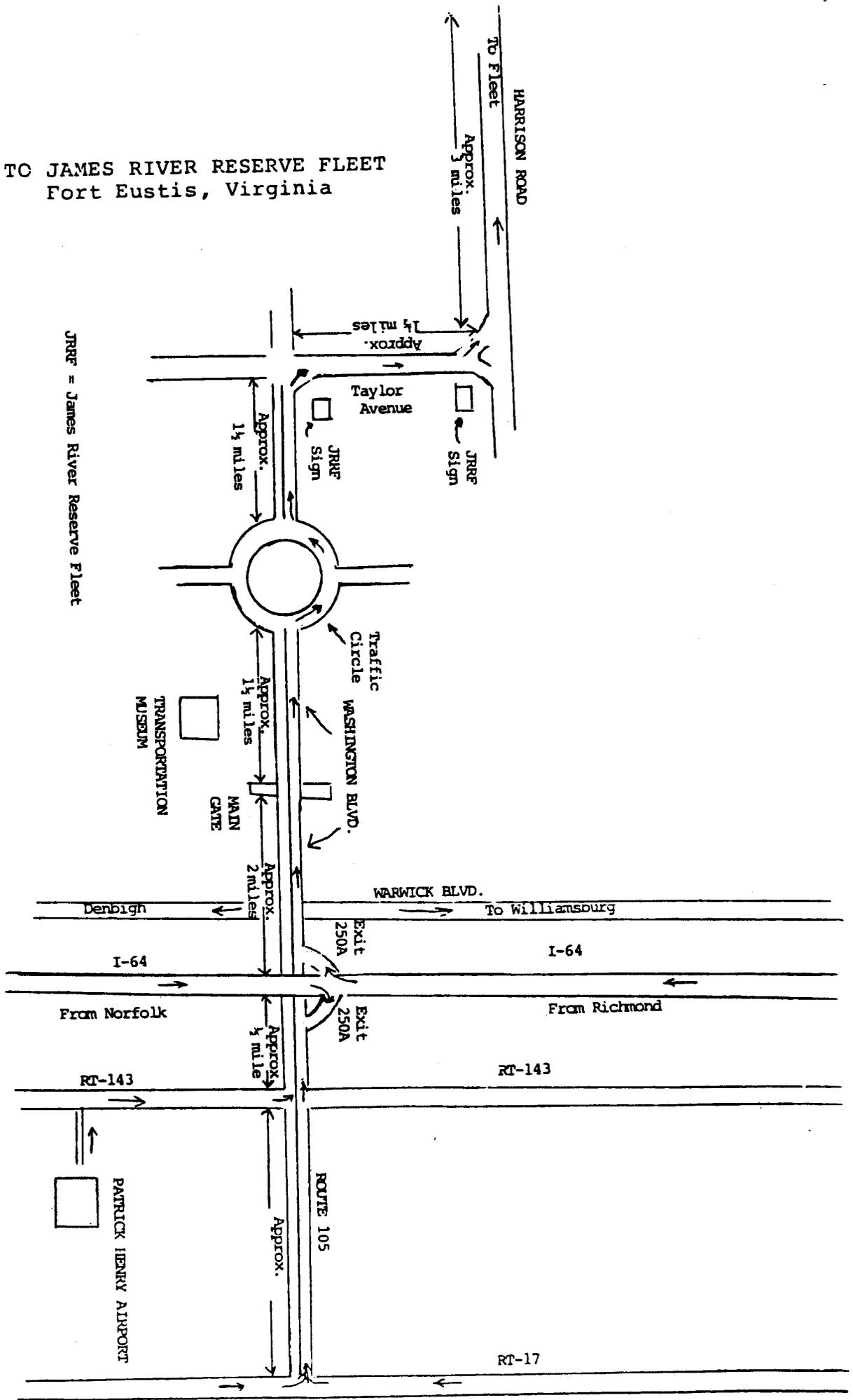
(Signature)

(Title)

(Address)

- (1) For use by individual Bidder or by official authorized to sign on behalf of partnership or corporation.
- (2) For use by witness in case Bidder is an individual or partnership.
- (3) For use by attesting official in case Bidder is a corporation.

DIRECTIONS TO JAMES RIVER RESERVE FLEET
Fort Eustis, Virginia



JRRF = James River Reserve Fleet

FORMAT FOR ELECTRONIC FUNDS TRANSFER TO THE MARITIME ADMINISTRATION

* (1) <u>Receiver ABA No.</u> 021030004		(2) <u>Type/Subtype</u> (Provided by sending bank)	
(3) <u>Sending Bank ABA No.</u> (provided by sending bank)	4. <u>Sending Bank Reference No.</u> (provided by sending bank)		*5. <u>Amount</u>
(6) <u>Sending Bank Name</u> (provided by sending bank)			
*(7) <u>Receiver Name</u> TREAS NYC		(8) <u>Product Code</u> (normally, CTR, or as provided by sending bank)	
*(9) <u>Beneficial (BNF) - Agency Location Code</u> BNF=/AC-69170001 MARAD			
*(10) <u>Reason for Payment</u> OBI= _____ _____ _____			

* You, as a sender of wire transfer, only need to provide the sending bank with numbers: (1), (5), (7), (9) and (10) above, and numbers (1), (7) and (9) are the same for all wires sent to the Maritime Administration. Therefore, it is recommended that you photostat this form, complete only items (5) Amount and (10) Reason for Payment for each message and submit it with your wire request (bank form) to your sending bank.

