

**Association of Ship Brokers
& Agents (U.S.A.), Inc.**

September, 1984

CODE WORD FOR THIS CHARTER PARTY

ASBA II

Vessel Name

TANKER VOYAGE CHARTER PARTY

1

Place

Date

2

PREAMBLE	It is this day agreed between _____	3
	chartered owner/owner (hereinafter called the "Owner" of the _____	4
	_____ SS/MS _____	5
	(hereinafter called the "Vessel") and _____	6
	(hereinafter called the "Charterer") that the transportation herein provided for will be performed	7
	subject to the terms and conditions of this Charter Party, which includes this Preamble and Part I	8
	and Part II. In the event of a conflict, the provisions of Part I will prevail over those contained in Part	9
	II.	10
PART I		11
DESCRIPTION AND POSITION	A. Deadweight: _____ Tons (2240 lbs.) Classed: _____	12
	Loaded draft of Vessel on assigned summer freeboard _____ ft. _____ in salt water.	13
	Capacity for Cargo: _____ Tons (2240 lbs.) _____ more or less, Vessel's option.	14
		15
	Coated: <input type="checkbox"/> YES <input type="checkbox"/> NO	Last Cargo: _____
	Coiled: <input type="checkbox"/> YES <input type="checkbox"/> NO	Previous Cargo: _____
	Now: _____	Expected Ready: _____
LAYDAYS	B. Commencing: _____	Cancelling: _____
VOYAGE	C. Loading Port(s): _____	19
	D. Discharge Port(s): _____	20
CARGO	E. Cargo Description: _____	21
	(Charterer's option within description limits)	22
RATE	F. Freight Rate: _____	23
BILLING	G. Freight Payable to: _____	24
LAYTIME	H. Total Laytime in Running Hours: _____	25
DEMURRAGE	I. Demurrage Per Day: _____	26

SPECIAL PROVISIONS

J. Special Provisions:

27

SIGNATURES

IN WITNESS WHEREOF, the parties have caused this Charter, consisting of a Preamble, Parts I and II, to be executed in duplicate as of the day and year first above written.

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Owner

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WITNESS:

By: _____

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Charterer

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WITNESS:

By: _____

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**PART II
WARRANTY**

1. (a) Owner warrants that at the commencement of loading hereunder the Vessel shall be classed as specified in Part I(A) and that her hull, machinery, boilers, tanks, equipment, including pipes, pumps and heating coils and facilities, shall be in good working order and condition and in every way seaworthy and fit for the carriage of the cargo specified in Part I(E) hereof, with a full and efficient complement of Master, officers and crew, so far as the foregoing conditions can be obtained by the exercise of due diligence, and that she shall be so maintained throughout her service hereunder.

VOYAGE

(b) The Vessel shall proceed with utmost dispatch to a berth, dock, anchorage, submarine line, alongside a vessel or vessels and/or a lighter or lighters and/or any other place whatsoever as ordered by Charterer in one or more of the ports or places specified in Part I(C) hereof and there load a full cargo of crude oils and/or their products and shall then proceed to a berth, dock, anchorage, submarine line, alongside a vessel or vessels and/or a lighter or lighters and/or any other place as ordered by Charterer in one or more ports or places specified in Part I(D) hereof, and there deliver said cargo.

FULL CARGO

(c) The term "full cargo" as used in this clause and throughout this charter means a cargo which fills the Vessel to either its applicable deadweight or its volume capacity, whichever first occurs, after leaving sufficient space in the tanks for the expansion of cargo.

**VESSEL'S
ELIGIBILITY**

(d) Owner further warrants that the Vessel is in all respects eligible for trading to the ports and places specified in Part I, (C) and (D), and that at all necessary times she shall have on board all certificates, records and other documents required for such service.

FREIGHT

2. Freight shall be at the rate stipulated in Part I(F) and shall be computed on intake quantity (except deadfreight as per Clause 3) as shown on the Inspector's Certificate of Inspection. Payment of freight shall be made by Charterer without discount upon completion of discharge of cargo at destination less any disbursements or advances made to the Master or Owner's agents at ports of loading and/or discharge and cost of insurance thereon. No deduction of freight shall be made for water and/or sediment contained in the cargo. The services of the Petroleum Inspector shall be arranged and paid for by the Charterer who shall furnish the Owner with a copy of the Inspector's Certificate.

