AWARD/CONTRACT	UNDER DPAS (15 CFR 350)		1	15
2. CONTRACT *(Proc. inst. ident.)* NO. DTMA1H08001	3. EFFECTIVE DATE 03/01/2008	4. REQUISITION/PURCHASE REQUEST PROJECT NO.		

5. ISSUED BY CODE 00091	6. ADMINISTERED BY *(If other than Item 5)* CODE
DOT/Maritime Administration, MAR-380 1200 New Jersey Ave SE, MAR380 W26-429 Washington, DC 20590-	

7. NAME AND ADDRESS OF CONTRACTOR *(No., street, city, county, State and ZIP Code)*	8. DELIVERY ☐ FOB Origin ☑ Other (See below)
Fairfield Maxwell Services, Ltd 5 Becker Farm Road Roseland, NJ 07068-	9. DISCOUNT FOR PROMPT PAYMENT 10 days % 20 days % 30 days % days %
CODE * FACILITY CODE	10. SUBMIT INVOICES *(4 Copies unless other - wise specified)* To THE ADDRESS SHOWN IN: ITEM 12

11. SHIP TO/MARK FOR CODE	12. PAYMENT WILL BE MADE BY CODE
No Shipping Information	DOT/ Enterprise Services Center (ESC) OFO/FAA, Oklahoma City MARAD A/P Headquarters Invoices Branch AMZ-150 PO Box 25710 Oklahoma City, OK 73125-

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:	14. ACCOUNTING AND APPROPRIATION DATA
☐ 10 U.S.C. 2304(c) ( ) ☐ 41 U.S.C. 253(c) ( )	No Funding Information

15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	SEE LINE ITEM DETAIL				

15G. TOTAL AMOUNT OF CONTRACT 0.00

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( )	SEC	DESCRIPTION	PAGE(S)	( )	SEC	DESCRIPTION	PAGE(S)
		PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES	
	A	SOLICITATION CONTRACT FORM			I	CONTRACT CLAUSES	
	B	SUPPLIES OR SERVICES AND PRICES/COSTS				PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.	
	C	DESCRIPTION/SPECS/WORK STATEMENT			J	LIST OF ATTACHMENTS	
	D	PACKAGING AND MARKING				PART IV - REPRESENTATIONS AND INSTRUCTIONS	
	E	INSPECTION AND ACCEPTANCE			K	REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFERORS	
	F	DELIVERIES AND PERFORMANCE					
	G	CONTRACT ADMINISTRATION DATA			L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
	H	SPECIAL CONTRACT REQUIREMENTS			M	EVALUATION FACTORS FOR AWARD	

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. ☑ CONTRACTOR'S NEGOTIATED AGREEMENT *(Contractor is required to sign this document and return* 3 *copies to issuing office)* Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as attached or incorporated by reference herein.
(Attachments are listed herein.)

18. ☐ AWARD *(Contractor is not required to sign this document.)* Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

19A. NAME AND TITLE OF SIGNER *(Type or print)*	20A. NAME OF CONTRACTING OFFICER
PETER C. JOHANSEN - V.P.	Frank Bajowski

19B. NAME OF CONTRACTOR	19C. DATE SIGNED	20B. UNITED STATES OF AMERICA	20C. DATE SIGNED
By _____ *(Signature of person authorized to sign)*	03/04/2008	By _____ *(Signature of Contracting Officer)*	13 MAR 08

Line Item Number	Description	Delivery Date (Start Date to End Date)	Quantity	Unit of Issue	Unit Price	Total Cost (Includes Discounts)
0001	General Agency Agreement	5 yrs. (ADC)	0.00		$.000	$ 0.00
					Total Cost:	$0.00

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COMMERCIAL CLAUSES

1 52.252-02 CLAUSES INCORPORATED BY REFERENCE

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

http://acquisition.gov/far/current/html/FARTOCP52.html

Clause	Title	Date
1252.223-71	Accident and Fire Reporting	May 2005
1252.237-70	Qualifications of Employees	May 2005
1252.242-72	Dissemination of Contract Information	October 1994
52.202-01	Definitions	July 2004
52.203-05	Covenant Against Contingent Fees	April 1984
52.203-06	Restrictions on Subcontractor Sales to the Government	September 2006
52.203-07	Anti-Kickback Procedures	July 1995
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	January 1997
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions	September 2007
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	September 2007
52.204-02	Security Requirements	August 1996
52.209-06	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	September 2006
52.215-02	Audit and Records--Negotiation	June 1999
52.216-07	Allowable Cost and Payment	December 2002
52.219-08	Utilization of Small Business Concerns	May 2004
52.222-01	Notice to the Government of Labor Disputes	February 1997
52.222-03	Convict Labor	June 2003
52.222-04	Contract Work Hours and Safety Standards Act - Overtime Compensation	July 2005
52.222-26	Equal Opportunity	March 2007
52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	September 2006
52.222-36	Affirmative Action For Workers with Disabilities	June 1998
52.222-41	Service Contract Act of 1965	November 2007
52.222-42	Statement of Equivalent Rates for Federal Hires	May 1989
52.223-02	Affirmative Procurement of Biobased Products Under Service and Construction Contracts	December 2007
52.223-06	Drug-Free Workplace	May 2001
52.225-03	Buy American Act - Free Trade Agreements - Israeli Trade Act	August 2007
52.225-07	Waiver of Buy American Act for Civil Aircraft and Related Articles	February 2000
52.225-09	Buy American Act - Construction Materials	January 2005
52.225-10	Notice of Buy American Act Requirement - Construction Materials	May 2002
52.227-01	Authorization and Consent	December 2007
52.227-02	Notice and Assistance Regarding Patent and Copy Infringement	December 2007
52.227-14	Rights in Data--General	December 2007
52.232-12	Advance Payments	May 2001

