

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials or other document or information filed with the Attorney General under this Act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the Administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public. Finally, the Attorney General intends, at the earliest possible opportunity, to make these public documents available on the Internet on the Department of Justice World Wide Web site.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

Furnish this exhibit for EACH foreign principal listed in an initial statement and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant LISCR, LLC		2. Registration No. 5490
3. Name of foreign principal Government of the Republic of Liberia	4. Principal address of foreign principal Monrovia, Liberia	
5. Indicate whether your foreign principal is one of the following: <input checked="" type="checkbox"/> Foreign government <input type="checkbox"/> Foreign political party <input type="checkbox"/> Foreign or domestic organization: If either, check one of the following: <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Association <input type="checkbox"/> Individual-State nationality _____ <input type="checkbox"/> Committee <input type="checkbox"/> Voluntary group <input type="checkbox"/> Other (specify) _____		
6. If the foreign principal is a foreign government, state: a) Branch or agency represented by the registrant. Bureau of Maritime Affairs b) Name and title of official with whom registrant deals. Ben Urey, Commissioner of Maritime Affairs		
7. If the foreign principal is a foreign political party, state: a) Principal address. N/A b) Name and title of official with whom registrant deals. c) Principal aim		

8. If the foreign principal is not a foreign government or a foreign political party, N/A

a) State the nature of the business or activity of this foreign principal

b) Is this foreign principal

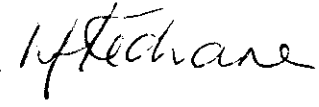
- Supervised by a foreign government, foreign political party, or other foreign principal Yes  No
- Owned by a foreign government, foreign political party, or other foreign principal Yes  No
- Directed by a foreign government, foreign political party, or other foreign principal Yes  No
- Controlled by a foreign government, foreign political party, or other foreign principal Yes  No
- Financed by a foreign government, foreign political party, or other foreign principal Yes  No
- Subsidized in part by a foreign government, foreign political party, or other foreign principal Yes  No

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page must be used.)

N/A

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

Date of Exhibit A March 26, 2002	Name and Title Lynda Jill Keohane Chief Corporate Attorney	Signature 
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**INSTRUCTIONS:** A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements, or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. One original and two legible photocopies of this form shall be filed for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

**Privacy Act Statement.** Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials or other document or information filed with the Attorney General under this Act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the Administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public. Finally, the Attorney General intends, at the earliest possible opportunity, to make these public documents available on the Internet on the Department of Justice World Wide Web site.

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1. Name of Registrant LISCR, LLC	2. Registration No. 5490
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3. Name of Foreign Principal  
The Government of Liberia

Check Appropriate Boxes:

- 4.  The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
- 5.  There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- 6.  The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and expenses, if any, to be received.

7. Describe fully the nature and method of performance of the above indicated agreement or understanding.  
See attached

1105-0007  
JUN 1998


8. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

See attached

9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below? Yes  No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

See attached

Date of Exhibit B March 26, 2002	Name and Title Lynda Jill Keohane Chief Corporate Attorney	Signature 
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Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political interests, policies, or relations of a government of a foreign country or a foreign political party.

**Attachment to Exhibit B, Section 7**

To Registration Statement

Pursuant to the Foreign Agents Registration Act of 1938, as amended

**Re: 7.** *Describe fully the nature and method of performance of the above indicated agreement or understanding.*

1. Acting in compliance with the contractual obligations in the administration and promotion of the business of the Maritime and Corporate programs of the Government of the Republic of Liberia.
2. Informing organizations likely to have influence beneficial or prejudicial to the development of the Maritime and Corporate programs.

March 26, 2002

RECEIVED  
MARCH 27 2002  
U.S. DEPARTMENT OF JUSTICE  
REGISTRATION OF FOREIGN AGENTS

**Attachment to Exhibit B, Section 8**

To Registration Statement

Pursuant to the Foreign Agents Registration Act of 1938, as amended

**Re: 8.** *Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.*

1. To operate the Maritime and Corporate programs of the Republic of Liberia
2. To identify any obstacles to the development of the Maritime and Corporate programs.
3. To prepare informational material and to distribute to the medium determined in each case to be most appropriate.
4. When appropriate to make representations as to the facts in relation as to the operation of the Liberian Ship and Corporate registers to the relevant agency, US Government official, or legislator.

March 26, 2002

**Attachment to Exhibit B, Section 9**

To Registration Statement

Pursuant to the Foreign Agents Registration Act of 1938, as amended

**Re: 9.** *If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.*

The activities will be confined to seeking to inform relevant agencies and officials of the Government of US exclusively in respect of matters relating to the Maritime and Corporate programs of the Government of Liberia, and the operation of those programs by the registrant from its premises in the US. The activity will be conducted through correspondence and meetings on a private basis. Any activity to influence any part of the public will be confined to the provision of information to actual and potential clients of the registrant or the registers.

March 26, 2002

**AN ACT APPROVING THE AGREEMENT  
ENTERED INTO BY AND BETWEEN THE REPUBLIC OF LIBERIA  
AND THE LIBERIA INTERNATIONAL SHIP  
AND CORPORATE REGISTRY**

**APPROVED: MARCH 18, 1999  
MONROVIA, LIBERIA**

**PUBLISHED BY AUTHORITY  
GOVERNMENT PRINTING OFFICE  
MINISTRY OF FOREIGN AFFAIRS  
MONROVIA, LIBERIA  
MARCH 19, 1999**



**AN ACT APPROVING THE AGREEMENT ENTERED INTO BY AND BETWEEN THE  
REPUBLIC OF LIBERIA AND THE LIBERIA INTERNATIONAL SHIP AND CORPORATE  
REGISTRY.**

**It is enacted by the Senate and House of Representatives of the Republic of Liberia, in  
Legislature Assembled:**

**Section 1. That from and immediately after the passage of this Act, the Agreement entered  
into by and between the Republic of Liberia and the Liberia International Ship and Corporate  
Registry, as herein below recited, to wit, word for word, be and the same is hereby approved:**

**AGREEMENT**

**between**

**THE GOVERNMENT OF LIBERIA**

**and**

**LIBERIA INTERNATIONAL SHIP & CORPORATE REGISTRY**

**Effective December 31, 1999**

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AGREEMENT made as of the "Effective Date" (defined in Section XXIV) by and between the GOVERNMENT OF LIBERIA, represented herein by the Honorable Benoni W. Urey, Commissioner of Maritime Affairs, (hereinafter "GOVERNMENT"); and LIBERIA INTERNATIONAL SHIP & CORPORATE REGISTRY (formerly, International Shipping Registry), a limited liability company organized under the laws of the State of Delaware, the United States of America, represented by Lester S. Hyman, Chairman (hereinafter called the "AGENT" or "LISCR").