DEADFREIGHT

3. Should the Charterer fail to supply a full cargo, the vessel may, at the Master's option, and shall, upon request of the Charterer, proceed on her voyage, provided that the tanks in which cargo is loaded are sufficiently filled to put her in a seaworthy condition. Deadfreight shall be paid at the freight rate specified in Part I(F) hereof on the difference between a full cargo and the quantity actually loaded.

**LOADING AND
DISCHARGE
PORTS**

4. (a) Prior to the Vessel's readiness to sail from the last previous port of call or on signing this Charter if the Vessel has already sailed, Charterer shall nominate the port(s) of loading or port(s) of discharge, as the case may be, or order the Vessel to one of the following destinations for wireless orders naming such port(s):

Quoin Island	76
Land's End	77
Gibraltar	78
Suez	79
Aruba	80

If the Vessel is ordered to one of such destinations for orders, Charterer shall thereafter nominate the actual loading or discharge port(s) by wireless as soon as practicable.

(b) After loading or discharging port(s) have been nominated, Charterer may change such port(s) and/or vary their rotation consistent with Part I and bills of lading, if any, and Owner shall issue instructions necessary to give effect to such change. If such change is made, or a destination for wireless orders is given, any time by which the steaming time to the port(s) to which the Vessel is finally ordered exceeds that which would have been taken if the Vessel had been ordered to proceed to such port(s) in the first instance shall count as laytime or, if the Vessel is on demurrage, as time on demurrage, but only to the extent that such time is not compensated for in the freight rate stipulated in Part I(F). In addition, to the extent not compensated for in such rate, Charterer shall pay for any extra bunkers consumed at Owner's documented actual replacement cost at the port where bunkers are next taken.

COMMENCEMENT

5. Laytime shall not commence before 0600 hours local time on the Commencing date specified in Part I(B), unless with Charterer's sanction. If the Vessel has not given notice of readiness to load, by 1600 hours local time on the Cancelling date specified in Part I(B), Charterer shall have the option of cancelling this Charter Party within 24 hours. Cancellation or failure to cancel shall be without prejudice to any claims for damages Charterer may have for late tender of the Vessel's services.

CANCELLATION**NOTICE OF READINESS**

6. Upon arrival at customary anchorages at each port of loading or discharge, the Master shall give the Charterer notice by letter, telegraph, wireless or telephone that the Vessel is ready to load or discharge cargo, berth or no berth, and laytime or, if the Vessel is on demurrage, time on demurrage shall commence upon the expiration of six (6) hours after receipt of such notice, or upon the Vessel's arrival in berth (i.e. finished mooring when at a sea loading or discharging terminal and all fast when loading or discharging alongside a wharf or when barge lighter or lightening vessel is alongside when lightening), whichever first occurs. However, where delay is caused to Vessel getting into berth after giving notice of readiness for any reason whatsoever over which Charterer has no control, such delay shall not count as laytime or as time on demurrage.

LAYTIME

7. (a) The laytime specified in Part I(H) shall be allowed free of expense to Charterer for the purpose of loading and discharging cargo. Any delay due to the Vessel's condition or breakdown or inability of the Vessel to load or discharge cargo or due to any other reason assignable to the Vessel or her Master, Officers or crew shall not count as laytime or as time on demurrage. Charterer shall have the right of loading and discharging during the night provided that, if regulations of the Owner or port authorities prohibit loading or discharging of the cargo at night, time thereby lost will not count as laytime or as time on demurrage. If the Charterer, shipper or consignee prohibits loading or discharging at night, time thereby lost will count as laytime or, if the vessel is on demurrage, as time on demurrage.

(b) For the purpose of freight payment the places grouped in port and terminal combinations in Worldscale current at the date of commencement of loading are to be considered as berths within a single port. Time consumed shifting between berths within such a "single port" or any other port shall count as laytime or, if the Vessel is on demurrage, time on demurrage.

(c) Time consumed by the Vessel in moving from loading or discharge port anchorage even if lightering has taken place at the anchorage, to the Vessel's loading or discharging berth, or in discharging ballast water, will not count as laytime or time on demurrage.