52.232-17	Interest	June 1996
52.232-24	Prohibition of Assignment of Claims	January 1986
52.232-25	Prompt Payment	October 2003
52.233-01	Disputes	July 2002
52.242-01	Notice of Intent to Disallow Costs	April 1984
52.242-13	Bankruptcy	July 1995
52.243-02	Changes--Cost-Reimbursement	August 1987
52.244-02	Subcontracts	June 2007
52.244-05	Competition In Subcontracting	December 1996
52.246-05	Inspection of Services--Cost-Reimbursement	April 1984
52.247-63	Preference for U.S.-Flag Air Carriers	June 2003
52.249-14	Excusable Delays	April 1984
52.251-01	Government Supply Sources	April 1984
MCL.I-1	Disclosure of Conflicts of Interest	August 2005
TEXT	1252.215-70 Key Personnel and/ or Facilities	

2 GAA01 APPOINTMENT OF GENERAL AGENT SEPTEMBER 1999

a. The United States appoints the General Agent as its agent, and not as an independent contractor, to manage and conduct the business of one or more Government-owned public vessels (herein referred to singularly or collectively as the "vessel") as may, form time to time, be assigned for urgent or compelling reasons to the General Agent pursuant to this Agreement.

b. The United States, after consultation with the General Agent, will assign or delete the vessel by name and location. The assignments and deletions shall be in writing, either by letter or by cable or telegram confirmed by letter, and addressed to the General Agent as prescribed by ARTICLE 14 of this Agreement. The General Agent will execute an acceptance of the letter and return two original counterparts to the United States. Each assignment and deletion shall constitute a formal modification of this Agreement.

3 GAA02 ACCEPTANCE OF APPOINTMENT SEPTEMBER 1999

The General Agent accepts the appointment and undertakes and promises so to manage and conduct the business for the United States in accordance with such directions, orders, or regulations, not inconsistent with this Agreement as the United States has prescribed, or from time to time may prescribe, and upon the terms and conditions herein provided of the vessels as have been or may be by the United States assigned to and accepted by the General Agent for that purpose.

4 GAA03 DUTIES OF THE GENERAL AGENT SEPTEMBER 1999

For the account of the United States, in accordance with such directions, orders, regulations, forms and methods of supervision and inspection as the United States may from time to time prescribe (or in the absence of such directions, orders, regulations, forms and methods of supervision and inspection, in accordance with good and reasonable commercial practices, including the use of customary commercial forms), in an economical and efficient manner, and exercising due diligence to protect and safeguard the interest of the United States in connection with the duties prescribed in this Agreement and without prejudice to its rights under the Article entitled "Insurance and Indemnification," the General Agent (solely as agent for the United States and not in any other capacity), shall:

a. Procure the Master of the vessel, subject to the approval of the United States. The Master shall be an agent and employee of the United States within the meaning, and only for the purposes of Section 1(a) of Public Law 17, 78th Congress, 1st Session, 57 Stat 45, March 24, 1943, as incorporated into 50 U.S.C. App. 1291. The Master shall have and exercise full control, responsibility and authority with respect to the manning, navigation and management of the vessel and shall be controlled by the United States directly or through the General Agent. The General Agent shall procure and make available to the Master for engagement, the officers and members of the crew required to fill the complement of the vessel. Such officers and members of the crew shall be procured by the General Agent through the usual channels and in accordance with the customary practices of commercial operators and upon the terms and conditions of the General Agent's collective bargaining agreements, if any. The officers and members of the crew shall be subject only to the orders of the Master. All such persons shall be paid in the customary manner with funds provided by the United States

hereunder. If the United States shall have any reason to be dissatisfied with the conduct of any person employed by the General Agent or by the Master and assigned to operation, management, or direct support of the vessel, or the General Agent, or the Master, upon receiving particulars of the complaint, shall investigate and, if required, make a change in the assignment.

b. Equip, victual, supply and repair the vessel, or arrange therefore, including hull, machinery, boilers, tackle, apparel, furniture, equipment and spare parts, and including maintenance and voyage repairs and replacements, as may be necessary to maintain the vessel in an efficient state of repair and condition. In carrying out these functions, the General Agent shall undertake the following activities with respect to the vessel, if and as required by the United States:

(1) Assign dedicated personnel to husband the vessel and identify the specific point of contact for program action, reports and accounting.