- (1) **Receiver ABA No.** - 021030004 is the nine-digit identification number is the routing symbol for the U.S. Treasury at the Federal Reserve Bank in New York.
- (5) **Amount** - The amount must be punctuated with commas and decimal point. Example: \$123,000.00.
- (7) **Receiver Name** - TREAS NYC. Always use this abbreviated name for sending funds to the Treasury Department.
- (9) **Beneficial - Agency Location Code** - The Agency Location Code for the Maritime Administration is 69170001. Sending bank must enter as BNF=/AC-69170001.
- (10) **Reason for Payment** - The appropriate information to identify reason for the fund transfer. Input must be preceded by OBI=. Example: Payment for guarantee fee for the period 8/1/97 - 7/31/98 for the vessel SS JOHN BROWN.

BID BOND

(See instruction on reverse)

DATE BOND EXECUTED (Must not be later than bid opening date)

OMB NO.: 9000-0045

Public reporting burden for this collection of information is estimated to average 25 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (MVR), Federal Acquisition Policy Division, GSA, Washington, DC 20405.

PRINCIPAL (Legal name and business address)	TYPE OF ORGANIZATION ("X" one) <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> CORPORATION STATE OF INCORPORATION
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SURETY(IES) (Name and business address)

PENAL SUM OF BOND				BID IDENTIFICATION		
PERCENT OF BID PRICE	AMOUNT NOT TO EXCEED				BID DATE	INVITATION NO.
	MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS		
FOR (Construction, Supplies, or Services)						

OBLIGATION:

We, the Principal and Surety(ies) are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:

The Principal has submitted the bid identified above.

THEREFORE:

The above obligation is void if the Principal - (a) upon acceptance by the Government of the bid identified above, within the period specified therein for acceptance (sixty (60) days if no period is specified), executes the further contractual documents and gives the bond(s) required by the terms of the bid as accepted within the time specified (ten (10) days if no period is specified) after receipt of the forms by the principal; or (b) in the event of failure to execute such further contractual documents and give such bonds, pays the Government for any cost of procuring the work which exceeds the amount of the bid.

Each Surety executing this instrument agrees that its obligation is not impaired by any extension(s) of the time for acceptance of the bid that the Principal may grant to the Government. Notice to the surety(ies) of extension(s) are waived. However, waiver of the notice applies only to extensions aggregating not more than sixty (60) calendar days in addition to the period originally allowed for acceptance of the bid.

WITNESS:

The Principal and Surety(ies) executed this bid bond and affixed their seals on the above date.

PRINCIPAL				
SIGNATURE(S)	1. _____ <i>(Seal)</i>	2. _____ <i>(Seal)</i>	3. _____ <i>(Seal)</i>	<i>Corporate Seal</i>
NAME(S) & TITLE(S) <i>(Typed)</i>	1. _____	2. _____	3. _____	

INDIVIDUAL SURETY(IES)		
SIGNATURE(S)	1. _____ <i>(Seal)</i>	2. _____ <i>(Seal)</i>
NAME(S) <i>(Typed)</i>	1. _____	2. _____

CORPORATE SURETY(IES)				
SURETY A	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT (\$)	<i>Corporate Seal</i>
	SIGNATURE(S)	1. _____	2. _____	
	NAME(S) & TITLE(S) <i>(Typed)</i>	1. _____	2. _____	

SURETY B	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT (\$)	<i>Corporate Seal</i>
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1.	2.		
SURETY C	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT (\$)	<i>Corporate Seal</i>
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1.	2.		
SURETY D	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT (\$)	<i>Corporate Seal</i>
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1.	2.		
SURETY E	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT (\$)	<i>Corporate Seal</i>
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1.	2.		
SURETY F	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT (\$)	<i>Corporate Seal</i>
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1.	2.		
SURETY G	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT (\$)	<i>Corporate Seal</i>
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1.	2.		

INSTRUCTIONS

- This form is authorized for use when a bid guaranty is required. Any deviation from this form will require the written approval of the Administrator of General Services.
- Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of the form. An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.
- The bond may express penal sum as a percentage of the bid price. In these cases, the bond may state a maximum dollar limitation (e.g., (e.g., 20% of the bid price but the amount not to exceed _____ dollars).
- (a) Corporations executing the bond as sureties must appear on the Department of the Treasury's list of approved sureties and must act within the limitation listed therein. Where more than one corporate surety is involved, their names and addresses shall appear in the spaces (Surety A, Surety B, etc.) headed "CORPORATE SURETY(IES)." In the space designed "SURETY(IES)" on the face of the form, insert only the letter identification of the sureties.
(b) Where individual sureties are involved, a completed Affidavit of Individual surety (Standard Form 28), for each individual surety, shall accompany the bond. The Government may require the surety to furnish additional substantiating information concerning its financial capability.
- Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the word "Corporate Seal"; and shall affix an adhesive seal if executed in Maine, New Hampshire, or any other jurisdiction requiring adhesive seals.
- Type the name and title of each person signing this bond in the space provided.
- In its application to negotiated contracts, the terms "bid" and "bidder" shall include "proposal" and "offeror."

BANK LETTERHEAD

IRREVOCABLE LETTER OF CREDIT (BID) DATE xxxxxxxxxxxxxxxx

BENEFICIARY:
U.S. Department of Transportation
Maritime Administration (MAR-630)
400 Seventh Street, S.W., Room 7307
Washington, DC 20590

APPLICANT:
xxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxx

DATE OF EXPIRATION: xxxxxxxxxxxxxxxx
PLACE OF EXPIRATION: xxxxxxxxxxxxxxxx

Gentlemen:

At the request of _____ (Applicant) we hereby issue our Irrevocable Letter of Credit No. _____ (L/C) in favor of the U.S. Department of Transportation, Maritime Administration, for a sum not exceeding in the aggregate _____ U.S. Dollars.

This L/C is provided as the good faith deposit required under the Invitation for Bids No. EXC-8642, and is available to you at sight on ourselves to be accompanied by your signed statement that the amount drawn for represents funds payable due to the breach of conditions of Invitation for Bids No. EXC-8642 by the Applicant.