(d) If lightering takes place on the high seas or at a place other than the discharge port(s), steaming time and lightering time not compensated for in Part I(F) shall count as laytime or if the vessel is on demurrage, time on demurrage.

DEMURRAGE

8. Charterer shall pay demurrage per running hour and pro rata for a part thereof at the rate specified in Part I(I) for all time that laytime therein specified is exceeded by the time taken to load and discharge cargo and the time which, under the provisions of this Charter, counts as laytime or time on demurrage. If, however, demurrage shall be incurred at ports of loading and/or discharge for delays by reason of fire, explosion, storm or by a strike, lockout, stoppage or restraint of labor or by breakdown of machinery or equipment in or about the plant of the Charterer, supplier, shipper or consignee of the cargo, such demurrage shall be calculated at one-half the rate specified in Part I(I). Laytime shall not run or, if the vessel is on demurrage, demurrage shall not accrue, for any delay caused by strike, lockout, stoppage or restraint of labor of Master, officers and crew of the Vessel or tugboat or pilots or any other cause of whatsoever nature or kind over which the Charterer has no control.

LOADING/ DISCHARGE PLACE

9. Charterer shall not be deemed to warrant the safety of any port, berth, dock, anchorage and/or other place to which the vessel may be ordered to load or discharge and shall not be liable for any loss, damage, injury, or delay resulting from conditions at such ports, berths, docks, anchorages or other places not caused by Charterer's fault or neglect or which could have been avoided by the exercise of reasonable care on the part of the Master.

LOADING AND OUT

10. The cargo shall be pumped into the Vessel at the expense of Charterer, and at its risk only up to the Vessel's hose connections. The cargo shall be discharged from the Vessel at the expense of Owner and at its risk only up to the Vessel's hose connections. If required by the Charterer, the Vessel, after discharging, is to clear shore pipe lines of cargo by pumping water through them and the time thereby consumed shall count as laytime or, if the Vessel is on demurrage, time on