(2) Identify preferred and alternative berthing spaces.

(3) Coordinate activation specifications and routine support services with selected shipyards, port authorities and local service organizations.

(4) Develop, maintain and revise, as necessary, a communications "alert" list for all organizations involved in retention, servicing and activations.

(5) Submit for approval specific accounting and reporting procedures which will reflect cost and vessel status in accordance with formats prescribed by the United States.

(6) Identify procedures to be employed to obtain and maintain the vessel's documents and certificates in accordance with regulatory requirements, standard agreements and other special requirements.

(7) Survey, inspect, develop specifications, perform operational testing in conjunction with the American Bureau of Shipping, United States Coast Guard, Federal Communications Commission and other regulatory bodies, make recommendations as to repairs, accomplish repairs required to maintain and hold the vessel in its designated status and prepare instructions, if required, for the holding of the vessel in such status.

(8) Periodically review the current status of shipboard equipment and systems in accordance with retention standards and reporting procedures prescribed by the United States.

(9) Prepare listing of ship and equipment deficiencies and required repair list items for issuance to repair organizations.

(10) Prepare and maintain current activation specifications including specific deficiency items noted. Coordinate periodic upgrade of activation specifications with designated ship repair organizations.

(11) Develop and maintain a sequenced action plan for specific assignment of responsibilities relating to "no-notice" activation requirements.

(12) Maintain current inventory of ship stores, supplies, spare parts and equipment in formats prescribed by the United States and prepare "pre-cut" requisitions for prompt purchase and delivery of required items.

(13) Prepare a dock trial and sea trial procedure to be accomplished in advance of vessel being tendered for operation at the completion of activation.

(14) Develop and maintain a deactivation plan and specifications in accordance with retention standards prescribed by the United States.

c. Hire tugboats and pilots and pay canal tolls, either directly or through port agents approved by the United States.

d. Appoint port agents at all ports for the purpose of husbanding the vessel, as required and subject to prior approval by the United States, except when in the judgement of the General Agent conditions are such that prompt action must be taken and obtaining approval of the United States would be impracticable. In port areas where the General Agent has an office, husbanding may be performed by that office with reimbursement for services at the customary commercial rates subject to the Article entitled "Related Company Services" of this Agreement as applicable.

e. Assist the United States in the handling, adjustment, settlement, or litigation of all claims of any nature whatsoever for or against the United States relating to the vessel. In the event of any claims being presented after this Agreement terminates, the United States may request the General Agent to assist in the handling, adjustment, settlement, or litigation and will compensate the General Agent for out-of-pocket costs.

f. Abide by and conform to all government laws, rules and regulations applicable to the vessel and to its personnel, and make all reports and returns required by any government body with respect to the vessel.

g. Exercise diligence, in accordance with good commercial practices, to maintain the vessel in the highest classification of the American Bureau of Shipping for its type, and to keep the vessel in a thoroughly efficient state in hull, machinery, equipment, personnel and other particulars relating to the seaworthiness of the vessel, and to keep the vessel working to prevent the loss of time. Except in cases of emergency, no alterations in hull, machinery, or equipment shall be made by the General Agent without first securing the authorization of the United States.

h. Furnish to the United States prompt notice and full information including copies of all pertinent papers, documents and records regarding casualties, accidents or damage to the vessel, suits, libels, actions and claims, and all problems of importance relating to the vessel.

i. Assist the United States in obtaining and maintaining all appropriate and applicable certification and documentation for the vessel; handle or process all shipping documents necessary to the management and conduct of the business of the vessel; and obtain all port and harbor information necessary for the vessel.

j. Relay voyage instructions from the United States directly to the master of the vessel.

k. If required by the United States, furnish and maintain during the duration of the Agreement, a bond with sufficient surety and in such form and amount as shall be approved by the United States, conditioned upon the due and faithful performance of each covenant and agreement of the General Agent contained in this Agreement, including, but not limited to, the obligation to faithfully account for and be responsible to the United States for all funds collected and disbursed and property received by the General Agent or its subagents. No monies of the United States shall be advanced or entrusted by the General Agent to a Master, purser, or any other member of the vessel's personnel, unless such person is under bond indemnifying the United States against loss of such monies or property caused solely or in part by the dishonesty or lack or care of any such person in the performance of the duties of any position covered by the bond. Cost of such indemnification bond or bonds under this Paragraph 4.k shall be for the account of the United States.

l. (1) Keep books, records and accounts (which shall be the property of the United States) relating to the activities, maintenance and business of the vessel in such form and under such regulation as may be prescribed by the United States; and

