

**Glander International Inc.**  
**General Terms and Conditions**  
**(Jan 11, 2006)**

A. FOR EVERY NOMINATION OR DELIVERY UNDER THIS CONTRACT:

1. Definitions: "Seller" is **Glander International Inc.**, and also includes any agents or independent contractors used by Seller to effect supply or delivery. "Buyer" includes the entities which order, receive and/or pay for the product(s).

2. Title to the product(s) supplied pursuant to this contract shall remain with the Seller until the Seller has been paid in full.

3. Should marine fuels or lubricants or other products be ordered by an agent, then such agent, as well as the principal, shall be bound by, and liable for, all obligations as fully and as completely as if the agent were itself the principal, whether such principal be disclosed or undisclosed, and whether or not such agent purports to contract as agent only. Both principal and agent shall be considered Buyer for purposes of this agreement.

4. QUANTITY AND QUALITY DETERMINATION. Quantity shall be determined at Seller's option from the gauge or meter of shore or barge tanks, or tank wagon, or truck. Such determination shall be conclusive but Buyer shall have the right to have a representative present at time of measurement. Complaint as to quantity must be made to Seller's representative at the time of delivery and confirmed in writing within 10 days. If no written complaint is received by Seller within 10 days after delivery it shall be deemed waived. The quality of each grade of oil shall be the usual quality of that grade offered for sale or being sold by Seller at the time and place of delivery. There are no representations, guarantees, or warranties, express or implied, of merchantability, fitness, suitability of the oil or other product for any particular purpose, or otherwise, which extend beyond the description contained herein. Complaints as to quality must be based on tests made by an independent laboratory, of samples taken at time of delivery from the shore tank or barge from which

delivery is made. Samples taken by Buyer shall be sealed and identified by signature of Seller's representative. Seller shall not be responsible for any claim arising in circumstances where there is or has been commingling (at time of delivery or thereafter) of fuel delivered by Seller with other fuel. Where standard specifications are being given or referred to, tolerances of 5% in quality are to be accepted without compensation or other consequences whatsoever.

5. If the physical supplier is an entity other than Seller, the physical supplier's terms and conditions (if any) shall apply to and be incorporated in this contract, save that if any of such terms conflict with this contract, then this contract shall govern.

6. Risk in the product(s) supplied shall pass to the Buyer as the product(s) pass(es) either (1) into Buyer's actual or constructive possession; or, if delivered to a vessel, (2) passes the vessel's manifold leading to the vessel's lines.

7. Payment for each delivery shall be made without offset, discount or deduction in United States Dollars to Seller's bank account by wire transfer as noted on Seller's invoice for the fuel delivery. Due date for payment of Seller's fuel invoice by the Buyer shall be determined by the Seller at the time of the bunker nomination and stated on the Seller's confirmation. Each delivery shall be deemed to constitute a separate contract. Where the product is intended for use on a vessel as fuel or lubricants, all such sales are expressly made on the credit of the receiving vessel as well as on Buyer's promise to pay, and amounts due shall be liens against such vessels. In any event, if payment is not made at the time and in the manner above prescribed, Seller shall have the right to suspend further deliveries made hereunder and to notify Buyer and/or vessel owner that payment not yet made for any deliveries made hereunder is immediately due and payable. Seller has the right to take any action necessary to secure payment. All overdue payments shall bear interest at the rate of two percent (2%) per month or the maximum allowable limit as provided by applicable law, whichever is higher. In the event of non-payment, Seller shall be entitled to recover reasonable attorney's fees and all costs of collection. If at any

time Seller considers Buyer's financial condition inadequate to meet Buyer's obligation hereunder, cash payment in advance or security acceptable to Seller may be required before delivery and Seller may declare any amount then outstanding from Buyer to be immediately due and payable.

8. Buyer shall indemnify and hold Seller and Seller's supplier harmless from and against any and all claims, demands, suits or liability for damage to property or for injury or death of any person, or for non-compliance with any requirement of any government arising out of or in any way connected with the fault of Buyer or its agents or servants or other third parties in receiving, using, storing or transporting product delivered hereunder or due to exposure thereto.

9. The Seller shall not be liable for loss, damage or demurrage due to any delay or failure in performance because of compliance with any order, regulation, request, or control of any governmental authority of any nation, or person purporting to act therefore which in the opinion of the Seller is applicable to any performance hereunder, regardless of whether or not any such order, regulation, request or control is legally enforceable against the Seller.