	demurrage. The Vessel shall provide all necessary pumps, power, and hands required on board for mooring and unmooring, connecting or disconnecting of hoses and loading and discharging. If regulations prevent fires on board and steam is required for loading or discharging, the Charterer or consignee shall supply, at its expense, all power necessary for discharging as well as loading, but the Owner shall pay for power supplied the Vessel for any other purpose. If cargo is loaded from lighters, the Vessel will furnish steam at Charterer's expense for pumping cargo into the Vessel if requested by Charterer. All overtime incurred by officers and crew in loading and/or discharging shall be for the account of the vessel.	162 163 164 165 166 167 168 169 170
HOSES/SEA TERMINALS	11. Hoses for loading and discharging shall be furnished by the Charterer and shall be connected and disconnected by the Charterer, or, by the Owner at the Charterer's option. Laytime or, if the Vessel is on demurrage, time on demurrage shall continue until the hoses have been disconnected, or until ballasting begins at the discharge port(s), whichever occurs first. When Vessel loads or discharges at a sea terminal, the Vessel shall be properly equipped at Owner's expense for loading or discharging at such place, including suitable ground tackle, mooring lines and equipment for handling submarine hoses.	171 172 173 174 175 176 177 178
DUES AND OTHER CHARGES	12. Dues and other charges upon the Vessel, including those assessed on the quantity of cargo loaded or discharged shall be paid by the Owner, and dues and other charges on the cargo shall be paid by Charterer. However, where under a provision of the rate schedule in Part I(F) any dues or charges are expressly for the account of Owner or Charterer, then such dues or charges shall be payable in accordance therewith.	179 180 181 182 183 184
ICE	13. (a) In case port of loading or discharge should be inaccessible owing to ice, the Vessel shall direct her course according to Master's judgment, notifying by telegraph or radio, if available, the Charterer, shipper or consignee, who is bound to telegraph or radio orders for another port, which is free from ice and where there are facilities for the loading or reception of the cargo in bulk. The whole of the time occupied from the time the Vessel is diverted by reason of the ice until her arrival at an ice-free port of loading or discharge, as the case may be, shall be paid for by the Charterer at the demurrage rate stipulated in Part I(I) but only to the extent that such time is not compensated for in Part I(F). (b) If, on account of ice the Master considers it dangerous to enter or remain at any loading or discharging place for fear of the Vessel being frozen in or damaged, the Master shall communicate by telegraph or radio, if available, with the Charterer, shipper or consignee of the cargo, who shall telegraph or radio him in reply, giving orders to proceed to another port as per Clause 13(a) where there is no danger of ice and where there are the necessary facilities for the loading or reception of the cargo in bulk, or to remain at the original port at their risk, and in either case Charterer to pay for the time that the Vessel may be delayed, at the demurrage rate stipulated in Part I(I).	185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202
DRY CARGO	14. Charterer has the option of shipping packaged and/or general cargo (including oils and bitumen in drums) in the available dry cargo space. Freight shall be payable at the rate stipulated in Part I(F) and Charterer shall pay in addition all expenses incurred solely as a result of the packaged and/or general cargo being carried. The time occupied in loading and discharging such cargo is to count as laytime or, if the Vessel is on demurrage, time on demurrage.	203 204 205 206 207 208
QUARANTINE	15. Time lost at any port due to quarantine shall not count as laytime or as time on demurrage unless such quarantine was in force at the time when such port was nominated by Charterer.	209 210 211
CLEANING/ GRADES	16. (a) The Owner shall clean the tanks, pipes and pumps of the Vessel to the satisfaction of the Charterer's Inspector. Compliance with this clause shall not be deemed compliance with Owner's obligations under Part II(1) hereof which are in no way lessened by this clause. (b) The Vessel shall not be responsible for any admixture if more than one quality of oil is shipped, nor for leakage, contamination or deterioration in quality of the cargo unless the admixture, leakage, contamination or deterioration results from (a) unseaworthiness existing at the inception of loading which was discoverable by the exercise of due diligence, or (b) error or fault of the servants of the Owner in the loading, care or discharge of the cargo.	212 213 214 215 216 217 218 219 220 221
ADVANCES	17. Cash shall be advanced by Charterer to the Master or Owner's agents, if required, for ordinary disbursements at ports of loading and/or discharge at current rates of exchange and insured at Owner's expense. Any moneys so advanced are subject to a two and one-half per cent (2½%) commission, are deductible from freight payable, and the Charterer will have a lien on the Vessel for same.	222 223 224 225 226

BUNKERS

18. When, in connection with the performance of any voyage provided for in this Charter Party, Owner plans to purchase bunkers at any port or ports outside the United States and its territories, Owner will purchase the bunkers from Charterer or its designated affiliates whenever they are so available at competitive prices. In the event lower prices are quoted to Owner by any supplier at the port or ports in question, Owner will give Charterer or its designated affiliates the opportunity to meet such quotation.

HEAT

19. If the Vessel chartered hereunder is coiled in accordance with Part I(A) hereof, the cargo shall be kept heated on the passage to discharging port(s) and throughout discharge in accordance with the instructions issued by Charterer. However, in no case will the Vessel be obliged to heat cargo to a temperature in excess of 135°F (one hundred and thirty-five degrees Fahrenheit). The Owner warrants that the Vessel is capable of heating cargo to such temperature and of maintaining same throughout the entire discharge. If the Vessel fails to maintain the temperature required, Owner shall be responsible for any resulting delay and the time lost thereby shall not count as laytime, or if the Vessel be on demurrage, as time on demurrage. Should it become necessary to withdraw the Vessel from the berth because of Owner's failure to maintain the temperature required, all time and expenses incurred shall be for the Owner's account.

BILLS OF LADING

20. (a) Bills of lading shall be signed by the Master as presented, the Master attending daily, if required, at the offices of the Charterer or its Agents. However, at Charterer's option, the Charterer or its Agents may sign bills of lading on behalf of the Master. All bills of lading shall be without prejudice to this Charter and the Charterer shall indemnify the Owner against all consequences or liabilities which may arise from any inconsistency between this Charter and any bills of lading or other documents signed by the Charterer or its Agents or by the Master at their request or which may arise from an irregularity in papers supplied by the Charterer or its Agents.