(2) File, upon notice from the United States, balance sheets, profit and loss statements and such other statements of activities, special reports and memoranda of any facts and transactions, which, in the opinion of the United States, affect the results of the performance of transactions or activities under this Agreement, and whenever the General Agent employs any related, affiliated, or holding company of the General Agent to render any service or to furnish any stores, supplies, equipment, provisions, materials, or facilities which are for the account of the United States under the terms of this Agreement, the General Agent shall also, as a condition of such employment, obtain from such related or affiliated, or holding company its agreement to comply with the requirements aforesaid and to make available to the United States for examination and audit, its books, records and accounts, to the extent that such services affect the results or the performance of transactions or activities under this Agreement.

m. Exercise due diligence in the selection of subagents and contractors. The fees and expenses of subagents or subcontractors utilized to aid in the performance of services and functions required herein shall be included in the costs to be reimbursed by the United States. The General Agent shall promptly terminate any subagent or subcontractor not satisfactory to the United States upon, or confirmed by, written instructions from the United States.

n. When directed by the United States or upon termination of this Agreement, turn over to the United States at time and place to be fixed by the United States, the vessel and other property of whatsoever kind then in the custody of the General Agent pursuant to this Agreement, and upon such action the United States may collect directly, or by such agent or agents as it may appoint, all monies or other debts remaining unpaid; provided, that the General Agent shall, if required by the United States, adjust, settle and liquidate the business of the vessel.

o. Conduct the business of the vessel including but not limited to all matters with respect to voyages, cargoes, mail, passengers, persons to be carried, charter rates of freight and charges, and procure or provide all services incident thereto but not limited to stevedoring and other cargo handling port activities, wharfage and dockage, pilotage, canal transits, and services of subagents, brokers and consulates.

p. Collect, deposit, remit, disburse, and account for all monies due to the United States arising in connection with activities under or pursuant to this Agreement, and to the extent disbursements made by the General Agent pursuant to this Agreement are recoverable from insurance, the General Agent shall take such steps as may be appropriate to effect such recovery for the account of the United States.

q. To the maximum extent practicable existing Maritime Administration contracting methods and agreements shall be utilized.

r. Abide by and conform to Governmental laws, rules and regulations applicable to the vessel and the conduct of all activities under this Agreement.

s. If in support of the vessel, equipment, materials, or commodities must be transported to the vessel, the General Agent shall use privately owned U.S.-flag commercial vessels to ship at least 50 percent of the gross tonnage required to be transported in accordance with the procedures set forth in FAR 52.247-64.

The contractor shall submit one legible copy of a rated onboard ocean bill of lading for each shipment to both (I) the Contracting Officer, and (ii) the Division of Military Cargoes, Office of Cargo Preference, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590. Subcontractor bills of lading shall be submitted through the Prime Contractor. The Contractor shall furnish copies of these bills of lading (I) within 20 working days of the date of loading for shipments originating in the United States, or (ii) within 30 working days for shipments originating outside the United States. Each bill of lading copy shall contain the following information:

A. Sponsoring U.S. Government agency.
B. Name of Vessel.
C. Vessel flag of registry.
D. Date of loading.
E. Port of loading.
F. Port of final discharge.
G. Description of commodity.
H. Gross weight in pounds and cubic feet if available.
I. Total ocean freight revenue in U.S. dollars.

5 GAA04 COMPENSATION SEPTEMBER 1999

a. At any time while this Agreement is in effect, the General Agent may be requested to perform any or all of the functions outlined in the Article entitled "Duties of the General Agent" above. The vessel will, at all times, be in one of the following phases:

Phase I - ACQUISITION
Phase II - UPGRADE
Phase III- DEACTIVATION
Phase IV - MAINTENANCE
Phase V - EXERCISE
Phase VI - SEALIFT ENHANCEMENT
Phase O - OPERATION

The United States will assign the vessel to the particular Phase. The initial assignment and any subsequent change shall be in writing, either by letter or by telephone or cable confirmed by letter, and addressed to the General Agent as prescribed in the Article entitled "Notices, Communications" of this Agreement.

b. During the period when the vessel is in Phase I Acquisition (that is, being acquired by the Government), the United States shall pay to the General Agent, compensation for the General Agent's services with respect to the vessel once a month. The United States shall

pay the General Agent's out-of-pocket expenses, including pro-rata compensation plus fringe benefits and taxes for the personnel assigned at the request of the United States to oversee, observe, survey, inspect, develop specifications, perform operational testing, or to perform any other duties or tasks as may be specifically assigned plus a Management Fee of $215.00 per diem, per vessel.

c. During the period when the vessel is in Phase II - Upgrade (that is, being upgraded to meet prescribed Government standards), the United States shall pay to the General Agent compensation for the General Agent's services with respect to the vessel once a month. The United States shall pay the General Agent's out-of-pocket expenses including pro-rata compensation plus fringe benefits and taxes for the personnel assigned at the request of the United States to oversee, observe, survey, inspect, develop specifications, perform operational testing, or to perform any other duties or tasks as may be specifically assigned plus a Management Fee of $215.00 per diem, per vessel.