The condition of this obligation is such that Applicant has submitted the accompanying bid for the amount as stated and identified therein, for the purchase of vessel(s) described in such bid, under all of the terms and conditions set forth in the above identified Invitation for Bids.

If the Applicant shall comply with all of the terms and conditions of said Invitation for Bids, or in the event of failure to comply with all the terms and conditions of said bid, if the Applicant shall pay the Government an amount equal to the liquidated damages specified in the Invitation for Bids pursuant to which said bid was submitted, then the above obligation shall be null and void, otherwise to be and remain in full force and effect.

This L/C shall remain valid until it is returned to the Bank for cancellation, but in no event is this L/C valid later than (insert date which is 90 days from closing date of Invitation for Bids), which is the expiration date. Each draft must be marked "Drawn Under Irrevocable Letter of Credit No. _____ of (Name of Bank) dated _____."

We undertake to honor each draft on the day drawn and presented as above specified at our counters at (insert street address of Bank).

This L/C is subject to the Uniform Customs and Practice for Documentary Credits (1993

Revision), International Chamber of Commerce - Publication 500.

Sincerely,

(Authorized Signature)

PERFORMANCE BOND
(See instructions on reverse)

DATE BOND EXECUTED (Must be same or later than date of contract)

OMB No.: 9000-0045

Public reporting burden for this collection of information is estimated to average 25 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (MVR), Federal Acquisition Policy Division, GSA, Washington, DC 20405

PRINCIPAL (Legal name and business address)	TYPE OF ORGANIZATION ("X" one) <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> CORPORATION STATE OF INCORPORATION																				
SURETY(IES) (Name(s) and business address(es))	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="4">PENAL SUM OF BOND</th> </tr> <tr> <td style="width:25%;">MILLION(S)</td> <td style="width:25%;">THOUSAND(S)</td> <td style="width:25%;">HUNDRED(S)</td> <td style="width:25%;">CENTS</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <th colspan="2">CONTRACT DATE</th> <th colspan="2">CONTRACT NO.</th> </tr> <tr> <td colspan="2"> </td> <td colspan="2"> </td> </tr> </table>	PENAL SUM OF BOND				MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS					CONTRACT DATE		CONTRACT NO.					
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MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS																		
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OBLIGATION:

We, the Principal and Surety(ies), are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:

The Principal has entered into the contract identified above.

THEREFORE:

The above obligation is void if the Principal -

(a)(1) Performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extensions thereof that are granted by the Government, with or without notice to the Surety(ies), and during the life of any guaranty required under the contract, and (2) performs and fulfills all the undertakings, covenants, terms conditions, and agreements of any and all duly authorized modifications of the contract that hereafter are made. Notice of those modifications to the Surety(ies) are waived.

(b) Pays to the Government the full amount of the taxes imposed by the Government, if the said contract is subject to the Miller Act, (40 U.S.C. 270a-270e), which are collected, deducted, or withheld from wages paid by the Principal in carrying out the construction contract with respect to which this bond is furnished.

WITNESS:

The Principal and Surety(ies) executed this performance bond and affixed their seals on the above date.

PRINCIPAL

SIGNATURE(S)	1. _____ <div style="text-align: right;">(Seal)</div>	2. _____ <div style="text-align: right;">(Seal)</div>	3. _____ <div style="text-align: right;">(Seal)</div>	Corporate Seal
NAME(S) & TITLE(S) <i>(Typed)</i>	1. _____	2. _____	3. _____	

INDIVIDUAL SURETY(IES)

SIGNATURE(S)	1. _____ <div style="text-align: right;">(Seal)</div>	2. _____ <div style="text-align: right;">(Seal)</div>
NAME(S) <i>(Typed)</i>	1. _____	2. _____

CORPORATE SURETY(IES)

SURETY A	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT \$	Corporate Seal
	SIGNATURE(S)	1. _____	2. _____		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1. _____	2. _____		

CORPORATE SURETY(IES) (Continued)

SURETY B	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT \$	Corporate Seal
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1.	2.		
SURETY C	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT \$	Corporate Seal
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1.	2.		
SURETY D	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT \$	Corporate Seal
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1.	2.		
SURETY E	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT \$	Corporate Seal
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1.	2.		
SURETY F	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT \$	Corporate Seal
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1.	2.		
SURETY G	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT \$	Corporate Seal
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) <i>(Typed)</i>	1.	2.		

BOND PREMIUM 	RATE PER THOUSAND (\$)	TOTAL (\$)
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INSTRUCTIONS

1. This form is authorized for use in connection with Government contracts. Any deviation from this form will require the written approval of the Administrator of General Services.

2. Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of the form. An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.

3. (a) Corporations executing the bond as sureties must appear on the Department of the Treasury's list of approved sureties and must act within the limitation listed therein. Where more than one corporate surety is involved, their names and addresses shall appear in the spaces (Surety A, Surety B, etc.) headed "CORPORATE

SURETY(IES)." In the space designated "SURETY(IES)" on the face of the form, insert only the letter identification of the sureties.

(b) Where individual sureties are involved, a completed Affidavit of Individual Surety (Standard Form 28) for each individual surety, shall accompany the bond. The Government may require the surety to furnish additional substantiating information concerning their financial capability.

4. Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the word "Corporate Seal", and shall affix an adhesive seal if executed in Maine, New Hampshire, or any other jurisdiction requiring adhesive seals.