(b) The carriage of cargo under this Charter Party and under all bills of lading issued for the cargo shall be subject to the statutory provisions and other terms set forth or specified in sub-paragraphs (i) through (vi) of this Clause and such terms shall be incorporated verbatim or be deemed incorporated by the reference in any such bill of lading. In such sub-paragraphs and in any Act referred to therein, the word "Carrier" shall include the Owner and the Chartered Owner of the Vessel.

CLAUSE PARAMOUNT

(i) This bill of lading shall have effect subject to the provisions of the Carriage of Goods By Sea Act of the United States, approved April 16, 1936, except that if this bill of lading is issued at a place where any other Act, ordinance or legislation gives statutory effect to the International Convention for the Unification of certain Rules relating to bills of lading at Brussels, August 1924, then this bill of lading shall have effect subject to the provisions of such Act, ordinance or legislation. The applicable Act, ordinance or legislation (hereinafter called "Act") shall be deemed to be incorporated herein and nothing herein contained shall be deemed a surrender by the Carrier of any of its rights or immunities or an increase of any of its responsibilities or liabilities under the Act. If any term of this bill of lading be repugnant to the Act to any extent, such term shall be void to that extent but no further.

JASON CLAUSE

(ii) In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the Carrier is not responsible, by statute, contract or otherwise, the cargo, shippers consignees or owners of the cargo shall contribute with the Carrier in General Average to the payment of any sacrifices, losses or expenses of a General Average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo. If a salving ship is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the Carrier or his Agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the cargo to the Carrier before delivery.

GENERAL AVERAGE

(iii) General Average shall be adjusted, stated and settled according to York/Antwerp Rules 1950, as amended, and, as to matters not provided for by those rules, according to the laws and usages at the port of New York. If a General Average statement is required, it shall be prepared at such port by an Adjuster from the port of New York appointed by the Carrier and approved by the Charterer of the

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Vessel. Such adjuster shall attend to the settlement and the collection of the General Average, subject to customary charges. General Average Agreements and/or security shall be furnished by Carrier and/or Charterer, and/or Owner and/or Consignee of cargo, if requested. Any cash deposit being made as security to pay General Average and/or salvage shall be remitted to the Average Adjuster and shall be held by him at his risk in a special account in a duly authorized and licensed bank at the place where the General Average statement is prepared.

**BOTH TO
BLAME**

(iv) If the Vessel comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the Master, mariner, pilot or the servants of the Carrier in the navigation or in the management of the Vessel, the owners of the cargo carried hereunder shall indemnify the Carrier against all loss or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to or any claim whatsoever of the owners of said cargo, paid or payable by the other or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or Carrier. The foregoing provisions shall also apply where the owners, operators or those in charge of any ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact.

**LIMITATION
OF LIABILITY**

(v) Any provision of this Charter to the contrary notwithstanding, the Carrier shall have the benefit of all limitations of, and exemptions from, liability accorded to the owner or chartered owner of vessels by any statute or rule of law for the time being in effect.

**DEVIATION
CLAUSE**

(vi) The Vessel shall have liberty to sail with or without pilots, to tow or be towed, to go on the assistance of vessels in distress, to deviate for the purpose of saving life or property or of landing any ill or injured person on board, and to call for fuel at any port or ports in or out of the regular course of the voyage.

**WAR
CLAUSES**

21. (a) No contraband of war shall be shipped, but petroleum and/or its products shall not be deemed contraband of war for the purposes of this Clause. Vessel shall not however, be required, without the consent of Owner, which shall not be unreasonably withheld, to enter any port or zone which is involved in a state of war, warlike operations or hostilities, civil strife or piracy, whether there be a declaration of war or not, where it might reasonably be expected to be subject to capture, seizure or arrest, or to a hostile act by a belligerent power (the term "power" meaning any de jure or de facto authority or any other purported governmental organization maintaining naval, military or air forces).

(b) For the purposes of this Clause it shall be unreasonable for Owner to withhold consent to any voyage, route, or port of loading or discharge if insurance against all risks defined in paragraph (a) of this clause is then available commercially or under a Government program in respect of such voyage, route or port of loading or discharge. If such consent is given by Owner, Charterer will pay the provable additional cost of insuring Vessel against Hull war risks in an amount equal to the value under her ordinary marine policy. If such insurance is not obtainable commercially or through a Government program, Vessel shall not be required to enter or remain at any such port or zone.