**WITNESSETH:**

WHEREAS, the AGENT is desirous of aiding Government in administering the provisions of the Liberian Maritime Law, including the collection of the Annual Tonnage Tax and all other fees, charges and other exactions payable to Government with respect to ships registered under the laws of Liberia; and

WHEREAS, by agreement approved by the President of Liberia on September 4, 1971, provision was made for the collection and disposition by the Deputy Commissioner of Maritime Affairs of fees collected in accordance with the provision of Section 2.40 of Chapter 11 of the Maritime Regulations of Liberia; and

WHEREAS, with respect to the effective administration of Section 1.7 of the Business Corporation Act of May 19, 1976, Title V Chapter I, which provide for the payment of an annual registration fee by corporations which do not maintain an operating office in Liberia, and/or any successor or complementary legislation, the AGENT is desirous of assisting the Government in administering the provisions of said law and its regulations affecting such corporations which do not maintain operating offices in Liberia, and to collect, for GOVERNMENT's account, said fee;

NOW, THEREFORE, the AGENT agrees with GOVERNMENT that, from and after the effective date of this Agreement, the rights and obligations of GOVERNMENT and the AGENT, except as otherwise provided herein, shall be governed solely by this Agreement.

## **SECTION I. MARITIME FUNCTIONS OF LISCR**

### **Designation of LISCR as Agent of Government**

1.1 To aid the GOVERNMENT, the Commissioner, and the Bureau of Maritime Affairs ("BMA") in the administration of the Maritime Program, as determined from time to time by the GOVERNMENT or the BMA;

(a) GOVERNMENT hereby appoints and designates LISCR as its agent for the purpose of aiding it in the effective administration of the Maritime Program consistent with Liberian Laws and Regulations; and,

(b) GOVERNMENT hereby appoints the AGENT to act as its agent for the purpose of aiding it in administering such rules and regulations through the BMA as shall be duly made and promulgated by the Commissioner.

### **Additional Specific Services to be Performed by the AGENT**

1.2 LISCR is hereby appointed the exclusive AGENT of GOVERNMENT to perform the following services for vessels of 500 gross tons and above;

(a) Collection of ship Initial Registration Fees and Change of Name Fees;

(b) Collection of Annual Tonnage Taxes (for both the first year of a ship's registration and for all subsequent years);

(c) Providing quarterly progress reports to the Commissioner on the billing and collection of all tonnage taxes and fees;

(d) Collection of all other fees required under the Liberian Maritime Law and Regulations; and to give official receipts provided therefor, on forms to be approved by GOVERNMENT.

(e) Delivering to BMA, semi-annually, all records of all Maritime ship registration and corporate registration by way of computer data bases and/or processing cards, and/or computer files, and/or computer disks, as well as hard copies, to enable to GOVERNMENT to verify, confirm and authenticate the reporting information which the AGENT is required to provide under the terms of this Agreement.

All fees and taxes are to be paid in United States Dollars.

1.3 LISCR hereby accepts the agency, and the responsibilities, granted herein.

#### Representation of LISCR

1.4 LISCR hereby represents to GOVERNMENT that it will have prior to the Effective Date, the necessary capitalization, resources, assets, office space, staffing and know-how to carry out all of the obligations it is undertaking in this Agreement.

1.5 LISCR hereby represents that all of its existing legal and beneficial owners are United States nationals.

## **SECTION II. LISCR'S HANDLING OF MARITIME TAXES AND FEES**

2.1 The handling by, and transfer from the AGENT to GOVERNMENT of the taxes and fees mentioned in 1.2 shall be as follows:

### **2.2 Tonnage Taxes**

(a) All tonnage taxes payable with respect to ships already registered under the Liberian Flag, which are due as of January 1 of each year, shall, as said taxes are

collected by the AGENT, be promptly deposited into a Special Account to be jointly established and maintained by the AGENT and the Deputy Commissioner for Financial Affairs referred to in Section XI in a major United States national bank as (hereinafter called the "Maritime Special Account"), bearing interest at the highest legally permissible rate, but any bank charges above the interest relating to such account will be split in proportion to the GOVERNMENT's Revenue and the AGENT's Compensation as defined below. As soon as practicable, but not less frequently than once a week, GOVERNMENT's Revenue (as defined below) from said Tonnage Taxes plus the interest on all of the taxes shall be transferred by said bank from the Maritime Special Account to a special account maintained in the name of GOVERNMENT in a New York bank (hereinafter the "GOVERNMENT TONNAGE TAX ACCOUNT") and to be under the sole control of the GOVERNMENT or, in any New York Account as GOVERNMENT may, from time to time, otherwise direct. Similarly, there shall be transferred to the AGENT from the Maritime Special Account the AGENT's Compensation from any tonnage tax as compensation for its services specified hereinunder.

(b) All first year tonnage taxes collected by the AGENT shall be immediately deposited in the Maritime Special Account, and, as soon as practicable but not less frequently than once a week, GOVERNMENT's Revenue from any such taxes plus the interest on all of the taxes shall be transferred by said bank to the GOVERNMENT Tonnage Tax Account. Similarly, there shall be transferred to the AGENT from the Maritime Special Account the AGENT's Compensation from any first year tonnage tax as compensation for its services specified hereinunder.



(c) Any adjustment of tonnage tax shall, if an increase, be deposited in the Maritime Special Account, and as soon as practicable, but not less frequently than once a week, GOVERNMENT's Revenue plus the interest on all of the taxes shall be promptly transferred by said bank to the GOVERNMENT Tonnage Tax Account. Similarly, there shall be transferred to the AGENT from the Maritime Special Account the AGENT's Compensation from any adjustment in tonnage tax as compensation for its services specified hereunder.

(d) The GOVERNMENT's BASIC REVENUE from tonnage taxes shall be defined to mean 80% of fees collected on tonnage up to 36 million net tons.

(e) The AGENT's Basic Compensation from tonnage taxes shall be defined to mean 20% of fees collected on tonnage up to 36 million net tons.

(f) For fees collected on each additional one million net tons in excess of 36 million net tons and up to a maximum of 46 million net tons, the AGENT's Compensation shall be increased by 0.5% per million net tons and the GOVERNMENT's Revenue shall decrease accordingly. Under no circumstances shall the AGENT's Compensation exceed 25% of fees collected from tonnage taxes.