d. During the period when the vessel is in Phase III-Maintenance (that is, undergoing initial Deactivation after completion of Phases I & II), the United States shall pay to the General Agent compensation for the General Agent's services with respect to the vessel once a month. The United States shall pay the General Agent's out-of-pocket expenses, including pro-rata compensation plus fringe benefits and taxes for the personnel assigned at the request of the United States to oversee, observe, survey, inspect, develop specifications, perform operational testing, or to perform any other duties or tasks as may be specifically assigned plus a Management Fee of $215.00 per diem per vessel.

e. During the period when the vessel is in Phase IV - Maintenance (that is, being held in a National Defense Reserve Fleet site or other place, port, dock, or wharf at the direction of the United States for the purpose of preserving and maintaining the assigned readiness level), the United States shall pay to the General Agent compensation for the General Agent's services with respect to the vessel once a month. The United States shall pay the General Agent out-of-pocket expenses, including pro-rata compensation plus fringe benefits and taxes for the personnel assigned at the request of the United States to oversee, observe, survey, inspect develop specifications, perform operational testing, or to perform any other duties or tasks as may be specifically assigned plus a Management Fee of $215.00 per diem per vessel.

f. During the period when the vessel is in Phase V - Exercise (that is breakout and activation for sustained operations under Phase-O and lay up after completion of Phase-O), the United States shall pay to the General Agent compensation for the General Agent's services with respect to the vessel once a month. The United States shall pay all the costs incurred by the General Agent, including , but not limited to, yard facilities, crew costs, fuel, subsistence, lodging of personnel, outfitting, crew and activation personnel, travel, towage, etc., plus a Management Fee of $460.00 per diem, per vessel.

g. During the period when the vessel is in Phase - VI Sealift Enhancement (this is, undergoing the installation of sealift enhancement features in order to meet National Defense Mission Requirements), the United States shall pay to the General Agent compensation for the General Agent's services with respect to the General Agent's out-of-pocket expenses, including pro-rata compensation plus fringe benefits and taxes for the personnel assigned at the request of the United States to oversee, observe, survey, inspect, develop specifications, perform operational testing, or to perform any other duties or tasks as may be specifically assigned plus a Management Fee of $215.00 per diem, per vessel.

h. During the period when the vessel is in Phase O - Operation (that is, active operational status commencing with readiness to lift cargo and terminating with reentry into Phase V - Exercise for lay up), the United States shall pay to the General Agent compensation for the General Agent's services with respect to the vessel once a month. The United States shall pay all costs incurred in the operation of the vessel, as outlined in ARTICLE 4 of the Agreement, plus a Management Fee of $460.00 per diem, per vessel.

i. (1) Whenever and wherever the term "Management Fee" is used in this Agreement, the parties agree that it means compensation to cover all of the General Agent's administrative and general expenses as such expenses are recognized under generally accepted accounting principles as defined in 46 CFR Part 232.

(2) The United States shall fully and directly reimburse the General Agent for those costs incurred directly related to the performance of work under this Agreement which are listed and described in Exhibit A to this Agreement.

(3) The "Management Fees" enumerated by Phase in this Article shall be in effect for the duration of this Agreement (See Article 16.)

j. The General Agent is encouraged to devise means of reducing expenses of the vessel while maintaining the level of scheduled services and readiness. The General Agent shall submit such proposals to the United States which shall have sole discretion to adopt and implement them.

k. In the execution of the General Agent's responsibilities, a representative of the United States will be designated in writing to the General Agent at its address set forth in the Article entitled "Notices, Communications" of this Agreement to inspect, investigate, observe and report on the General Agent's activities, but without hindering the General Agent in the performance of such activities. The General Agent shall furnish the representative with information on a frequent basis, along with progress and time of completion estimates. During the designation period, the representative will be responsible for passing of information between the General Agent and the United States.

6 GAA05 DISBURSEMENTS SEPTEMBER 1999

a. At the sole discretion of the United States, the United States shall advance funds or furnish letters of credit to the General Agent to provide for, and the General Agent shall receive credit for, all expenditures in performing, procuring, or supplying the services, facilities, stores, supplies, or equipment as required under this Agreement, excepting the items of expense deemed to be covered by the Management Fee, provided that the General Agent shall receive credit for sales and similar taxes or foreign taxes of any kind to the extent they would have been classifiable as vessel operating expenses under 46 CFR Part 282 as published on May 9, 1974, at 39 CFR 16445. The United States shall also advance funds to the General Agent to provide for, and the General Agent shall receive credit for, all crew expenditures occurring during the period of this Agreement in connection with the vessel, including, but not limited to, expenditures on account of wages, extra compensation, overtime, bonuses, penalties, subsistence, repatriation, internment, travel, loss of personal effects, maintenance and cure, vacation allowances, damages or compensation for death or personal injury or illness, insurance premiums, social security taxes, state unemployment insurance taxes and contributions made by the General Agent to a pension or welfare plan fund with respect to the officers and members of the crew of the vessel who are or may become entitled to benefits under such plan, or any other payment required by law. If the United States elects to use letters of credit to advance financing, the General Agent agrees to use letters of credit strictly in accordance with procedures to be provided by the United States in advance. In all events, the General Agent commits itself:

(1) To the practice of requesting cash drawdowns only when needed for prompt distribution; and

(2) To timely reporting as required by the United States, with the understanding that failure to adhere to these commitments constitutes a material breach of this Agreement which may lead to its termination. Any monies of the United States advanced or entrusted to bonded persons by the General Agent which are lost by reason of a casualty to the vessel on which the money is carried shall, in the event of such loss, be considered an expenditure of the General Agent and credit shall be allowed to the General Agent in accordance with this ARTICLE.

b. In accordance with procedures established by the United States, the General Agent shall, on a monthly basis in advance, request an advance of funds or letter of credit authority to cover the General Agent's estimated per diem charges and disbursements. Each monthly request for an advance of funds from the MARAD Joint Bank account shall include a fully completed Invoice Summary Sheet (MA-992) indicating the General Agent Cost Category applicable to the advance fund request. Such request for advance funds shall be submitted not later than the 20th day of the current month to the Region Office to which the ship has been assigned, attention Funds Control Officer (FCO). The United States, upon receipt of the request for an advance of funds or letter or credit authority, shall, within ten (10) working days, arrange either;

(1) Through Government check or wire transfer, the deposit of the requested amount to the General Agent's account or,

(2) The delivery of the letter of credit.

c. For reconciliation of these advance fund requests, within 30 days of the end of the fiscal year, the General Agent shall submit to the Region FCO, a MA 992 detailing the prior year's actual cost by cost category and line item for each vessel. If required by the FCO, such reconciliations may be more frequent.

7 GAA06 INSURANCE AND INDEMNIFICATION SEPTEMBER 1999

a. The United States shall, without cost or expense to the General Agent, procure or provide insurance without deductibles, franchises, or average warranties against all insurable risks of whatsoever nature or kind relating to the vessel including, but without

limitation to, marine, war and protection & indemnity risks, sabotage and all other risks or liabilities for breach of statue and for damage caused to other vessels, persons, or property.

The General Agent shall furnish reports and information and comply fully with all instructions that may be issued with regard to all salvage claims, damages, losses, or other claims. Marine and war risk insurance with respect to each vessel assigned hereunder against protection and indemnity, general average, salvage and collision liabilities shall be without limit as between the United States and the General Agent, as to the amount of any claim or to the aggregate of any claims thereunder. The United States, at its election, may assume all or any of the foregoing risks or may write all or any such insurance in its own fund, pursuant to a dully executed policy or policies. Neither the United States nor the insurance underwriters shall have any right to subrogation against the General Agent with respect to any of the foregoing risks. All insurance hereunder shall cover both the United States and the General Agent when acting hereunder or as a subagent of another general agent of the United States with respect to vessels assigned by the United States to such other general agents.

b. To the extent not covered by insurance, the United States, as self insurer, assumes any and all responsibility for the actions or inactions of the General Agent while acting as such agent of the United States pursuant to the directions, guidance and customary procedures of the Maritime Administration; provided, that the General Agent has notified the United States, in writing, of such action or inaction, and provided further that under this clause the United States does not assume the risk of and will not pay for the costs of any loss, damage, liability or expense caused by, resulting from, or incurred as a consequence of willful misconduct or lack of good faith on the part of any of the General Agent's managers, superintendents or other equivalent representatives who have supervision or direction of (I) all or substantially all of the General Agent's business or (ii) all or substantially all of the General Agent's operations. Unless the United States has declined in writing so to do, the United States shall defend the General Agent against any and all claims or demands (whether or not the claim or demand be found to be valid) of whatsoever kind or nature whether or not such claim or demand is caused by the negligence of the General Agent or the vessel, and by whomsoever asserted for injury to persons or property arising out of or in any way connected with the activities, maintenance, or business of the vessel or performance by the General Agent of any of its obligations hereunder, including but not limited to, any and all claims and demands by passengers, troops, gun crews, crew members, shippers, third persons, or other vessels, and including but not limited to claims or demands for injury to or loss of property, cargo, or personal effects, claims for damages for personal injury or loss of life and claims for maintenance and cure.

c. In periods of unusual and compelling urgency and extraordinary conditions, including National emergency and exercises to test emergency procedures, the General Agent shall be under no responsibility or liability to the United States for loss or damage to the vessel arising out of any error of judgement or any negligence on the part of any of the General Agent's officers, employees, agents, or otherwise. If, however, such loss or damage is directly and primarily caused by willful misconduct of principal supervisory shoreside personnel, or by gross negligence of the General Agent, it shall be held liable for such loss or damage which shall in no event exceed the sum of $500,000 in respect to the vessel.

d. The General Agent shall be under no liability to the United States of any kind or nature whatsoever in the event that the General Agent should fail to obtain officers or crew members for the vessel or fail to arrange for the fitting out, refitting, maintenance or repair of the vessel, or fail to perform any other service hereunder by reason of any labor shortage, dispute or difficulty, or any strike or lockout, or shortage of material, or any Act of God or Peril of the Sea, or any other cause beyond the control of the General Agent whether or not of the same or similar nature, or should do or fail to do any act in reliance upon instructions of military or naval authorities.

e. Whenever the General Agent is performing any service of the nature set forth in this Agreement as subagent for another general agent of the United States with respect to a vessel assigned by the United States to such other general agent, the provisions of this ARTICLE 7 shall cover such subagency services.