(c) In the event of the existence of the conditions described in paragraph (a) of this clause subsequent to the date of this Charter, Charterer shall, in respect of a voyage to any such port or zone assume the provable additional cost of wages and insurance properly incurred in connection with Master, officers and crew as a consequence of such war, warlike operations or hostilities.

RELOADING

22. Charterer shall have the option of reloading the Vessel with a part cargo as described in Part I(E) at any port of discharge nominated by the Charterer within the discharge options contained in Part I(D) and Owner agrees to discharge such reloaded cargo at any other discharge port or ports, previously nominated provided such port or ports, lie within the rotation of discharge ports previously nominated. If this option is exercised, freight shall be payable at the demurrage rate stipulated in Part I(I) for additional time consumed awaiting berth and/or cargo and/or tank preparation and/or loading and discharging such cargo, and any additional port charges incurred as a result of such reloading shall be for Charterer's account.

EXCEPTIONS

23. (a) The Vessel, her Master and Owner shall not, unless otherwise in this Charter expressly provided, be responsible for any loss or damage to cargo arising or resulting from: any act, neglect, default or barratry of the Master, pilots, mariners or other servants of the Owner in the navigation or management of the Vessel; fire, unless caused by the personal design or neglect of the Owner; collision, stranding, or peril, danger or accident of the sea or other navigable waters; or from explosion, bursting of boilers, breakage of shafts, or any latent defect in hull, equipment or

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machinery. And neither the Vessel, her Master or Owner, nor the Charterer, shall, unless otherwise in this Charter expressly provided, be responsible for any loss or damage or delay or failure in performing hereunder arising or resulting from: act of God; act of war; perils of the sea; act of public enemies, pirates, or assailing thieves; arrest or restraint of princes, rulers or people, or seizure under legal process provided bond is promptly furnished to release the Vessel or cargo: strike or lockout or stoppage or restraint of labor from whatever cause, either partial or general; or riot or civil commotion.

(b) The exceptions stated in paragraph (a) of this Clause shall not affect the Owner's undertakings with respect to the condition of the Vessel at the commencement of loading hereunder or the obligations of the Owner in respect of the loading, handling, stowage, carriage, custody, care and discharge of cargo.

LIEN 24. The Owner shall have a lien on all cargoes for all amounts due under this Charter, and Charterer shall have a lien on the Vessel for all moneys paid in advance and not earned, all disbursements and advances for the Owner's account, and for any damages sustained by the Charterer as a result of the breach of this Charter by the Owner.

AGENTS 25. Unless otherwise agreed, the Owner shall appoint Vessel's agents at all ports.

LOADING RATE 26. The Master will not unreasonably apply a maximum rate per hour or number of grades when loading cargo, but subject to Master's approval, Charterer will be able to load the Vessel at rates they deem necessary having due regard to the safety of the Vessel. If requested by Charterer, the Master will agree to discharge or load more than one grade simultaneously.

ASSIGNMENT SUBLET 27. (a) Charterer upon notice to Owner may assign this Charter Party to any of its affiliates.
(b) Charterer shall also have the right to sublet the Vessel, but in the event of a sublet, Charterer shall always remain responsible for the fulfillment of this Charter in all its terms and conditions.

CLEAN SEAS 28. (a) The Owner agrees to participate in Charterer's program covering oil pollution avoidance. Such program prohibits discharge overboard of all oily water, oily ballast or oil in any form of a persistent nature, (hereinafter called "oily residues") except under extreme circumstances whereby the safety of the Vessel, cargo or life at sea would be imperiled.
Owner shall ensure that Vessel's personnel will:
(1) at the start of the ballast passage before presenting for loading hereunder retain on board all oily residues remaining in the Vessel from her previous cargo.
(2) during tank washing collect the oily residues into one cargo compartment and, after maximum separation of free water, discharge such water overboard;
(3) thereafter notify Charterers through Owners by radio of the amounts of oily residues in the segregated tank washings in accordance with Charterer's instructions.