### 2.3 Initial Ship Registration Fees and Change of Name Fees

(a) Upon registration of a vessel under the Liberian flag, any initial registration fees collected by the AGENT shall be promptly deposited into the Maritime Special Account, bearing interest at the highest legally permissible rate, and promptly after such deposit transfer GOVERNMENT's Revenue as stipulated in Section 2.2(d) above, taking Sections 2.2(e) and (f) into consideration, plus the interest on all the fees, by said bank to a special bank account maintained by GOVERNMENT (hereinafter called the "Government Maritime Fee Account") or,

in any New York account, as the GOVERNMENT may from time to time otherwise direct. The bank shall transfer to the AGENT its compensation as stipulated in Sections 2.2(d), (e) and (f) above of any initial registration fees as compensation for its services of collecting, processing and remitting of such fees.

(b) Any adjustment of a registration fee shall, if an increase, be promptly deposited in the said Maritime Special Account, and GOVERNMENT's Revenue plus the interest on all of the increase thereof shall be promptly transferred by said bank to the Government Maritime Fee Account as above provided.

(c) Any change of vessel name fee collected by the AGENT shall be promptly deposited in a special bank account jointly established and operated by the GOVERNMENT and the AGENT in a major United States national bank and promptly after such deposit, eighty percent (80%) of any such fee plus the interest thereon shall be promptly transferred by said bank to the Government Maritime Fee Account or, in New York Funds, as GOVERNMENT may from time to time otherwise direct. The bank shall transfer to the AGENT twenty percent (20%) of any such fees as compensation for its services of collecting, processing and remitting such fees.

#### 2.4 Section 2.40 Fees of Chapter II of the Liberian Maritime Regulations

(a) All Section 2.40 Fees collected hereunder shall immediately be deposited in a separate account, which shall be the property of GOVERNMENT, and bearing interest at the highest legally permissible rate. Such account shall be jointly established and operated by the AGENT and the Deputy Commissioner for Financial Affairs referred to in

Section XI, or as the Commissioner may direct and as herein provided, and shall not be commingled with other accounts.

(b) As to said fees collected, <sup>Agent</sup> ~~the Deputy Commissioner for Financial Affairs~~ shall be authorized to pay out of said funds, up to three-fourths (3/4), unless GOVERNMENT otherwise agrees to a higher percentage of the total fees collected subject to Section 2.4(c) below.

(c) From the three-fourths (3/4) of the Section 2.40 fees allocated in Section 2.4(b) of this Agreement, the AGENT is authorized to allocate up to seventy-five percent (75%) of same to be used exclusively for payment by the AGENT of the following as and when same are due and payable on behalf of the GOVERNMENT:

(i) contributions currently or as may hereafter be assessed to Liberia by the International Maritime Organization, but not including capital assessments;

(ii) contributions currently or as may hereafter be assessed to Liberia in connection with the Ministerial Conference of West and Central African states on Maritime Transport;

(iii) for the maintenance of Navigational Beacon Lights located in the territorial waters of Liberia, currently at US\$25,000 annually.

(d) As to the balance of the percentage stipulated in Section 2.4(c) above, the Deputy Commissioner for Financial Affairs shall deposit in a separate and special account the Nautical Vocational Training fees as provided by Reg. 2.40 (c) to be administered by a Board of Trustees under the authority of the Commissioner in accordance with the by-laws approved and adopted by the Board.

(e) The Deputy Commissioner for Financial Affairs shall be authorized to make disbursement out of the remainder of the funds from Section 2.4(d) for the following purposes:

(i) To pay all reasonable expenses relating to participation in international maritime meetings and conventions, at which the Commissioner agrees Liberia shall be represented, of all members of delegations representing Liberia, who are approved by the Commissioner, including fees paid to any consultants whose presence may be authorized by the Commissioner, but excluding any allocation of salaries of any Deputy Commissioner, any official or any full time employee.

(ii) To pay expenses related to the conduct of any officially authorized investigation, consented to by the Commissioner, of a marine casualty or offense, including publication of records and reports relating to such investigation.

(iii) To pay such other fees as directed by the Commissioner.

(f) Proof of Payment by AGENT:

With respect to items (c)(i), (ii) and (iii) above, the receipts evidencing payments by the AGENT shall be transmitted to the Bureau of Maritime Affairs immediately upon payment.

(g) Not later than March 31 of each year, the AGENT shall submit an annual report for the preceding calendar year addressed and submitted to the BMA setting forth the fees billed and collected.

**SECTION III.**

**MAINTENANCE OF THE BUREAU OF MARITIME  
AFFAIRS AND OFFICES OF DEPUTY  
COMMISSIONER OF MARITIME AFFAIRS**

3.1 To aid the Government in performing his administrative duties in foreign ports through agents appointed by him, which agents shall have the title of Deputy Commissioners of Maritime Affairs ("Deputy Commissioners"), GOVERNMENT, pursuant to the Maritime law of Liberia agree with the AGENT, as follows:

(a) GOVERNMENT may at any time, appoint one or more Deputy Commissioner(s) and such other members of his administrative staff. GOVERNMENT shall notify the AGENT of any appointments of such Deputy Commissioner, and the AGENT shall accord to the Deputy Commissioners and his staff appropriate courtesy and cooperation. LISCR may, at any time, suggest to the GOVERNMENT the appointment of one or more Deputy Commissioners, and in such event the GOVERNMENT shall consider the need for such appointment.

(b) GOVERNMENT shall have the power at any time, to dismiss any Deputy Commissioner and/or his administrative staff. The term of office of each Deputy Commissioner shall continue until such time as his appointment, as such, is revoked by the GOVERNMENT. Upon such revocation, the authority and powers of the Deputy Commissioner concerned shall forthwith terminate and the AGENT shall cooperate in such termination.

(c) The initial compensation of, and the other terms and conditions under which any Deputy Commissioner appointed pursuant to this Agreement shall serve, shall be as determined by agreement of the parties but, in the event of any dispute, the GOVERNMENT's decision is final. It is agreed that the AGENT shall, on behalf of the GOVERNMENT, pay such

compensation and fulfill such other terms and conditions of employment, always including the furnishing and maintenance of offices and office facilities suitable for the Bureau of Maritime Affairs Headquarters in Liberia, and the Deputy Commissioners offices outside Liberia. Such compensation and other terms of employment shall be funded by the Office of Deputy Commissioner ("DCO").

(d) Any and all furnishings, equipment, software and other office facilities intended to be utilized by the Bureau of Maritime Affairs and the Deputy Commissioner's offices, shall be purchased from the Deputy Commissioner's office funds on behalf of the GOVERNMENT and shall remain the property of GOVERNMENT.

(e) The AGENT is authorized to formulate and submit to GOVERNMENT for its approval, appropriate benefit schemes, pension plans, emoluments and other incentives for all employees of the DCO which shall also be consistent with comparable benefit packages offered by the AGENT to its employees under Section 10.4.