8 GAA07 GENERAL AVERAGE SEPTEMBER 1999

a. In the event of general average involving the vessel, the General Agent shall comply fully with all instructions as to appointing an adjuster, obtaining general average security and asserting liens for that purpose unless otherwise instructed, and supplying the adjuster with all disbursements, accounts, documents and data required in the adjustment, statement and settlement of the general average. Reasonable compensation for any general average allowances to the General Agent in such cases shall be fixed by the adjuster, subject to approval by the United States, and paid to and retained by the General Agent.

9 GAA08 SALVAGE SEPTEMBER 1999

a. Salvage claims for services rendered to vessels other than vessels owned or controlled by the United States shall be handled by, and be under the control of, the United States. Salvage awards for services rendered to other vessels owned or controlled by the United States, including the Vessel, shall be made by the United States. The General Agent shall furnish the United States with full reports and information on all salvage services rendered.

10 GAA09 RELATED COMPANY SERVICES SEPTEMBER 1999

a. Agreement or arrangements with an interested or related company to render service or to furnish any stores, supplies, equipment, materials, repairs, or facilities under this Agreement shall be submitted to the United States for approval. Unless and until such agreements or arrangements have been approved by the United States, compensation paid to any interested or related company shall be subject to review and readjustment by the United States. The United States may deny credit hereunder of any portion of such compensation. The United States may also deny credit, in whole or in part, of compensation related company which it deems to be exorbitant, extortionate, or fraudulent. The term "interested company" means any person, firm, or corporation in which the General Agent or any related company of the General Agent, or any officer or director of the General Agent, or any employee of the General Agent who is charged with executive or supervisory duties, or any member of the immediate family or any such officer, director, or employee, or any officer or director or any related company if the General Agent, owns any substantial pecuniary interest directly or indirectly. The term "related company" means any person or concerns that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the General Agent. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of he management and policies of the General Agent (or interested or related company) whether through ownership or control of voting securities by contract or otherwise.

b. The United States shall, when it may legally do so, have the advantage of any existing or future contracts of the General Agent for the purchase or rental of materials, fuel, supplies, facilities, services, or equipment, if this may be done without unreasonably interfering with requirements of other vessels owned or operated by the General Agent; provided, that any financial loss or disadvantage to the General Agent shall be compensated for in such amount as may be determined by the United States.

c. Notwithstanding any other provisions of this Agreement, the United States, by separate agreement, may contract with the General Agent to perform stevedoring, terminal, ship repair, or similar services to the vessel, in which event the General Agent shall have the rights, benefits, obligations and responsibilities provided in such separate agreement.

11 GAA10 DELEGATION OF AUTHORITY SEPTEMBER 1999

a. Wherever and whenever in this Agreement any right, power, or authority is granted or given to the United States, such right, power, or authority may be exercised in all cases by the National Shipping Authority or such agent or agents as the United States may appoint, and the act or acts of such agent or agents when taken shall constitute the act or acts of the United States hereunder. In performing services under this Agreement, the General Agent may rely upon the instructions and directions of the Director, National Shipping Authority, his officers and responsible employees, or any person or agency authorized by the Director. No directions, orders or regulations shall have retroactive effect without the written consent of the General Agent. Whenever practicable, instructions and directions to the General Agent shall be in writing, and oral instructions or directions shall be confirmed promptly in writing.

12 GAA11 REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS (THE GENERAL AGENT) AS MADE IN THE APPLICATION SEPTEMBER 1999

a. All representations and certifications made in the Application for this Agreement or otherwise provided to MARAD shall be kept current by the agent and are herein incorporated by reference.

13 GAA12 CONTRACTING OFFICER SEPTEMBER 1999

a. Changes of the Contracting Officer and any Contracting Officer's Technical Representative (COTR) shall be designated by means of a modification to this Agreement. Initial assignment or COTR shall be in accordance with the article entitled "Delegation of Authority."

14 GAA13 NOTICES, COMMUNICATIONS SEPTEMBER 1999

a. All notices and communications provided for or permitted under this Agreement shall be in writing, by letter, telex, cable, telegram, or facsimile confirmed by letter, as follows:

To the United States:
DOT/Maritime Administration
Director, Office of Ship Operations,
MAR-610, Room 2122,
400 7th Street, S.W.,
Washington, D.C. 20590
(Telex-7108229426 or 27 answer back MARAD WASH; Facsimile (202) 366-3889.)