5. Type the name and title of each person signing this bond in the space provided.

BANK LETTERHEAD

IRREVOCABLE LETTER OF CREDIT (PERFORMANCE) DATE xxxxxxxx

BENEFICIARY:

U.S. Department of Transportation
Maritime Administration (MAR-630)
400 Seventh Street, S.W., Room 7307
Washington, DC 20590

APPLICANT:

xxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxx

DATE OF EXPIRATION: [Date the Vessel is 20 years old]

PLACE OF EXPIRATION: xxxxxxxxxxxxxxxxxxxx

Gentlemen:

At the request of _____ (Applicant) we hereby issue our Irrevocable Letter of Credit No. _____ (L/C) in favor of the U.S. Department of Transportation, Maritime Administration, for a sum not exceeding in the aggregate \$1,000,000.00 U.S. Dollars, as the performance guaranty for the vessel _____ (Vessel).

This L/C is provided as the performance guaranty required by Contract No. MA- _____ (Contract) and is available to you at sight on ourselves to be accompanied by your signed statement that the amount drawn for represents funds payable due to the breach of the Contract by the Applicant.

The condition of this obligation is such that Applicant has executed the Contract and purchased the Vessel described therein.

If the Applicant shall comply with all of the terms and conditions of the Contract, or in the event of failure to comply with all the terms and conditions of the Contract, if the Applicant shall pay the Government the amount of \$1,000,000.00 U. S. Dollars in satisfaction of ARTICLE 6 of the Contract, then the above obligation shall be null and void, otherwise to be and remain in full force and effect.

This L/C shall remain valid until it is returned to the Bank for cancellation, but in no event is this L/C valid later than (insert date the Vessel is 20 years old), which is the expiration date. Each draft must be marked "Drawn Under Irrevocable Letter of Credit No. _____ of (Name of Bank) dated _____."

We undertake to honor each draft on the day drawn and presented as above specified at our counters at (insert street address of Bank).

This L/C is subject to the Uniform Customs and Practice for Documentary Credits (1993)

Revision), International Chamber of Commerce - Publication 500.

Sincerely,

(Authorized Signature)



**CERTIFICATION OF NATIONALITY
(Individual)**

I, _____,
do certify under the penalties provided by law that I am a national of _____
_____ by virtue of:

* (a) Birth at _____
on the _____ day of _____.

* (b) Naturalization by _____
on the _____ day of _____.

and that I have not, since the date indicated above, become a citizen of any other country or taken any oath of allegiance to any other government.

Signature

Note: The United States Criminal Code makes it a criminal offense for any person knowingly to make a false statement or representation to, or to conceal a material fact from, any department or agency of the United States as to any matter within its jurisdiction (18 U.S.C. 1001), or to file a false, fictitious or fraudulent claim against the United States (18 U.S.C. 287).

If bid is otherwise acceptable, documentary evidence of the facts stated above may be required before bid is accepted.

*Strike out or vary to express true facts.

Privacy Act Notice

In accordance with 5 USC 552a(e)(3), the following statement is provided in connection with your submission of personal information to or for the Maritime Administration.

1. **AUTHORITY** for solicitation of the information 46 USC 1158; 46 USC 802.
2. **PRINCIPAL PURPOSES(S)** for which information is intended to be used: This information will be used by the Maritime Administration to determine the citizenship of individuals and corporations.
3. **ROUTINE USES** which may be made of this information: This information will be maintained by the Maritime Administration in official records and will be used by the Maritime Administration to determine eligibility of individuals and corporations to receive benefits. This information may be given to other Federal agencies, as provided by law.
4. **Whether or not DISCLOSURE** of such information is mandatory or voluntary (required by law or optional) and the effects on the individual if any, of not providing all or any part of the requested information: Disclosure of the information is voluntary, but you will not be considered for benefits requiring the establishment of citizenship if the information is not provided.



**CERTIFICATION OF NATIONALITY
(Corporation)**

I, _____, the _____
of the _____, hereinafter referred to as Bidder,
do certify under the penalties provided by law as follows:

1. That the Bidder is a corporation duly organized and existing under and pursuant to the laws of _____ with principal offices at _____;

*2. That the President or other Chief Executive Officer, Vice Presidents or other individuals who are authorized to act in the absence or disability of the President or other Chief Executive Officer, and the Chairman of the Board of Directors are citizens of the United States, and that in the event of alien Directors, if any, on the Board, no more of the Directors than a minority of the number necessary to constitute a quorum are noncitizens; list names, nationality, title and address below.

*3. That an examination of the stock books and records of the corporation discloses that title to _____ percent of the stock of the Bidder is vested in citizens of the United States free from any trust or fiduciary obligation in favor of any person not a citizen of the United States; that _____ percent of the voting power in the Bidder is vested in citizens of the United States; that there is no contract, understanding, or arrangement that more than _____ percent of the voting power of the Bidder may be exercised, directly or indirectly, on behalf of any person who is not a citizen of the United States; and that the control of the Bidder is not conferred upon nor permitted to be exercised by any person who is not a citizen of the United States by any means whatsoever.

Dated this _____ day of _____ 19_____.

Signature

Note: The United States Criminal Code makes it a criminal offense for any person knowingly to make a false statement or representation to, or to conceal a material fact from, any department or agency of the United States as to any matter within its jurisdiction (18 U.S.C. 1001), or to file a false, fictitious or fraudulent claim against the United States (18 U.S.C. 287).