10. In the event that the Buyer at any time cancels a nominated delivery, or the Buyer/Vessel fails to take delivery of part or all of the requested Products, the Seller will have the right to pursue a claim against both the Buyer and the Vessel for all incurred expenses, damages, and losses - including but not limited to the following:

Transportation charges, product downgrade charges, pump-back fees, demurrage, market loss on re-sale of the products, administrative fees, and/or any cancellation fees imposed on the Seller by the physical supplier/transportation company/oil trader.

The Seller may treat any breach by the Buyer of any express term of Glander's Terms and Conditions as a breach of this agreement and Seller may, at its discretion, either accept the breach, or treat the

Agreement as repudiated. In either event Seller may seek such remedies as Seller considers appropriate and may claim for all of its direct and indirect damages.

11. These General Terms and Conditions, along with any Confirmation issued for product sold by Seller to Buyer, contain the entire agreement between all the parties covering the subject matter and may not be amended except in writing, signed by Seller. The right of either party to require strict performance shall not be affected by any prior waiver or course of dealing. All rights and remedies are cumulative and election of one remedy shall not exclude another. Seller reserves the right to reclaim any product delivered hereunder to Buyer if Buyer becomes insolvent. Seller reserves the right to place a lien against any vessel receiving said product for any non-payment of invoices.

#### 12. GOVERNING LAW

This agreement shall be governed and construed in all particulars by the laws of the United States of America, and the parties hereby agree to submit to the jurisdiction of the United States District Courts in New York City, New York, and Miami, Florida. U.S. law shall be applicable regardless of the law of the forum in which any proceeding is instituted relating to this contract or relating to any vessel to which deliveries are made hereunder.

#### 13. ARBITRATION

Any dispute arising under this agreement between the parties hereto, which is in the amount of \$25,000 or less, shall be arbitrated in the City of New York in accordance with the shortened arbitration rules of the Society of Maritime Arbitrators.

14. If, before the date of delivery, it becomes the opinion of the Seller that the financial condition of the Buyer entails a risk for the Seller, the Seller may cancel the delivery without any liability attaching to the Seller.

15. The price provided in Glander International Inc.'s Bunker or Sale Confirmation is based on the applicable taxes, duties, costs, charges and price level of components for product existing as of the date of such confirmation. Any later or additional tax, assessment,

duty or other charge of whatever nature and however named, or any increase of components for product or any additional costs borne by the Seller whether caused by any change in the Seller's contemplated source of supply or otherwise, coming into existence after this agreement has been concluded, shall be added to the agreed purchase price, provided that the Seller shall give the Buyer notice of this price increase within a reasonable time after the Seller becomes aware of the relevant circumstances.

B. FOR PURCHASES WHERE THE PRODUCT IS TO BE DELIVERED TO A VESSEL FOR USE AS FUEL OR LUBRICANTS ON SAID VESSEL:

16. The Seller shall arrange for three (3) identical representative samples of each grade of bunkers to be drawn throughout the entire bunkering operation. If practically possible such samples shall be drawn and sealed in the presence of both the Seller and the Buyer or their respective representatives. In the event of a dispute in regard to the quality of the bunkers delivered, the samples drawn pursuant to this clause shall be deemed to be conclusive and final evidence for the quality of the product delivered. In case of disputes, one of the samples retained by Seller shall be forwarded to an agreed independent laboratory for final and binding analysis. The seal must be breached only in the presence of both parties unless one or both have declared in writing that they will not be present; and both parties shall have the right to appoint independent person(s) or institute(s) to witness seal breaking. No samples subsequently taken shall be allowed as (additional) evidence. If any of the seals have been removed or tampered with by an unauthorized person, such sample(s) shall be determined to have no value as evidence.

17. It is the duty of the vessel and Buyer to take all reasonable actions, including retention and burning of fuel, to eliminate or minimize any costs associated with an off specification or suspected off specification supply. To this end the vessel and the Buyer shall cooperate with the Seller in achieving the most cost-effective solution. In any event Seller's obligation hereunder shall not exceed direct expenses incurred for removal and replacement of fuel and shall not include

any consequential or indirect damages, including, without limitation, any damage to machinery, demurrage claims, loss of contract or loss of profit. If Buyer removes such fuel without the consent of the Seller then all such costs shall be for Buyer's account.

18. The Seller shall have a lien on the vessel and on any bunkers on board her in respect of its claim for payment for the product(s) which are the subject hereof, which claim shall include interest, legal costs and any other ancillary costs attendant upon enforcement of this contract and/or the Seller's lien.