3.2 The administrative procedures followed by the AGENT, in respect of the offices of Deputy Commissioners in foreign ports as provided by Section 12 of the Liberian Maritime law shall be in accordance with Liberian Maritime laws and Regulations and its implementations thereof, subject to the approval of the Commissioner.

3.3 All fees and charges collected by the DCO or by the AGENT on behalf of the DCO (hereinafter referred to as "DCO Fees") shall be deposited in an account to be jointly administered by the AGENT and the Deputy Commissioner for Financial Affairs.

3.4 For the purpose of this entire Agreement, under no circumstances shall the AGENT be required to advance its own funds, or commit its credit, to pay any of the expenses or

discharge the obligations of the DCO, which shall be paid solely out of DCO fees or other funds provided by the GOVERNMENT.

3.5 All documents, certificates, record books, notices, publications, etc., issued under the authority of the Office of the Deputy Commissioner must bear the same nomenclature and seal of that office, and must be signed by a Deputy Commissioner. Such documents, notices, publications, etc., shall not be issued under the authority of the "Maritime Administrator" and shall not in any way promote a "Maritime Administrator". Liberian Officials must be listed in the personnel listing of the Marine Notices.

3.6 No personnel other than Deputy Commissioners shall sign Registration Certificates, Licenses, etc.

#### **SECTION IV. SEAMEN IDENTIFICATION AND RECORD BOOK FEES**

4.1 The fees collected from the issuance and renewal of Seamen's Identification and Record Books are to be applied as follows:

— (a) Twenty-five percent (25%) towards the operational expenses of the DCO.

— (b) Twenty-five percent (25%) to the MIIP Fund.

(c) Fifty percent (50%) for the maintenance and support of the Liberia Marine Training Institute.

#### **SECTION V. COMPENSATION FOR ALL MARITIME RELATED SERVICES REIMBURSED UNDER SECTIONS I THROUGH III ABOVE**

5.1 For its services rendered in underwriting, collecting, processing, and remitting the Tonnage Taxes mentioned in Section 2.2 above, and for collecting, processing, and remitting

the Initial Registration fees mentioned in Section 2.2(a), and the Agent shall receive compensation as stipulated in Sections 2.2(d), (e) and (f) above.

In respect of Change of Name fees, the AGENT shall receive compensation as stipulated in Section 2.3(c) above.

Out of said compensation the AGENT shall pay all administrative and overhead costs, of whatever nature, relating to performing such services.

5.2 For its service rendered in collecting and handling the fees mentioned in Section 2.4 above, the AGENT shall receive no compensation nor shall it be entitled to reimbursement of any of its costs incurred in connection therewith.

5.3 For its services rendered in connection with assistance in the staffing and operating of the offices of the Deputy Commissioners, as mentioned in Section 3.1 above, the AGENT shall be entitled to no fee. Such staffing and operating costs shall be paid from the DCO fees in accordance with the provisions of the budget provided in Section 13.1.

5.4 (a) All fees and charges presently held by the Office of the Deputy Commissioner in the City of New York and all fees and charges hereafter collected on behalf of GOVERNMENT by any Deputy Commissioner shall be immediately deposited into the DCO account or as the Commissioner may from time to time direct the AGENT in accordance with these provisions.

(b) Upon the authorization of the Commissioner, the AGENT shall be responsible to pay the salaries and expenses and maintain offices and office facilities for the Bureau of Maritime Affairs and all Deputy Commissioners appointed under this Agreement ("DCO Expenses"), to the extent such Deputy Commissioners and other individuals are not also



employees of the AGENT or its affiliates, from the fees and charges received as provided in subsection (a) hereof. Within ninety (90) days following the end of each calendar year the AGENT shall submit an audited account to GOVERNMENT of all payment made under this subsection (b), and shall pay to GOVERNMENT any excess of said fees and charges over the DCO Expenses.

(c) By no later than forty-five (45) days from the beginning of each calendar year, the AGENT shall deliver to GOVERNMENT an estimate of the fees and charges mentioned in subsections (a) and (b) above, for the ensuing calendar year.

(d) The AGENT shall inform GOVERNMENT within thirty (30) days after the end of each calendar quarter with respect to actual DCO Expenses and the fees and charges mentioned in subsections (a) and (b) above, and shall consult with GOVERNMENT as to the foregoing at GOVERNMENT's request.

(e) If the AGENT fails to render the annual accounting provided in subsection (b) above, or fails to furnish GOVERNMENT the quarterly information provided in subsection (c) above, GOVERNMENT shall have the right to require after thirty (30) days prior written notice to the AGENT that:

(i) All fees and charges stipulated in subsection (a) above, then held and thereafter collected by any Deputy Commissioner, be deposited to and retained intact in the Maritime Special Account and in such event on the last business day of each calendar month one hundred percent (100%) of all such fees and charges shall be automatically transferred to a special account, maintained in the name of GOVERNMENT in a New York bank (hereinafter the "GOVERNMENT's Deputy Commissioner's Account") and to be under the sole control of the

BMA. All such funds in said account shall be dedicated to the payment of the DCO Expenses mentioned in subsection (b) above.

(ii) Within seven (7) days following the close of each calendar month, the AGENT shall submit to the BMA, statement, in reasonable detail, of all DCO Expenses incurred for the preceding month.

Any unpaid balance of any statement shall be carried forward and included in the statement(s) for the following months, and the provisions of subsection (b)(ii) above), shall continue to apply.

**SECTION VI. APPOINTMENT AS CORPORATE REGISTRAR  
AND COLLECTION OF ANNUAL CORPORATION  
REGISTRATION FEES**

6.1 AGENT is hereby given the authority to act as the registered agent for domestic and foreign corporations which do not maintain a place of business in Liberia and also for foreign maritime trusts or corporations. The GOVERNMENT will ensure that the AGENT is accorded the required legal protection of its status as the exclusive registered agent. Under no circumstances shall AGENT exercise such authority unless it has an actual office and adequate staff physically and permanently present in Monrovia, Liberia, to carry out its responsibilities to act as registered agent therein.

6.2 The Ministry of Foreign Affairs shall remain the Registrar of both resident and non-resident corporations. It shall appoint a Deputy Commissioner in the Maritime Office abroad with the appropriate diplomatic rank to control and safe keep the signature specimen of the Minister of Foreign Affairs or his designee of the Ministry of Foreign Affairs for the purpose

of certifying the Articles of Incorporation of non-resident corporations that will be formed by the AGENT from time to time.