*Only the certificates of corporations required to qualify as citizens of the United States under sec. 2, Shipping Act, 1916, as amended, need include paragraphs 2 and 3.
Officers and Directors:

<u>Name</u>	<u>Nationality</u>	<u>Title</u>	<u>Address</u>
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(See reverse side for form of certification
applying to individuals, and for Privacy
Act Notice)

CONTRACT
BETWEEN THE UNITED STATES OF AMERICA
AND

(Name of Contractor)
FOR PURCHASE OF THE VESSEL(S)

(hereinafter called the "Vessel(s))"

THIS PURCHASE CONTRACT (the "Contract") entered into as of 10:00 a.m. this _____ day of _____ 2001, by and between the UNITED STATES OF AMERICA (herein called the "Government"), represented by the SECRETARY OF TRANSPORTATION, acting by and through the MARITIME ADMINISTRATOR (herein called the "Administrator") who has designated the person signing below as the Contracting Officer (herein called the "Contracting Officer"), and _____ (herein called the "Buyer");

WITNESSETH:

WHEREAS:

1. Pursuant to Section 3603 of Public Law 105-261, the Government wishes to sell and the Buyer wishes to purchase the Vessel(s) described herein, and the Contracting Officer and the Buyer have entered into this Contract, subject to the terms and conditions hereinafter set forth.
2. The Buyer intends to purchase the Vessel(s) for the limited purpose, as set out in Public Law 105-261, of "reconstruction for sale or charter to a North Atlantic Treaty Organization [herein called "NATO"] country for full use as an oiler."
3. The Buyer intends to tow the Vessel(s) from the current location to the location in the United States designated by the Buyer for reconstruction of the Vessels(s).

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, and of other good and valuable considerations, the receipt and sufficiency of which the parties hereto hereby acknowledge, the parties hereby agree as follows:

ARTICLE 1. CONVEYANCE OF TITLE

The Contracting Officer, by Bill(s) of Sale, the form of which is attached hereto as

Exhibit 1, conveys title to, sells and transfers the whole of the Vessel(s) to Buyer, "AS IS, WHERE IS," as of the date and hour of execution of this Contract, with warranty of title only and free from liens and encumbrances, other than statutory and contractual restrictions running in favor of the Government as stated herein, and as of said date and hour the Buyer assumes all risk of loss.

ARTICLE 2. PAYMENT FOR THE VESSEL(S)

As consideration for the conveyance, sale and transfer of the Vessel(s), the Buyer has paid to the Government, at or prior to the day and hour of execution of this Contract, the sum of _____ United States Dollars (US\$) representing the fair market value of the Vessel(s) in the United States, the receipt of which is hereby acknowledged by the Contracting Officer.

ARTICLE 3. DELIVERY OF THE VESSEL(S)

1. The term "delivery" means physical delivery. The Government agrees to deliver the Vessel(s) to the Buyer, "AS IS, WHERE IS," afloat and free of moorings at the location designated in Exhibit 2 for towing, and the Buyer agrees to accept delivery within thirty (30) calendar days from signing this Contract. Delivery of the Vessel(s) shall be at no cost to the Government. The Government reserves the right to make any changes to the Vessel(s) after signing of this Contract and before the Vessel(s) is delivered to the Buyer that are deemed necessary to protect the environment or to maintain the Vessel(s) in a safe and seaworthy condition. The Buyer shall not be entitled to assert any claim against the Government or the Administrator with respect to such changes. The Buyer shall promptly reimburse the Government for any such emergency expenses. After delivery, the Buyer shall not be entitled to make or assert any claim against the Government or the Administrator, on account of any agreements, representations, or warranties, expressed or implied, with respect to the condition of such Vessel(s). The delivery of the Vessel(s) by the Government and the acceptance thereof by the Buyer shall constitute full performance by the Government of all obligations under this ARTICLE 3 with respect to such Vessel(s).

2. The Government shall not be responsible for furnishing any stores, supplies, equipment or spare parts over and above those on board the Vessel(s) at the time of delivery; Provided, however that all rectifiers, rheostats, junction boxes, switches, fenders, mooring gear, and electric cable used in the National Defense Reserve Fleet's cathodic protection system, and demountable crosswalks, if any, on board the Vessel(s), shall remain the property of the Government.

3. The purchase price of the Vessel(s) is based upon the condition of the Vessel(s) "AS IS, WHERE IS" on the date the bids are submitted. Any material changes in the Vessel(s) resulting from normal deterioration after the bid was submitted and prior to the transfer of title shall be at the risk of the Buyer. Risk of loss of the Vessel(s) shall be with the Buyer from the moment title to said Vessel(s) vests in the Buyer as provided in the Bill(s) of Sale referred to in ARTICLE 1 of this Contract. Buyer agrees to hold the Government harmless for any claims

arising from defects in the Vessel(s) or from exposure to hazardous material, including asbestos and polychlorinated biphenyls, after the conveyance of the Vessel(s), except for claims arising before the date of the conveyance or from use of the Vessel(s) by the Government after that date.

4. The Government will, without cost or expense to the Buyer, but at the risk of the Buyer, render the Vessel(s) free of moorings at its location, and make such Vessel(s) available at such location for delivery to the Buyer pursuant to this Contract. The Vessel(s) will be available for delivery to the Buyer on the date requested by the Buyer in writing, which written request shall be received by the Contracting Officer not less than five (5) calendar days in advance of the requested date; Provided, however, that the Government shall not be liable for delay in making any Vessel(s) available for delivery due to conditions beyond its control or conditions which by the exercise of reasonable diligence it was unable to prevent. The Government shall not be obligated to deliver any Vessel(s) on Saturdays, Sundays, or legal Holidays. The Government reserves the right to determine the removal sequence of the ships awarded.

5. The Vessel(s) will be delivered to the Buyer "AS IS, WHERE IS" and the Buyer is obligated to accept such delivery within thirty (30) calendar days from the date of this Contract; Provided, that in the event the Buyer is delayed in accepting delivery beyond the specified time and the Contracting Officer is satisfied that such delay has been caused by conditions which, by the exercise of reasonable diligence, the Buyer was unable to prevent, then the Contracting Officer may grant the Buyer a written extension of time for accepting delivery for such period as in the judgment of the Contracting Officer shall be just, reasonable, and proper. Application for extension of time shall be filed in writing with the Contracting Officer not less than five (5) calendar days from the time delivery is otherwise required to be accepted, unless the Contracting Officer shall extend the time in writing for the filing of such application.

