

VISSAVIENĪBAS RIETUMU BASEINA
ZIVJU RŪPNĪCĪBAS APVIENĪBA

Latvijas zivju rūpniecības
ražošanas apvienība

OKEĀNA ZVEJAS FLOTES
LIEPĀJAS BĀZE

229700, Liepāja, Celtnieku ielā 2. Tālr. 2-60-27
Nor. reģ. nr. 000382901 Rūpniecības celtniecības bankas
Liepājas nodaļa

ВСЕСОЮЗНОЕ
РЫБОПРОМЫШЛЕННОЕ ОБЪЕДИНЕНИЕ
ЗАПАДНОГО БАССЕЙНА (ЗАПРЫБА)

Лиепайское производственное объединение
рыбной промышленности (Латрыбпром)

ЛИЕПАЙСКАЯ БАЗА
ОКЕАНИЧЕСКОГО
РЫБНОГО ФЛОТА

229700, г. Лиепая, ул. Целтниеку, 2. Телефон 2-60-27.
Расч. счет в Лиепайском отделении Промстройбанка
№ 000382901

№ _____

Uz/Ha № _____

JOINT VENTURE AGREEMENT

This agreement is effective 3 February 1992 by and between Liepaya Ocean-Going Fishing Fleet Base (LOGFFB), organized as a Latvian corporation and LATSTAR LINES, LTD. (LATSTAR) organized as a Marshall Islands corporation or its assigns.

In consideration of the following mutual promises the above parties agree:

1. Formation and Purpose. This agreement establishes a Joint Venture between the parties to:
 - (a) Re-register all of the vessels owned and/or operated by LOGFFB (the vessels) (which LOGFFB represents to be at least twenty-nine) through LATSTAR in such a manner as to maximize funding/investment of the vessels for the purpose of repairing, converting and equipping the vessels for operations including arranging for hard currency to operate the vessels and parties to perform their obligations pursuant to this agreement.
 - (b) Contract through LATSTAR to market fisheries products produced by the vessels and otherwise earn revenues by operation of the vessels.
 - (c) Charter all the vessels to LOGFFB from LATSTAR upon re-registry until all monies secured by the vessels are repaid, then to return the vessel registry to LOGFFB. Charter to commence upon re-registry as a bareboat charter.
2. Obligations of LATSTAR.
 - (a) Arrange the maximum funding/investment for the above purposes using the vessels as collateral.
 - (b) Coordinate with LOGFFB to arrange for repair and conversion of the vessels including equipment for operations and operating hard currency based on the vessels as collateral.
 - (c) Market all fisheries products.
 - (d) Bareboat charter the vessels to LOGFFB until all monies secured by the vessels are repaid. During charter periods the vessel to continue to fly the Latvian flag to extent permitted by the new registry and lenders.
 - (e) To the extent deemed necessary by LATSTAR to establish a

corporation for each vessel in such new registry deemed best suited for the purpose of this joint venture.

3. Obligations of LOGFFB.

- (a) Obtain all documents and certificates required by the new registry to permit the vessels to be deleted from existing registries and registered in the Republic of the Marshall Islands or other similar registries. To the extent permitted by the laws of the Marshall Islands or other similar registries and lenders the vessels to maintain the Latvian flag.
- (b) Sign all documents necessary to transfer registry to LATSTAR in accordance with this agreement.
- (c) Hereby warrant that there are non liens in the vessels at the time of re-registry.
- (d) Sign all further agreements and documents that may be necessary for LATSTAR to market fisheries products of the vessels or otherwise permit LATSTAR to perform its obligations pursuant to this agreement. LOGFFB Director signing below acknowledges his office and he has the authority to direct the vessels to be deleted from existing registries and re-registered pursuant to this agreement in the name of LATSTAR.
- (e) Bareboat charter all of the vessels from LATSTAR.

4. Mutual Obligations.

- (a) The parties agree to develop a program for repair, conversion or further sale of the vessels.
- (b) Coordinate marketing the fisheries products harvested by the vessels.

5. Term of Agreement.

This agreement shall continue until the monies secured by the vessels are fully repaid or five years, whichever is greater. This agreement shall automatically be renewed for similar five year periods unless one party notifies the other in writing within six months of the end of any five year period that it terminates the agreement upon the end of that five year period.

6. Percentage Interest.

The percentage interest of the joint venture is:

LOGFFB.....	50%
LATSTAR.....	50%

7. Profits and Losses.

Any profits or losses shall be shared in an amount equal to each parties interest stated above.

8. Contributions to the Joint Venture.

LOGFFB shall contribute the vessels and product pursuant to this agreement.

LATSTAR shall arrange all financing/investment to effect this agreement that can be developed from the vessels as security.

9. Arbitration.

If any dispute may arise concerning this agreement the parties agree to submit the matter to an arbitrator mutually acceptable to both

parties. The laws of Great Britain shall apply and Copenhagen shall be the location of any arbitration. The parties shall equally share the costs of the arbitration but pay their own other costs or attorneys fees.