19. In purchasing this product(s), the Buyer is warranting that it has the authority to bind the vessel to a maritime lien. It is Buyer's responsibility to obtain this authority and to advise any other interested party of this information. A disclaimer note placed by a vessel's representative on the delivery receipt(s) shall not in any way waive the Seller's lien on the vessel and bunkers aboard.

20. Deliveries shall be made in bunker lots at shore terminals designated by Seller or at Seller's option by barge where barging facilities are available or by tank wagon or truck. Buyer shall make all connections and disconnections of delivery hoses to vessel.

21. Vessels shall be bunkered, loaded or unloaded, as the case may be, in turn and Seller shall not be liable to Buyer for any loss or demurrage due to congestion at the terminal or prior barge requirements. Deliveries shall be made during regular business hours unless required at other times (including Saturday afternoons) and permitted by port regulations, in which event Buyer shall promptly receive deliveries and withdraw the vessel from the terminal. Buyer warrants that each vessel will be properly equipped, maintained and operated so as to avoid leakage, spillage, overflow, or water or land pollution and shall hold Seller harmless and indemnify Seller against any claim, action, suit, assessment, fine, levy, penalty or exaction of a like nature instituted by any person (including public authorities) resulting from any such alleged leakage, spillage, overflow, on water or land, even if claimed to be from the negligence of Seller. In the event of delay by Buyer in the use of delivery or barging facilities or

in vacating berth, Buyer shall pay demurrage at the established rate of Seller at the port of delivery. When deliveries are made by barge, Buyer shall pay Seller's then current barge rate plus any transportation taxes applicable and shall, without charge, immediately furnish clear and safe berth alongside vessel's receiving lines and furnish or pay for necessary power. Terminal and barge deliveries need not be made where in Seller's opinion a clear and safe berth is not available. Buyer shall indemnify Seller for any damage, injury, or death, or associated costs or expense resulting from the negligent and/or willful acts or omissions of the Buyer, its agents, or employees in connection with any deliveries hereunder.

C. SAFETY AND ENVIRONMENTAL PROTECTION

22. Buyer warrants that it and (where product is delivered to a vessel) the vessel's crew are familiar with the health effects related to the products supplied hereunder and with appropriate safety and health procedures for handling and for the use of such products. Buyer and the vessel's crew shall adhere to such safety and health procedures while using or handling Seller's products. Buyer shall also facilitate the dissemination of such health and safety information to all employees, users, and others potentially exposed to the products sold hereunder. Buyer shall be responsible for compliance by its employees, agents, and other users with all health and safety requirements or recommendations related to the products supplied hereunder and shall exert its best efforts to insure that any of its employees or agents, users, and other potentially exposed persons avoid frequent or prolonged contact with or exposure to the products, both during and subsequent to delivery. Seller or Seller's supplier accept no responsibility for any consequences arising from failure by Buyer, its employees or agents, any users, or any other party to comply with such health and safety requirements or recommendations arising from such contact or exposure.

23. Spills and Spill prevention:

- (a) In the event of a spill during fueling Buyer shall promptly take, and/or shall assist and cooperate

with Seller or Seller's supplier in taking any necessary action to remedy or mitigate the consequences thereof. Any measures taken by Seller, Seller's supplier or its designee shall be deemed taken on Buyer's authority, and shall be at Buyer's expense, except to the extent that such escape or discharge was caused or contributed to by Seller or Seller's supplier; provided that if Buyer considers that such measures should be discontinued, and all governmental authorities having jurisdiction concur, Buyer shall so notify Seller, and thereafter neither Seller nor its designee shall have any right to continue such measures under the provisions of this article.

- (b) Buyer shall supply Seller with any and all documents and information concerning any escape or spillage or any program for the prevention thereof as are required including those required by law or regulations applicable to the Port of delivery.
- (c) Buyer warrants that the products purchased hereunder are for the use of any nominated vessel and that vessel only.
- (d) Buyer warrants the vessel nominated is in compliance with all applicable national and international regulations. Vessel to be bunkered is subject to Seller's acceptance and will not be moored at any wharf or alongside other marine loading facilities of Seller or Seller's supplier unless free of all conditions, difficulties, peculiarities, deficiencies or defects which might impose hazards in connection with the mooring, unmooring or bunkering of the vessel.

Upon receipt of Glander International Inc.'s Bunker or Sale Confirmation and/or by accepting all or any part of the product which is the subject of this agreement, Buyer and/or Vessel Owner agree to be and are bound by Glander International Inc.'s General Terms & Conditions.