6. (a) The Buyer hereby agrees that if the Buyer fails or refuses to accept delivery within the time specified in paragraph "5." above, or any extension thereof, the Buyer will pay as liquidated damages, and not as a penalty, the sum of \$500 per Vessel per day (or fraction thereof) of delay, and the Buyer shall be liable for the amount thereof. (b) In the event of such default or failure of the Buyer in accepting delivery, the Contracting Officer shall also have the right, upon giving ten (10) calendar days written notice to the Buyer: (i) to store the Vessel(s) for the account and at the risk and expense of the Buyer, or (ii) to resell such Vessel(s) for the account of the Buyer upon such terms and conditions as the Contracting Officer may deem proper, charging against the Buyer in either of such cases any excess cost occasioned the Government thereby, together with any liquidated damages accrued on account of such default or failure. (c) The exercise by the Contracting Officer of one or more of the rights herein specified will not preclude the Contracting Officer from exercising any other rights the Contracting Officer may have against the Buyer.

7. The Buyer shall be liable for any physical damage to the Government's property, and expenses incidental thereto, caused by and occurring during any part of the removal operations by the Buyer. The Buyer shall repair the damage, or have the damage repaired to the satisfaction of the Contracting Officer; or, the Buyer shall pay to the Contracting Officer an amount of money sufficient to cover the entire cost of the damage and all expenses incident thereto, as determined

by the Contracting Officer. The Contracting Officer shall have the sole and exclusive right to determine whether the Buyer will be allowed to repair the damage or pay the Contracting Officer for such repairs as aforesaid.

8. The clutch/coupling assembly has been removed from the BENJAMIN ISHERWOOD and will be replaced by the Government with a serviceable remanufactured clutch/coupling assembly within three hundred sixty-five (365) calendar days of the date of delivery of the BENJAMIN ISHERWOOD. Any warranties extended by the manufacturer will be made available to the Buyer.

ARTICLE 4. DISPOSITION OF VESSEL(S)

This Contract is subject to the following conditions and the violation of such conditions by the Buyer or its successors and assigns shall, at the option of the Contracting Officer, be considered a breach of this Contract.

1. The Buyer shall, within thirty-six (36) months after the date of delivery of the Vessel(s) complete reconstruction of the Vessel(s) and sell to or begin operation under a charter to a NATO country for full use as an oiler. The Buyer agrees that any repair (except for emergency repairs), restoration, or reconstruction work for the Vessel(s) shall be performed in the United States. The terms "repair," "restoration" and "reconstruction" have the same meaning as "rebuilt" and "rebuilding" found in 46 App. U.S.C. 883.

2. As proof that the Buyer has complied with the above requirements, the Buyer shall submit (a) an affidavit satisfactory to the Contracting Officer signed by an authorized officer of Buyer that the Vessel(s) has been reconstructed in the United States, this affidavit to be submitted concurrent with completion of the reconstruction, and (b) an affidavit or other evidence satisfactory to the Contracting Officer duly attested and authenticated by an official of a NATO country that the Vessel(s) is being used as an oiler through a sale or charter to a NATO country, this affidavit to be submitted concurrent with the sale or charter.

3. The Buyer shall not at any time operate the Vessel(s), or cause or permit the same to be operated, other than for the limited purpose of operating as an oiler for a NATO country.

4. In the event the Buyer is delayed in completing reconstruction of the Vessel(s) or in beginning the operation of the Vessel(s) in the manner aforesaid, and the Contracting Officer is satisfied that such delay has been caused by conditions beyond the control of the Buyer, or if the Contracting Officer is satisfied that such delay has been caused by conditions which, by the exercise of reasonable diligence, the Buyer was unable to prevent, then the Contracting Officer shall, by consent in writing, extend the time for completing reconstruction or beginning operation of the Vessel(s) for such period as in the judgment of the Contracting Officer shall be just, reasonable, and proper. Applications for extensions of time shall be filed in writing with the Contracting Officer not later than (60) calendar days after the happening of the event causing the delay unless the Contracting Officer shall extend the time in writing for the filing of such application.

5. The Buyer agrees:

(a) In the event that the Buyer shall fail or refuse to reconstruct the Vessel(s) to completion as an oiler within thirty-six (36) months from the date of delivery of the Vessel(s), the Buyer shall pay to the Contracting Officer, as liquidated damages, and not as a penalty, in addition to any other sum or sums payable hereunder, a lump sum of ONE MILLION DOLLARS UNITED STATES (US\$1,000,000) per Vessel.

(b) In the event the Buyer shall at any time operate or use the Vessel(s) other than as an oiler for a NATO country, the Buyer shall pay to the Contracting Officer, as liquidated damages and not as a penalty, in addition to any other sum or sums payable hereunder, the sum of TEN THOUSAND DOLLARS UNITED STATES (US\$10,000) for each day such Vessel(s) is in operation or use. The payment of liquidated damages as herein provided, however, shall not prevent the Contracting Officer from terminating this Contract as hereinafter provided. Neither shall such payment entitle the Buyer to operate or use the Vessel(s) other than as an oiler for a NATO country, nor be a waiver of any of the obligations or agreements to be performed by the Buyer hereunder.

(c) In the event the Buyer fails, or refuses, to reconstruct and/or operate the Vessel(s) in the manner prescribed herein, within the time limits set therefor, or in the event the Buyer shall fail to pay liquidated damages as herein provided, then, and upon the occurrence of any such events, the Contracting Officer may terminate this Contract as to further performance by written notice to be served upon the Buyer, either personally or by leaving said notice at its principal office with the officer in charge thereof, or by service upon the Master, if any, aboard the Vessel(s), and thereupon the Buyer shall cease to have any interest in the Vessel(s). The Buyer and /or its surety pursuant to ARTICLE 6 (herein called the "Surety") agree(s) that such termination shall not release the Buyer and/or its Surety from the payment of liquidated damages that are due and payable, as herein provided, from the Buyer to the Contracting Officer at the time of service of the same written notice.