10. Authorities.

The persons signing below are fully authorized to enter into this agreement and shall sign all documents necessary to perform their respective obligations.

LIEPAYA OCEAN GOING FISHING ~~LIBEL CASE~~

LATSTAR LINES, LTD.

By: Valery Truckhin
Director



By: James A. Wexler
Director

VISSAVIENTIBAS RIETUMU BASEINA
ZIVJU ROPNIECIBAS APVIENTBA

Latvijas zivju rūpniecības
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JOINT VENTURE AGREEMENT

LIEPAYA OCEAN-GOING FISHING FLEET BASE - LATSTAR LINES, LTD.

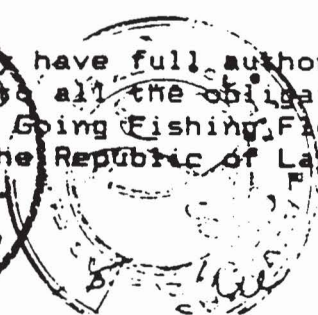
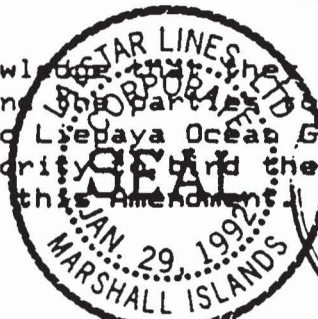
AMENDMENT

In consideration of the mutual promises contained herein Liepaya Ocean Going Fishing Fleet Base (hereinafter Latstar Fisheries) and Latstar Lines, Ltd. hereby amend the Joint Venture Agreement entered into between the parties and effective 3 February 1992 as follows:

1. All product on board all vessels transferred to Latstar Lines, Ltd. pursuant to the Joint Venture Agreement as well as all inventory of product located elsewhere as of and obtained after 3 February 1992 and for the duration of the Joint Venture Agreement are agreed to be transferred to Latstar Lines, Ltd. and to be assets of Latstar Lines, Ltd. pursuant to this Amendment and the Marketing and Management Agreements entered into between Latstar Lines, Ltd. and Liepaya Ocean Going Fishing Fleet Base. The effective date of the transfer of product is agreed to be 3 February 1992 and thereafter as product is harvested during the duration of this Joint Venture Agreement.

2. The parties agree it is intended by the Joint Venture Agreement that all inventory of product as of and after 3 February 1992 harvested or otherwise obtained by Latstar Fisheries are assets of Latstar Lines, Ltd. in consideration of the Joint Venture Agreement and the Marketing and Management Agreements between the parties and are available as collateral for obtaining the funding for the purposes described in the joint venture agreement and any other purposes agreed to pursuant to any amendment to the Joint Venture Agreement.

3. The below signing persons acknowledge that they have full authority to enter into this amendment and bind the parties to all the obligations set forth herein and with respect to Liepaya Ocean Going Fishing Fleet Base that its Director has the authority to bind the Republic of Latvia to all the obligations set forth in this Amendment.



VISSAVIENTIBAS RIETUMU BASEINA
ZIVJU ROPNICIBAS APVIENIBA

Latvijas zivju rūpniecības
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JOINT VENTURE AGREEMENT

ЛИЕПАЈА ОЦЕАН ГОИГ ФИШИНГ ФЛЕЕТ БАЗЕ - LATSTAR LINES, LTD.

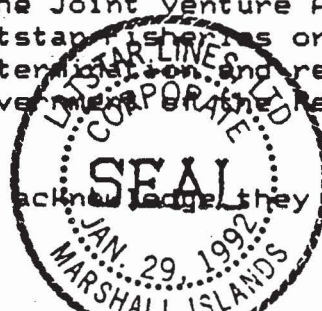
AMENDMENT

In consideration of the mutual promises contained herein Liepaya Ocean-Going Fishing Fleet Base (hereinafter Latstar Fisheries) and Latstar Lines, Ltd. hereby amend the Joint Venture Agreement entered into between the parties and effective 3 February 1992 as follows:

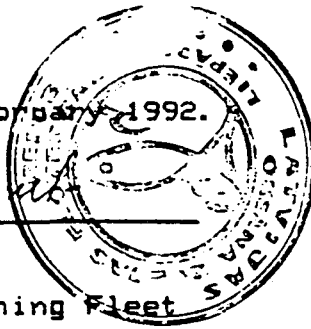
1. Latstar Fisheries and Latstar Lines, Ltd. agree that if the government of the Republic of Latvia or any of its successors or assigns attempts to or does nullify, rescind, terminate, modify, alter the scope, duration, extent or any other term of the Joint Venture Agreement which was effective 3 February 1992 without the mutual consent of Latstar Lines, Ltd. and Latstar Fisheries, then the Government of Latvia or its successors or assigns and Latstar Fisheries shall pay Latstar Lines, Ltd. USD Ten Million Dollars (\$10,000,000.00) immediately upon demand as liquidated damages in full settlement of any claims Latstar Lines, Ltd. may have for any attempt to or actual adjustments to the Joint Venture Agreement as described above in this paragraph one. The parties agree this claimant amount shall be a maritime lien in all of the vessels transferred to Latstar Lines, Ltd. pursuant to the Joint Venture Agreement.