6.3 For all such corporations for which the AGENT has been appointed or acts as registered agent, without cost to GOVERNMENT, the AGENT shall perform for GOVERNMENT the services of (a) billing and invoicing; (b) receiving for, and on behalf of GOVERNMENT, the annual corporation registration fee payable by all domestic and foreign corporations not having a place of business in Liberia or for a foreign maritime trust or corporation; (c) delivering, on behalf of GOVERNMENT, GOVERNMENT's official receipt for such fees when collected; (d) annulments; (e) re-registrations; and (f) the receipt of, for and on behalf of the GOVERNMENT, all revenues that may be, or are required to be, paid after the initial registration.

6.4 All such fees and the interest thereon received by the AGENT shall, once during each calendar month, be paid to GOVERNMENT in Monrovia.

6.5 Each such payment to GOVERNMENT shall be accompanied by a list of the corporations for whose account payment of the Annual Corporation Registration Fee was made.

6.6 The foregoing shall not affect such procedures as GOVERNMENT and the AGENT, from time to time by mutual agreement, may determine with respect to the AGENT's paying, on behalf of itself or of corporations which the AGENT represents, to GOVERNMENT other taxes or fees payable under the Liberian Corporation laws, or Regulations promulgated thereunder.

## **SECTION VII. TRANSITIONAL PERIOD**

7.1 The Parties recognize that, prior to the Effective Date, The International Trust Company of Liberia ("ITC") has acted as the GOVERNMENT's agent in performing some of the responsibilities set forth herein, and that a smooth transition from ITC to the AGENT is necessary in order to ensure the continuing superior level of service to the shipowners and the maintenance of business operations.

7.2 AGENT shall immediately use its best efforts to accomplish a smooth transition from ITC during the period from the execution of this Agreement through the Effective Date (such period referred to herein as the "Transition Period"), including (a) liaison with the shipowners to minimize losses due to the transition; (b) assure that invoices during the Transition Period have been properly sent; (c) supervision the collection of invoices; and (d) oversee the close out of any year ending during the Transition Period to maximize the GOVERNMENT's revenue with respect to 1999 and prior years.

7.3 AGENT shall receive no additional fee for carrying out the obligations set forth above, but shall be reimbursed from future revenues for all reasonable expenses incurred during the Transition Period which shall be approved by the Commissioner.

## **SECTION VIII. RESTRICTIONS ON CERTAIN TRANSFERS OF SHARES IN LISCR AND PERMITTED ASSIGNEES OF LISCR**

8.1 For the period of this Agreement, the voting and/or equity interest in either the AGENT or in any corporation to which, subject to the provisions of 19.2 hereof, any rights of the AGENT are ever assigned, or any responsibilities, duties or services herein undertaken by the AGENT are ever delegated or subcontracted (herein collectively referred to as "Permitted

Assignee"), shall not, without GOVERNMENT's prior written approval, be transferred, assigned or issued to any person. However, nothing in this Agreement shall be construed as prohibiting any of the initial shareholders of LISCR from transferring shares among themselves in their sole discretion at any time.

8.2 Notwithstanding the foregoing, the AGENT agrees that in any event, it shall give the GOVERNMENT written notice within thirty (30) days of any transfer or assignment of any shares by any of the initial shareholders of LISCR to or amongst themselves as referred to in Section 8.1 above.

8.3 (a) If a controlling interest in LISCR or in any entity which directly or indirectly has as one of its principal assets a voting or equity interest in either the AGENT or any Permitted Assignee (hereinafter "a substantial investor in the AGENT or Permitted Assignee") is transferred or issued to any person, firm or corporation whose ownership or a voting or equity interest in the AGENT or any Permitted Assignee without such prior consent, or is deemed by GOVERNMENT, in its sole discretion, to be inimical to the best interest of Liberia, GOVERNMENT may terminate this contract under the provisions of Section XVI hereof.

(b) Paragraph 8.3(a) shall not, however, be deemed to preclude a pledge by a substantial investor in the AGENT or in a Permitted Assignee to a recognized financial institution of a controlling equity interest in or stock of a substantial investor in the AGENT or in a Permitted Assignee to secure the payment of debt incurred in good faith subsequent to the Effective Date hereof, provided the creditor-pledgee has no, and can have no, proxy, right to vote or to exercise any control over the equity interest in or stock of the substantial investor in the AGENT or Permitted Assignee which has been pledged.

## **SECTION IX. COOPERATION OF PARTIES**

9.1 The AGENT shall be entitled to request and to receive from GOVERNMENT all reasonable cooperation in the prosecution of any and all claims arising out of any non-payment of any Maritime tax or fee, by the exercise, after consultation with the AGENT, of such legal remedies as are consistent with the Constitution of Liberia. All expenses in connection with any such claim shall be borne by the AGENT.

9.2 Copies of all official documents executed by the Commissioner or any Deputy Commissioner of Maritime Affairs, the public dissemination or promulgation of which are necessary in the discharge by the AGENT of its maritime services hereunder, shall be filed in duplicate with the AGENT as Maritime Agent under 1.1 hereof.

## **SECTION X. PROTECTION AND DEVELOPMENT OF LIBERIA FLAG SHIPPING; EMPLOYMENT OF LIBERIANS; AND TRAINING OF LIBERIANS**

### **10.1 Liberian Flag Shipping**

(a) The parties, cognizant of the Liberian Maritime Program and its overall importance to the Liberian economy as a whole, and Liberia's international relations recognize that the continuing protection and promotion of Liberian flag shipping is, and will continue to be, of vital importance to Liberia, and the parties shall endeavor, to this end, to maintain close communication, timely advice and ample consultation between themselves respecting all matters affecting Liberian flag shipping and the AGENT's activities with respect thereto.

(b) The parties agree to act at all times in a manner consistent with the objectives of the provisions of Section 9.1 above.

(c) The AGENT or its Permitted Assignees shall not make any public statements, written or oral on behalf of GOVERNMENT, or interact with foreign governments or international organizations on behalf of GOVERNMENT without first obtaining the express approval of the GOVERNMENT.

(d) The parties agree to immediately develop a comprehensive strategy to market the Liberian Flag, particularly in the United States, European Union Countries, Far East and Middle East, including the establishment of a Public Relations office based in New York and marketing offices in the Far East and Middle East, which will be part of the DCO.

(e) An amount to be agreed upon by both parties shall be allocated annually from the DCO Fees for the marketing of the Liberian maritime and Corporate programs. This fund shall be jointly administered by the Commissioner and the AGENT. The ultimate responsibility for the marketing of the Liberian Registry shall rest upon the Bureau of Maritime Affairs. The AGENT shall, however, be expected to promote the program and to make recommendations to the Commissioner for the promotion and marketing of the Liberian maritime and Corporate programs.

#### 10.2 Employment of Liberians

(a) It is agreed that, at all times, the AGENT shall employ in all of its operations under this Agreement, whenever conducted, and also, to the extent permissible and practicable under the laws of the place of employment, and shall require every Permitted Assignee to employ, qualified Liberians at all levels of operation under this Agreement, with particular emphasis on financial-accounting, technical, administrative, supervisory, and senior managerial and executive posts.