(d) In the event this Contract is terminated as to further performance with respect to the Vessel(s), as above provided, the Buyer agrees that it will forthwith upon receipt of directions from the Contracting Officer surrender to the Contracting Officer the actual possession of the Vessel(s) and deliver to the Contracting Officer a properly executed bill of sale for the Vessel(s) conveying the Vessel(s) to the government with full warranty of title and freedom from all liens and encumbrances.

(e) The foregoing provisions of this ARTICLE 4 shall run with the title to the Vessel(s) and be binding on all owners thereof except the Government.

ARTICLE 5. INSPECTION BY GOVERNMENT

The Buyer shall permit the Administrator or representatives thereof to inspect the Vessel(s) and the Buyer's and Buyer's contractors' operations in connection therewith at all

reasonable times upon request, for such purposes as the Administrator or representatives thereof may deem necessary or appropriate in order to determine or verify compliance by the Buyer with all terms and conditions of this Contract.

ARTICLE 6. PERFORMANCE GUARANTEE

The Buyer has furnished to the Government, at or prior to the day and hour of execution of this Contract, its guarantee to secure the faithful performance and observance of all the agreements, covenants and conditions to be performed and observed by the Buyer hereunder. Such bond shall be in the amount of ONE MILLION DOLLARS UNITED STATES (US\$1,000,000) per Vessel and shall be valid until the Vessel(s) are twenty years of age. The aforesaid guarantee is in one of the forms described below, and the receipt of which is hereby acknowledged by the Contracting Officer:

- (a) Certified or cashier's check made payable to "Maritime Adm.-Transportation"; OR
- (b) Electronic transfer of funds; OR
- (c) Irrevocable letter of credit [Performance]; OR

Note: All of the foregoing forms must be issued
by and on a United States financial institution.

- (d) U. S. Government securities; OR
- (e) Performance bond executed by a U. S. commercial surety company appearing on the U. S. Treasury List of acceptable sureties (submitted on Standard Form 25); OR
- (f) Written guaranty of the Government of which the Buyer is a National.

ARTICLE 7. SALE OR ASSIGNMENT

The Buyer shall neither sell nor charter the Vessel(s) or assign any of its rights or obligations hereunder without the prior written consent of the Contracting Officer. In addition, the Buyer shall, with respect to the Vessel(s), remain subject to all laws and regulations governing the export of military items, including the requirements administered by the Department of State regarding export licenses and certification of nontransfer end use. When evaluating the request for sale or charter or assignment, the Contracting Officer may require the New Buyer or Charterer or Assignee to submit for Government approval any information that would have been required if the New Buyer or Charterer or Assignee were an original bidder on the Vessel(s), including but not limited to a Business Plan. The Contracting Officer may modify this requirement if the New Buyer or Charterer or Assignee is a NATO Government.

ARTICLE 8. SUCCESSORS AND ASSIGNS

All the covenants, stipulations and agreements herein contained are and shall be binding upon the respective heirs, administrators, executors, successors and assigns, if any, of the Buyer, of the Government, of the Administrator and of the Contracting Officer.

ARTICLE 9. BENEFICIARIES

No member of or delegate to Congress, nor Resident Commissioner, shall be admitted to any share or part of this Contract or to any benefit that may arise therefrom except that this provision shall not apply to this Contract if made with a corporation for its general benefit. No member of or delegate to Congress, nor Resident Commissioner, shall be employed by the Buyer, either with or without compensation, as an attorney, agent, officer, or director.

ARTICLE 10. CONTINGENT FEES

The Buyer warrants that no person or agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial agencies employed or maintained by the Buyer for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this Contract with respect to the party in breach thereof and to require the Buyer to pay, in addition to the contract price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE 11. ENVIRONMENTAL COMPLIANCE

1. The Buyer hereby acknowledges and accepts responsibility for strict adherence to all applicable Federal, state and local laws, statutes, ordinances, rules, regulations and orders relating to the environmental laws (hereinafter called "applicable laws"), during transportation, reconstruction and operation of the Vessel(s). The Buyer is cautioned that it is solely responsible to ascertain the extent to which applicable laws may affect it and to comply therewith. The Buyer also hereby acknowledges and accepts responsibility for steps that must be taken to insure financial responsibility for any and all discharges of oil occurring after delivery of the Vessel(s), as required by 33 C.F.R. §130.1 *et seq.* administered by the United States Coast Guard.

2. The United States Environmental Protection Agency (EPA) has determined that a large number of a normal ship's operational or maintenance materials (including but not limited to paints, lubricants, solvents, detergents, etc.) may be hazardous. Unless specifically stated otherwise, the term "hazardous materials" or "regulated materials" as used in this Contract refers to any hazardous or toxic materials, hazardous or toxic substances, hazardous or toxic chemicals, hazardous, toxic or solid waste, or petroleum and petroleum products as defined in any applicable laws. The Buyer hereby acknowledges and accepts the responsibility for all such materials which are in the Vessel(s) at the hour and day of execution of this Contract. The Buyer accepts responsibility for proper handling of such hazardous materials and regulated materials in compliance with applicable laws.

ARTICLE 12. INCIDENT REPORTING

The Buyer must provide written notification to the Contracting Officer within 24 hours of any incident involving injuries to personnel, spills, fires, explosions, damage to property, or harm

to the environment or any other significant incidents which may arise from other performance aspects under this Contract. The Buyer shall, within seven (7) calendar days of receipt, provide copies of any notices of violation, citation, or other documentation relating to Federal, state, or local administrative or legal action against the Buyer regarding actions arising under or relating to the Contract. The requirements in this ARTICLE 12 shall expire upon submission of the second and last affidavit mandated under SUBARTICLE 4.2. hereof.