To the General Agent:
Address:
Telex:
Facsimile:

15 GAA14 EXPIRATION, TERMINATION SEPTEMBER 1999

a. This Agreement shall expire at midnight on the 5th year anniversary of its effective date.

b. The United States shall have the right to terminate this Agreement at any time and to assume control forthwith of the vessel assigned to the General Agent upon thirty (30) calendar days written or telegraphic notice unless action is required at an earlier date to protect the interest of the United States.

c. Upon giving to the United States thirty (30) calendar days written or telegraphic notice, the General Agent shall have the right to terminate this Agreement; provided that unless otherwise agreed, termination by the General Agent shall not become effective until the vessel arrives and discharges at a Continental United States port.

d. No such termination of this Agreement shall relieve either party of liability to the other in respect to matters arising prior to the date of such termination or of any obligation hereunder to indemnify the other party in respect to any claim or demand thereafter asserted, arising out of any matter done or omitted prior to the date of such termination.

e. This Agreement may be terminated, modified, or amended at any time by mutual consent.

16 GAA15 ASSIGNMENT OR TRANSFER SEPTEMBER 1999

a. Without the consent of the United States, the General Agent shall not sell, assign, or transfer, either directly or indirectly or through any reorganization or merger or consolidation, this Agreement or any interest therein, nor make any agreement or arrangement whereby the services to be preformed hereunder are to be performed by any other person, whether an agent or otherwise, except as provided in ARTICLE 4 of this Agreement.

17 GAA16 ADDITIONAL OR SUBSTITUTE COMPENSATION AND REIMBURSEMENT SEPTEMBER 1999

a. The General Agent may be entitled to payment or credit for any service, loss, cost, or expense, whether or not specifically provided for or excepted herein, if and to the extent such payment or credit is found to be fair and equitable and in accordance with the disputes clause referenced herein.

18 GAA17 HEADNOTES SEPTEMBER 1999

a. The use of headnotes at the beginning of the articles of this Agreement is for the purpose of description only and shall not be construed as limiting or in any other manner affecting the substance of the articles themselves.

19 GAA18 RENEGOTIATION SEPTEMBER 1999

a. To the extent required by law, this Agreement is subject to any subsequent law of like substance to the Renegotiations Act of 1951.

b. The General Agent agrees to insert the provisions of this article in all contracts under this Agreement.

20 GAA19 EXHIBIT A--EXCLUSION FROM MANAGEMENT FEE SEPTEMBER 1999

The following expenses are not included in the Management Fee, but shall be fully reimbursed by the United States.

Salaries and wages of employee: This account shall include the compensation of all employees, other than officers and directors, who perform administrative and service functions directly related to performance of work under this Agreement. (NOTE: Officers are defined as those persons holding the title of Vice-President or equivalent and above. Directors are defined as those persons who serve as members of the Board of Directors).

Fringe benefits: This account shall include the cost of fringe benefits as allowed under Federal Acquisition Regulations of the foregoing personnel, such as:

(1) vacation pay
(2) sick leave
(3) payroll taxes (employer's portion)
(4) workman's compensation
(5) group insurance
(6) pension and retirement
(7) health and welfare
(8) profit sharing

(9) other*

Communication expenses: This account shall include all communication expenses, such as the cost of telephone, cables, telegraph, radio, postage, telex, and teletype directly related to performance of work under this Agreement.

Travel expenses: This account shall include all travel expenses of officers and employees on business directly related to performance of work under this Agreement. (NOTE: Per diem allowance, modes of class of travel, etc., shall not be in excess of that allowed Federal employees in the performance of official duties. No cost shall be entered into this account until the General Agent submits, and the United States accepts, a detailed justification.)

Freight brokerage: This account shall include all commissions paid to brokers for procuring cargo if so instructed by the United States.

*(NOTE: Any cost under "other" must be justified by the General Agent and approved by the United States before it may be entered into this account.)

Agency fees and commissions: This account shall include all Agency Fees, attendance fees and commissions for services performed by agents in all outports for the purpose of husbanding the vessel, provided that appointment of such agent has been approved in advance by the United States. (NOTE: This account shall not include reimbursements to agents for those expenses incurred in the administration and supervision of port activities. Such expenses shall be charged to the appropriate port expense account.)

21 1252.215-70

(a) The personnel and/or facilities as specified below are considered essential to the work being performed hereunder and may, with the consent of the contracting parties, be changed from time to time during the course of the contract by adding or deleting personnel and/or facilities, as appropriate.

(b) Prior to removing, replacing, or diverting any of the specified individuals or facilities, the Contractor shall notify, in writing, and receive consent from, the Contracting Officer reasonably in advance of the action and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on this contract.

(c) No diversion shall be made by the Contractor without the written consent of the Contracting Officer. The Contracting Officer may ratify, in writing, the change and such ratification shall constitute the consent of the Contracting Officer required by this clause.

The Key Personnel and/or Facilities under this Contract:

(specify key personnel and/or facilities)