(b) The AGENT shall present to the Commissioner, on a periodic basis (but not less than semi-annually) a written program of action for the local employment of qualified Liberians at all levels of its offices abroad and, in particular, in financial-accounting, technical, administrative, advisory, and senior managerial and executive posts, and to implement such programs on the approval of the Commissioner. The first such written program shall be presented to the Commissioner within sixty (60) days from the execution of this Agreement.

10.3 Training of Liberians. The parties recognize that in order to accomplish the AGENT's undertaking set out in subsection <sup>10</sup>9.2 above, training of suitable Liberians, on a continuing basis, shall be provided by the AGENT and particular emphasis will be given to placing Liberians in administrative, accounting, supervisory and senior management functions. Training shall include not only that given to the new employees, but also that given to Liberians who, at any time, already are employees of the AGENT or of any Permitted Assignees.

(a) Illustratively, the AGENT shall furnish:

(i) On-the-job training with respect to all aspects of the AGENT's operation covered by this Agreement-in the offices of the AGENT and any Permitted Assignees outside, as well as inside Liberia, including, by way of illustration but not limitation, training and work experience which will qualify Liberians to discharge the responsibilities of financial-accounting, technical, administrative, supervisory and senior managerial and executive positions to fulfill the requirement of Section 9.2; and

(ii) With respect to <sup>formal?</sup> former technical training and, after consultation with GOVERNMENT, up to, but not more than the equivalent of three (3) full scholarships for qualified Liberians to pursue formal advanced studies inside and outside Liberia in those fields of



competence required in the activities of the AGENT contemplated in this Agreement. A "full scholarship", as mentioned above, in all cases shall cover the cost of tuition and books, and in cases of study outside Liberia also shall cover the cost of one (1) round trip air fare every twenty-four (24) months between the place of study and Liberia and the charges for room and board in school operated facilities (or, if room and board are not made available by the school, a reasonable living allowance to cover room and board).

(b) The AGENT shall have authority and control over trainees and their work, both as to trainees employed by the AGENT and those receiving financial support from the AGENT in the course of their formal training outside LISCR. The selection of trainees shall be by mutual agreement between the Bureau of Maritime Affairs and the AGENT.

(c) Plans and programs for all training, including identification of schools at which the AGENT shall provide scholarships, shall be formulated (and revised when necessary) in consultation with and subject to the approval of GOVERNMENT. Consultation shall commence promptly after the Effective Date of this Agreement and shall continue, from time to time, upon request of GOVERNMENT or the AGENT.

(d) To implement the training program to be carried out under this Section, the AGENT shall designate a Training officer. Those officers shall consult on a regular basis and coordinate with respect to the designation of and arrangements for any personnel participating in any training programs carried out under this Section.

10.4 Benefits. All Liberians who become employees of the AGENT shall enjoy all benefits and emoluments, including pension plans consistent with the laws of the country in which the Liberians are located.

**SECTION XI. APPOINTMENT OF DEPUTY COMMISSIONER  
FOR FINANCIAL AFFAIRS.**

11.1 The parties hereto covenant and agree to take steps to maximize revenues, and to minimize costs associated with such revenues.

11.2 In order to facilitate the objectives and the proper administration and allocation of expenditures and funds passed on to GOVERNMENT, GOVERNMENT shall appoint a Deputy Commissioner for Financial Affairs as its representative for the Maritime Program working within the organization and reporting directly to the Commissioner.

11.3 Such Deputy Commissioner's functions shall include, but not be limited to, the following:

- (a) To approve all DCO expenditures;
- (b) To ensure that all transactions are executed in accordance with this Agreement, and the policies of the GOVERNMENT and the Maritime Program;
- (c) To review all accounts and invoicing, and all maritime revenues and cash receipts;
- (d) To monitor and ensure job placement training programs for Liberians;
- (e) To ensure that an annual budget as provided for in Section 12.1 is prepared for the DCO, and to recommend approval or disapproval of same to the Commissioner;
- (f) to review all sub-agency contracts and to ensure that they are submitted to the Commissioner for approval;
- (g) To review all records maintained by AGENT and to ensure that there is adequate record keeping;

(h) To monitor all activities and aspects of the Maritime Program as it relates to revenue generation, allocation of expenses, review of records and financial statements, and acting as liaison between GOVERNMENT and AGENT in respect of its cost benefit operations;

(i) To countersign all cheques for any expenditure and maintain all accounts with financial institutions in a manner that will require the GOVERNMENT's signature for the issuance of any cheque or any withdrawal, excluding any payment made pursuant to Section 2.4(c)(i), (ii) and (iii) and all payments or withdrawals relating to AGENT's Compensation.

11.4 AGENT agrees to provide such Deputy Commissioner with all appropriate courtesies, and that such Deputy Commissioner shall have final authority over all delegated functions set forth in Section 11.3.

## **SECTION XII. RECORDS, REPORTS AND INSPECTIONS**

12.1 Availability of Records. The AGENT shall maintain at its principal office and any Permitted Assignee shall maintain at its principal office complete, accurate and systematic financial records of its worldwide operations pursuant to this Agreement and such books of account and other financial records of such operations as may be required by law or as GOVERNMENT may otherwise require. The books and records of Permitted Assignees which pertain to the Maritime Program shall be subject to review by GOVERNMENT during regular business hours and upon reasonable notice. Such books of account shall be kept in accordance with such accounting system as GOVERNMENT shall approve and shall show all revenues received by the AGENT from its worldwide operations pursuant to this Agreement and all

expenditures and provide for a clear understanding of financial aspects of such operations. The balance sheets and profit and loss statements of the AGENT related to the Maritime and Corporate Programs shall be kept in terms of the currency in which the Maritime and Corporate funds are generated.

#### 12.2 Audit.

(a) The AGENT shall cause its books of account referred to above, to be audited promptly after the close of each fiscal year by internationally recognized independent auditors selected by the GOVERNMENT, and approved by LISCR, whose approval shall not be unreasonably withheld, and a copy of such annual financial statement, as certified by said auditors, shall be furnished to GOVERNMENT and the AGENT within six (6) months after the close of each fiscal year. GOVERNMENT shall have the right to freely discuss with the said auditors the results of such audit and certification, and the AGENT shall take all reasonable measures to ensure that they cooperate with the auditors to the maximum extent. The GOVERNMENT shall also have the right to dismiss any such auditors previously hired and have a new auditor appointed.