ARTICLE 13. REPRESENTATION AND WARRANTIES.

The Buyer represents and warrants as follows:

(1) The Buyer has full power and authority (corporate, legal and other) to execute, deliver and carry out the terms of this Contract;

(2) This Contract has been duly authorized, executed and delivered by the Buyer and constitutes the legal, valid and binding obligation of the Buyer enforceable against the Buyer in accordance with its terms;

(3) The execution, delivery and performance by the Buyer of this Contract does not require the approval or consent of its shareholders or of any governmental authority and does not contravene the Buyer's Certificate of Incorporation or any mortgage, indenture, or other agreement binding upon it, or any law, regulation, order, judgment, or decree applicable to the Buyer;

(4) The Buyer possesses financial resources in the form of cash, liquid assets, or written loan commitments to complete the reconstruction of the Vessel(s) under this Contract; and

(5) The Buyer will in the future retain financial resources to fully satisfy its obligations under this Contract.

ARTICLE 14. DISPUTES

1. This Contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. §§601-613) (herein called the "Act").

2. This ARTICLE 14 applies to all disputes with respect to Contracting Officer decisions on matters "arising under" or "relating to" this Contract. The Department of Transportation Board of Contract Appeals (BCA), authorized under the Act, has all of the authority to consider disputes arising under this Contract and to decide disputes relating to this Contract.

3. This ARTICLE 14 does not apply to any contract with:

- (a) a foreign government or agency of that government, OR
- (b) an international organization or a subsidiary body of that organization,

if the Administrator determines that the application of the Act to this Contract would not be in the public interest. This clause applies to foreign persons and foreign legal entities that are not covered by "(a)" and "(b)" above.

ARTICLE 15. CONTRACTING OFFICER'S CONSENT

Wherever in this Contract something is subject to Contracting Officer's consent or determination, the Contracting Officer shall be reasonable in giving its consent or in making such determination.

ARTICLE 16. COUNTERPART SIGNATURE

This Contract shall be executed in three (3) counterparts, each of which shall be part of an original and all of which shall constitute but one and the same instrument.

ARTICLE 17. TIME IS OF THE ESSENCE

The obligations to be performed by the Buyer under this Contract are based on statutory requirements and for that reason time is of the essence in the performance of such obligations. The failure of the Buyer to perform any such obligations in the manner set forth within the times specified therefor, or any extension thereof, will cause the Government substantial damage, and the amount of such damage will be difficult to ascertain.

ARTICLE 18. GOVERNING LAW.

This Contract shall be governed by the federal law of the United States or, in the absence of applicable federal law, by the law of the District of Columbia.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the hour

and day and year first above written.

ATTEST:
(Seal)

UNITED STATES OF AMERICA
SECRETARY OF TRANSPORTATION
MARITIME ADMINISTRATOR

By: _____
Secretary
Maritime Administration

By: _____
Contracting Officer

ATTEST
(Corporate Seal)

[Company name]

By: _____
(Signature)

(Title)

By: _____
(Signature)

(Name - Type or Print)

(Title)

Approved as to form:

Assistant Chief Counsel
Maritime Administration

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") HEREINBELOW MORE PARTICULARLY IDENTIFIED, AS FOLLOWS:

NAME: _____

TYPE: _____

LOCATION: _____

FOR AND IN CONSIDERATION OF THE SUM OF _____

(_____) LAWFUL MONEY OF THE UNITED STATES OF AMERICA, TO IT IN

HAND PAID BEFORE DELIVERY BY _____ (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 AND BY THESE PRESENTS

DOES BARGAIN AND SELL UNTO THE BUYER, ITS SUCCESSORS AND ASSIGNS, ALL

OF THE RIGHT, TITLE AND INTEREST OF THE SELLER IN AND TO THE VESSEL, ALL

HER ENGINES, BOILERS, MASTS, SAILS, BOATS, CABLES, TACKLE, FURNITURE;

AND ALL OTHER NECESSARIES THERETO 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 BEHOOF OF THE SAID BUYER AND ITS SUCCESSORS AND ASSIGNS, AND 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 CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND THE BUYER DATED AS OF THIS DATE, CONTRACT NO. MA-_____, WHICH PROVIDES AMONG OTHER THINGS THAT THE VESSEL SHALL BE RECONSTRUCTED IN THE UNITED STATES ONLY FOR SALE OR CHARTER FOR USE AS AN OILER TO A NORTH ATLANTIC TREATY COUNTRY, AND SHALL NOT BE

RESOLD WITHOUT THE PRIOR WRITTEN PERMISSION OF THE UNITED STATES OF AMERICA.

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
AUTHORIZED THIS _____ DAY OF _____ 2001.

UNITED STATES OF AMERICA
SECRETARY OF TRANSPORTATION
MARITIME ADMINISTRATOR

By: _____
Contracting Officer

ATTEST:
(Seal)

By: _____
Secretary
Maritime Administration

EXHIBIT 2

VESSEL

**BENJAMIN ISHERWOOD
HENRY ECKFORD**

LOCATION

**James River Reserve Fleet
James River Reserve Fleet**

RESOLD WITHOUT THE PRIOR WRITTEN PERMISSION OF THE UNITED STATES OF AMERICA.

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
AUTHORIZED THIS _____ DAY OF _____ 2001.

UNITED STATES OF AMERICA
SECRETARY OF TRANSPORTATION
MARITIME ADMINISTRATOR

By: _____
Contracting Officer

ATTEST:
(Seal)

By: _____
Secretary
Maritime Administration