Contract Modification
Contract No. MA-14172 MOD 001
Vessel: PIGEON
Contractor:
INTERNATIONAL SHIPBREAKING LTD.
18501 R. L. Ostos Road
Brownsville, TX 78521-2420

THIS MODIFICATION No. 001, dated as of November 23, 2011, to Contract No. MA-14172 dated November 23, 2011, by and between the UNITED STATES OF AMERICA, represented by the SECRETARY OF TRANSPORTATION, acting by and through the MARITIME ADMINISTRATOR who has designated the Director, Office of Ship Disposal, Maritime Administration, as the Contracting Officer, and INTERNATIONAL SHIPBREAKING LTD.

Terms of the Modifications:

This modification is entered into pursuant to authority of: ARTICLE XVII. DELAY

1. Paragraph 4, Page 29, No Damage for Delay
   Replace the existing clause with the following:
   This Article provides the exclusive remedy for excusable delays under this contract.
   a. Except as set forth in paragraph b, below, the Buyer agrees to make no monetary claim for delays in the performance of this contract and agrees that any claim for excusable delay shall be submitted in accordance with this Article and shall only be compensated for by an extension of the performance schedule.
   b. Delay in Delivery - If delivery of the vessel to the Buyer is delayed more than five days after the scheduled undocking date, the Contracting Officer will consider a request from the Buyer for a reduction in the sale price to compensate for reasonable tug demurrage costs directly and solely attributable to the delay. The only delays for which a reduction will be considered are delays caused solely by the Seller and/or its dry-docking contractor arising from the dry-docking of the vessel at the Shipyard, repairs while on dock and the subsequent undocking and delivery of the vessel to the Buyer. A price reduction will not be made for a delay in delivery of five days or less. No adjustment will be made for any delay in delivery resulting from any other cause, including the fault or negligence of the Buyer, or for which an adjustment is provided or excluded under any other term or condition of this contract. If a delay in delivery occurs and tug demurrage costs will be incurred, not later than the day after the scheduled undocking date the Buyer must notify the Contracting Officer in writing of the daily amount of the tug demurrage costs it will incur under its towing contract and submit a copy of that contract to the CO. Failure of the Buyer to provide both the written notice and the towing contract by the day after the scheduled undocking date may result in a denial of any request for a price reduction. The Buyer must submit to the

Contracting Officer any request for a price reduction under this Article within ten (10) days after it receives the bill for the tug demurrage charges for which it seeks relief and that bill must be included with the request.

All other terms and conditions remain unchanged.

The Buyer is required to sign and return 3 copies.

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

ATTEST: INTERNATIONAL SHIPBREAKING LTD

By: _____ Date: _____
(Title) Vice President
(Corporate Seal)

ATTEST: UNITED STATES OF AMERICA
MARITIME ADMINISTRATION

By: _____ Date: 11/03/11
Curt Michanczyk
Director, Office of Ship Disposal
Contracting Officer