(b) The audit referred to above shall consist of separate audits of (i) DCO, (ii) Section 2.4 fees and expenses, (iii) corporate registration fees, (iv) ship Registration fees and Change of Name fees, (v) Annual Tonnage taxes, and (vi) all other fees required under the Maritime law.

(c) At GOVERNMENT's written request, the AGENT shall have such auditors or other internationally recognized auditors perform any other specific accounting, financial or management review of the Maritime Program operations, with the cooperation and

assistance of AGENT and any Permitted Assignee and Sub-agent. All such Audit expenses shall be equally shared between Government and Agent.

### **12.3 Inspection.**

(a) The AGENT or its Permitted Assignees or sub-agent or any organization involved directly or indirectly in the Maritime Program shall grant to GOVERNMENT's own auditors full privilege to audit the complete revenue and expenditures and records, books, documents, accounts related to the maritime Program and other material that said auditors may deem relevant to the Maritime Program and have requested of AGENT, its Permitted Assignees, sub-agent or any organization involved in the Maritime Program, at the expense of the GOVERNMENT.

(b) GOVERNMENT may at any time inspect:

(i) The books and records of the AGENT, and those books and records of any Permitted Assignees or sub-agent related to the Maritime Program kept pursuant to this Agreement wherever such books and records may be located, and;

(ii) All operations under this Agreement of the AGENT and operations of any Permitted Assignee or sub-agent related to the Maritime Program, wherever such operations may be carried out. the AGENT shall make all arrangements to facilitate such inspection and make its appropriate employees available to render assistance with respect to any such inspection.

12.4 Confidentiality of Reports. Except for all accounting required hereunder and any information required by the Liberian maritime Law or Regulations to be published,

GOVERNMENT shall treat all information supplied by the AGENT hereunder as confidential and shall not reveal such information to third parties except with the AGENT's consent.

### **SECTION XIII. DETERMINATION OF COSTS AND EXPENSES.**

13.1 An annual budget detailing all projected revenues and expenditures shall be prepared by the AGENT, in a form prescribed by GOVERNMENT, with the assistance of the Deputy Commissioner for Financial Affairs. Such budget shall include separate schedules for (a) Section 2.40 Fees and Expenses, (b) DCO Fees and Expenses, (c) ship Registration Fees and Change of Name fees, (d) Annual tonnage taxes, and (e) all other fees required under the Maritime law. Such budget, based on then current circumstances and such information as the Commissioner shall have supplied with respect to anticipated changes in the next fiscal year shall be submitted to the GOVERNMENT for its approval by November 1 for the following year. AGENT shall also present the GOVERNMENT by November 1 for the following year schedule of projected revenues for the corporate registration fees.

For the purposes of Section 18.1, failure to comply with this provision except where such failure arises from circumstances beyond the control of the AGENT shall constitute a breach of this Agreement.

13.2 All costs and expenses referred to in this Agreement, which are to be advanced, borne, absorbed by, paid by, reimbursed to, or received by the AGENT, or which may be a factor in determining any amount, fee or compensation which the AGENT is to retain or pay over to the GOVERNMENT, are to include only direct costs and those indirect costs which are fairly and reasonably apportionable and allocable to the activity for which costs or expenses under this Agreement are claimed or incurred.

13.3 The determination of the amount of direct costs and indirect costs, as approved in Section 13.1, shall be made with reference to, and be consistent with United States Generally Accepted Accounting Principles ("GAAP") as well as the United States code of Federal Regulations, relating to the United States Government procurement and Government contracts. To the extent of an inconsistency, the relevant portions of the United States Code of Federal Regulations shall take precedence.

13.4 GOVERNMENT may, from time to time, provide AGENT with a detailed statement of how direct and indirect costs are to be determined for purposes of this Agreement, consistent with the principles set forth in Sections 13.1, 13.2 and 13.3. If the AGENT determines in good faith, that any such statement does not accurately reflect the principles of Sections 13.1, 13.2 and 13.3, the AGENT shall have thirty (30) days from receipt of the statement to object, in which case the objection must explain the basis for such objections. In the event agreement cannot be reached within thirty (30) days thereafter the matter will be submitted by the parties to one of the Big Five audit firms to be mutually agreed by the parties whose determination shall be final and binding on the parties. The cost of the audit shall be borne by the losing party.

**SECTION XIV. NON-WAIVER AND NON-BINDING EFFECT OF  
ANY MENTION OF AGENT IN MARITIME  
REGULATIONS OR LAW**

14.1 The failure of any party at any time to require performance by the other party of any provisions hereunder shall in no way affect the right of that party thereafter to enforce the same, nor shall it affect the party's right to enforce any of the other provisions of this Agreement; nor shall the waiver buy either party of the breach of any provisions.

14.2 Any mention of the AGENT or any assignee in any published text of the Liberian Maritime law or Liberian Maritime Regulations shall never be deemed to add to the rights of the AGENT or its assignee, or confer on the AGENT or its assignee any rights under this Agreement.

14.3 The AGENT shall be responsible to the GOVERNMENT for the acts of its assignees, sub-agents or independent contractors.

#### **SECTION XV. LAWS OF GENERAL APPLICATION**

15.1 This Agreement shall not be construed to exempt the AGENT or Permitted Assignee from any applicable Liberian laws of general application.

No person shall be deemed or is intended to be a third party beneficiary under this Agreement unless specific provision to that effect is contained herein.

#### **SECTION XVI. GOVERNING LAW**

16.1 This Agreement shall be governed, construed and interpreted only in accordance with the laws and jurisprudence of the Republic of Liberia, provided that any and all matters arising out of said laws may be adjudicated only in the Federal Court of the Southern District of New York with the court applying applicable Liberian law. Both parties hereby expressly agree to submit to and accept the jurisdiction of the said court.

#### **SECTION XVII. TERM OF AGREEMENT AND PERIODIC REVIEW**

17.1 The term of this Agreement shall commence on the Effective Date and shall continue until December 31, 2009.

17.2 Without prejudice to the foregoing, at the request of either party at any time, but not less than every three (3) years, the parties, without interrupting the fulfillment of their



obligations hereunder, shall in good faith consult together in Liberia, or such other place as shall be agreed upon (without substantial interruptions in such consultations) for the purpose of considering such changes in, or clarifications of this Agreement as either party deems to be appropriate.

17.3 If either party is desirous of renewing this Agreement at its expiration, such party shall provide the other with formal written notice of its intention to do so no later than June 30, 2007, except in the case of termination under Section XVIII.