If the Charterer requires that demulsifiers shall be used for the separation of oily residues, such demulsifiers shall be obtained by the Owner and paid for by Charterer.

On Vessel's arrival at or off loading port or place, Charterers shall provide facilities for the reception of any such oily residues, the cost of such facilities and the ultimate disposal of the oily residues being for Charterer's account. Any delay in the provision of the necessary facilities shall count as laytime, or if the Vessel is on demurrage, time on demurrage.

Should Charterers fail to provide facilities for the reception of part or all of the oily residues remaining on board, freight shall be payable thereon as specified in Part I (1) up to a maximum tonnage equivalent to 1% (one per cent) of Vessel's deadweight as specified in Part I (A), and should Charterers require segregation from the cargo to be loaded, they shall pay for any deadfreight so incurred.

Nothing in the Charterer's instruction shall be construed as permission to pollute the sea by the discharge of oily residues. The Owner agrees to instruct the Master to furnish Charterer with a report covering oil pollution avoidance together with details of the quantity of oily residues on board on arrival at the loading port.

(b) Owners warrant that the Vessel is a Participating Tanker in TOVALOP and will so remain during the currency of this Charter, provided however, that if Owners acquire the right to withdraw from TOVALOP under Clause VIII thereof, nothing herein shall prevent Owners from exercising that right.

**TOVALOP
AND
CLEANUP**

When an escape or discharge of oil (the term "oil" for the purposes of this Clause meaning "oil" as defined in TOVALOP) occurs from the Vessel and causes or threatens to cause pollution damage to coastlines, Charterers may, at their option, upon notice to Owners or Master, undertake such measures as are reasonably necessary to prevent or mitigate such damage, unless Owners promptly undertake same. Charterers shall keep Owners advised of the nature and result of any such measures taken by them, and if time permits, the nature of the measures intended to be taken by them. Any of the aforementioned measures taken by Charterers shall be deemed taken on Owners' authority and shall be at Owners' expense except to the extent that:

- (1) Such escape or discharge was caused or contributed to by Charterers, or
- (2) Owners are or would have been exempt from liability for such escape or discharge by reason of the exceptions prescribed in Article III (2) of the 1969 International Convention on Civil Liability for Oil Pollution Damage, or
- (3) The cost of such measures together with Owners' own reasonable removal costs exceed: One Hundred and Twenty-Five Dollars per Gross Registered Ton of the Vessel or Ten Million Dollars (whichever is less) in case the Vessel was carrying a cargo of oil not owned by an Oil Company Party to CRISTAL (as such ownership is defined in CRISTAL and the Rules promulgated thereunder) or in case the Vessel was in ballast.

Provided always that if Owners in their absolute discretion consider said measures should be discontinued, Owners shall so notify Charterers and thereafter Charterers shall have no right to continue said measures under the provisions of this Clause and all further liability to Charterers under this Clause shall thereupon cease.

The above provisions are not in derogation of such other rights as Charterers or Owners may have under this Charter, or may otherwise have or acquire by Law or any International Convention.

ARBITRATION

29. Any and all differences and disputes of whatsoever nature arising out of this Charter shall be put to arbitration in the City of New York pursuant to the laws relating to arbitration there in force, before a board of three persons, consisting of one arbitrator to be appointed by the Owner, one by the Charterer, and one by the two so chosen. The decision of any two of the three on any point or points shall be final. Until such time as the arbitrators finally close the hearings either party shall have the right by written notice served on the arbitrators and on an officer of the other party to specify further disputes or differences under this Charter for hearing and determination. The arbitrators may grant any relief which they, or a majority of them, deem just and equitable and within the scope of the agreement of the parties, including, but not limited to, specific performance. Awards made in pursuance to this clause may include costs including a reasonable allowance for attorney's fees and judgment may be entered upon any award made hereunder in any Court having jurisdiction in the premises.

INTERPRETATION

30. The interpretation of this Charter and the rights and obligations of the parties shall be governed by the laws applicable to charter parties made in the City of New York. The headings of clauses are for convenience of reference only and shall not affect the interpretation of this Charter. No modification, waiver or discharge of any term of this Charter shall be valid unless in writing and signed by the party to be charged therewith.