2. Latstar Lines, Ltd. and Latstar Fisheries agree that one year from the date of this amendment to Joint Venture shall be the minimum reasonable time agreed upon during which Latstar Lines, Ltd. shall have to arrange for any funding pursuant to the Joint Venture Agreement. Should this agreement be terminated by Latstar Lines, Ltd. or the Republic of Latvia prior to such date then such termination and rescission shall be deemed a political seizure by the Government of the Republic of Latvia or its successors or assigns.

3. The below signing persons acknowledge they have full authority to



Dated this ___ day of February 1992.



Valery Trukhin
Director
Liepaya Ocean-Going Fishing Fleet
Base (Latstar Fisheries)
Republic of Latvia
Ministry of Maritime Affairs



James Walker
Director
Latstar Lines, Ltd.

VISSAVIENTIBAS RIETUMU BASEINA
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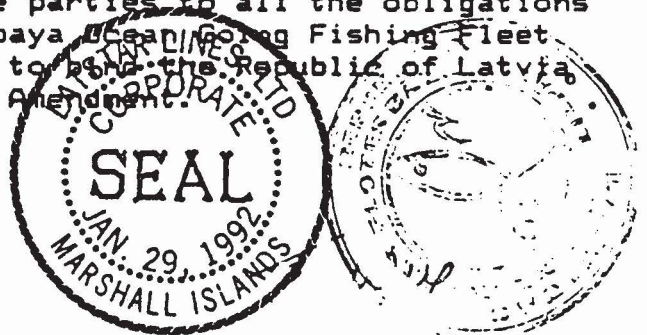
LIEPAYA OCEAN-GOING FISHING FLEET BASE - LATSTAR LINES, LTD.

AMENDMENT

In consideration of the mutual promises contained herein Liepaya Ocean Going Fishing Fleet Base (hereinafter Latstar Fisheries) and Latstar Lines, Ltd. hereby amend the Joint Venture Agreement entered into between the parties and effective 3 February 1992 as follows:

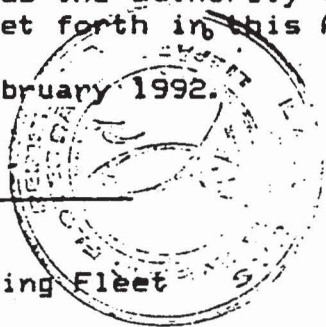
1. The parties agree and recognize that Liepaya Ocean Going Fishing Fleet Base is and has always been at all times relevant to this Agreement been a State owned enterprise of the Republic of Latvia and not a corporation.
2. The parties agree and confirm that the intent of the Joint Venture is to provide continuous control, possession and ownership rights for Liepaya Ocean Going Fishing Fleet Base in accordance with the Joint Venture Agreement.
3. The parties agree that, in addition to the provisions of Paragraph 1(a) of the Joint Venture Agreement that the monies obtained based upon the values of the vessels described in the Joint Venture Agreement will also be directed to pay for fees, costs and expenses for the construction of new vessels for Liepaya Ocean Going Fishing Fleet Base.
4. The below signing persons acknowledge that they have full authority to enter into this amendment and bind the parties to all the obligations set forth herein and with respect to Liepaya Ocean Going Fishing Fleet Base that its Director has the authority to bind the Republic of Latvia to all the obligations set forth in this Amendment.

Dated this ____ day of March 1992.



enter into this amendment and bind the parties to all the obligations set forth herein and with respect to Liepaya Ocean-Going Fishing Fleet Base that its Director has the authority to bind the Republic of Latvia to all the obligations set forth in this Amendment.

Dated this ____ day of February 1992.



Valery Trukhin
Director
Liepaya Ocean-Going Fishing Fleet
Base (Latstar Fisheries)
Ministry of Maritime Affairs
Republic of Latvia



James H. Wexler
Director
Latstar Lines, Inc.

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ZIVJU ROPNIECIBAS APVIENTIBA

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ЛИЕПАЈАС БАЗЕ

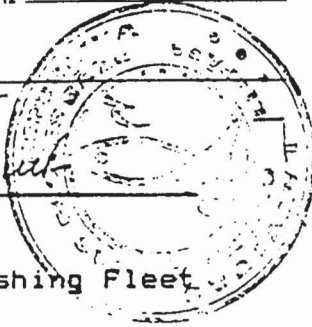
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Director
Liepaya Ocean Going Fishing Fleet
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James A. Weir
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Director
Latstar Lines,