### **SECTION XVIII. RIGHT TO TERMINATE**

18.1 Causes for Termination. The Government may terminate this Agreement when any of the following events shall occur:

(a) If the AGENT shall fail to comply with any provisions of this Agreement, or breach of any representations made in this Agreement;

(b) If the AGENT shall voluntarily dissolve, liquidate or wind up affairs; or shall make an assignment for the benefit of creditors; or shall petition or apply to any tribunal for the appointment of a trustee or receiver for itself, or of any substantial part of its assets, or shall commence any proceedings relating to it, under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt law of any jurisdiction, whether now or hereafter in effect; or if any such petition or application is filed, or any such proceedings are commenced against it shall indicate its approval thereof, consent thereto, or acquiescence therein or if an order is entered appointing any such trustee or receiver, or adjudicating it bankrupt or insolvent, or approving the petition on any such proceedings shall permit such order to remain in effect for

more than sixty (60) days, unless in the opinion of the GOVERNMENT it is expedient that it continues to act.

**SECTION XIX. ENCUMBRANCES, ASSIGNMENTS AND  
SUBLETTING**

19.1 This Agreement and any interest therein may not be encumbered, in whole or in part, by the AGENT without GOVERNMENT's prior written approval.

19.2 (a) This Agreement shall not be assigned, in whole or in part, by the AGENT nor shall the AGENT delegate or subcontract to others any of the responsibilities, duties or services herein undertaken by the AGENT without the written consent of the GOVERNMENT, whose consent may or may not be given, in the sole discretion of the GOVERNMENT.

(b) No such permitted assignment, subcontract or delegation shall be valid until and unless permitted Assignee or subcontractor agrees to include in all such agreements, contracts and subcontracts the following:

(i) to be bound by the relevant provisions of this Agreement;

(ii) that agreements (other than routine day-to-day contracts of minor value) entered into with any organization with respect to the delivery or support of the Maritime Program services, representing major expenditures be formally defined by contract and approved by GOVERNMENT;

(iii) that all such contracts of assignment, delegation or subcontracting shall pass on to the Maritime Program actual direct cost only with a fair and proportionate allocation of indirect cost as provided therein;

(iv) and the adoption of the policy of the Maritime Program costs be kept to a minimum consistent with service objectives.

(c) No such permitted assignment, delegation or subcontracting shall relieve or release the AGENT from any of its obligations and liabilities under this Agreement.

## **SECTION XX.     NOTICES**

20.1 All notices, requests, reports, approvals, consents, designations or other communications (collectively referred to herein as "communications") required by, provided for in, or relative to, this Agreement shall be in writing. All communications shall be delivered:

(a) In the case of GOVERNMENT, to: The Government of the Republic of Liberia, Bureau of Maritime Affairs, 1000 Monrovia 10, Liberia, Attn: Commissioner of Maritime Affairs or such other representative or agent of GOVERNMENT as may be designated in writing by the Commissioner of Maritime Affairs.

(b) In the case of the AGENT, to: Liberia International Ship & Corporate Registry, c/o Lester S. Hyman, 3000 K Street, N.W., Suite 300, Washington, D.C. 20007, or such other representative as may be designated in writing by the AGENT.

(c) A delivery of a communication shall be deemed effective wrapped in a postage prepaid envelope for mailing properly addressed to the person or place indicated above and deposited with the Post Office of the Republic of Liberia; provided, however, that formal communications, such as demands or notices of default, as distinguished from routine communications, shall be considered effective only when actually received.

any report, return or other communications required by Liberian laws of general application at the time and in the manner therein prescribed.

#### **SECTION XXI. RESTRICTION CLAUSE**

21.1 The AGENT hereby represents that it has not, and shall not, at any time, either directly or indirectly, support, encourage, or indulge in the formation, establishment, financing, ownership or maintenance of a same or related business, including the administration of a maritime program for any other government, during, and for a period seven (7) years after, the termination of this Agreement and any and all extensions. AGENT shall also forbid by written agreement senior personnel in its employ from divulging any confidential information in relation to the GOVERNMENT's Maritime Program. The AGENT further agrees with GOVERNMENT that in the case of a breach of provision by any such employee, the AGENT shall not re-employ such a person in any of its operations without GOVERNMENT approval.

#### **SECTION XXII. FILINGS**

22.1 The AGENT hereafter agrees that it will give GOVERNMENT sixty (60) days advance notice of any filing, submission or registration with any government authority which may be required because of its activities herein, except that the sixty (60) days advance notice requirement shall not apply where an earlier filing is required to comply with applicable law, in which case notice shall be given as early as practicable prior to filing.

#### **SECTION XXIII. MISCELLANEOUS**

23.1 It is understood and agreed that all assets purchased, acquired or developed, directly or indirectly, with DCO funds that are utilized by the AGENT or assignee or affiliate are, and shall remain, the property of the GOVERNMENT.

23.2 Each party shall advise the other of any substantial difficulties which it may encounter with respect to operating under this Agreement, or any substantial dissatisfaction with the performance of the other so that to the extent possible, any problems may be resolved in an amicable manner by mutual agreement. Nothing herein shall be construed to provide any requirement that must be satisfied prior to the implementation of the procedures set forth in Section XVIII.

**SECTION XXIV. EFFECTIVE DATE AND TRANSITORY CLAUSE**

24.1 It is agreed that all provisions hereof respecting the AGENT's compensation for services performed hereunder shall apply to all taxes and fees collected hereunder by the AGENT or any Permitted Assignee from and after the Effective Date hereof, regardless of when such taxes or fees may have been billed or invoiced.

24.2 Following the execution hereof, this Agreement shall become effective on the earlier of December 31, 1999, or the date on which the Agreement with The International Trust Company of Liberia, dated September 4, 1975, as amended, terminates, provided that this Agreement has by such time been formally approved by the President or the Republic of Liberia and the Legislature of the Republic of Liberia. Such date shall be the "Effective Date".

IN WITNESS WHEREOF, we hereby sign and execute this Agreement this 18<sup>th</sup> day of December, A.D. 1998.

THE REPUBLIC OF LIBERIA:

By: /s/ Benoni W. Urey

Benoni W. Urey  
COMMISSIONER OF MARITIME AFFAIRS, R.L.

CORPORATE REGISTRY (formerly,  
INTERNATIONAL SHIPPING REGISTRY):

By: /s/ Lester S. Hyman  
Lester S. Hyman, Chairman

ATTEST:

/s/ Counsellor Eddington A. Varmah  
Counsellor Eddington A. Varmah  
MINISTER OF JUSTICE & ATTORNEY GENERAL, R.L.

APPROVED:

/s/ Dakpanah Dr. Charles Ghankay Taylor  
Dakpanah Dr. Charles Ghankay Taylor  
PRESIDENT OF THE REPUBLIC OF LIBERIA

Section 2. This Act shall take effect immediately upon publication in hand-bills.

ANY LAW TO THE CONTRARY NOTWITHSTANDING

APPROVED: March 18, 1999