



**CONTRACT BETWEEN
BRAZILIAN NAVAL COMMISSION IN WASHINGTON**

AND

BLACK BULL GROUP INC.

FOR

**SUPPLY OF MARINE FUEL FOR BRAZILIAN NAVY SHIPS NAVIO POLAR
ALMIRANTE MAXIMIANO AT THE PORT OF USHUAIA**

CONTRACT N° 70200/19-01/00

IFSB No. 05/2018

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Brazilian Naval Commission in Washington

5130 MacArthur Blvd., NW Washington, D.C. 20016-3316

Tel.: (202) 244-3950

CONTRACT N°: 70200/19-01/00

CONTRACT ENTERED BETWEEN THE BRAZILIAN NAVAL COMMISSION IN WASHINGTON AND BLACK BULL GROUP INC. FOR THE SUPPLY OF MARINE FUEL FOR BRAZILIAN NAVY SHIP "NAVIO POLAR ALMIRANTE MAXIMIANO" AT THE PORT OF USHUAIA.

This Contract was entered on this February 27, 2019, at the offices of the Brazilian Naval Commission in Washington, represented by the President, André Luís Ferreira da Silva, holder of passport number DB038908, with offices at 5130 MacArthur Blvd, NW, Washington DC 20016, and Black Bull Group Inc., represented by Mr. Fernando Manuel Tirado Leñador, President, holder of passport number PAF515674, with offices at 78 SW 7th Street, 8th Floor, Miami FL 33130.

WHEREAS this Contract was preceded by the Invitation for Sealed Bid (IFSB) No. 05/2018, and fulfilled all legal requirements of Brazilian Law n° 8.666/1993.

WHEREAS the legal instruments Rules for Administrative Agreements of the Brazilian Navy (SGM-102, Rev 3, item 13.10.1) and Ordinance n° 180/2001, modified by Ordinances 236/MB/2002, 258/MB/2003, 111/MB/2004, 159/MB/2013 and 626/MB/2014 issued by the Commander of the Brazilian Navy, granted authority to the President of the Brazilian Naval Commission in Washington to sign this Contract on behalf of the Brazilian Navy within its area of jurisdiction.

NOW THEREFORE, in consideration of the foregoing, the execution of this agreement by each of the parties hereto, and the full and faithful performance of the covenants, representations and warranties contained herein, are agreed as follows:

CLAUSE 1 - DEFINITIONS

As used in this Contract, the following terms shall have the meanings given to them below:

- 1.1 The term "BNC" shall mean "the Brazilian Naval Commission in Washington".
- 1.2 The term "SELLER" shall mean "Black Bull Group Inc."
- 1.3 The term "BUYER" shall mean "Brazilian Naval Commission in Washington" on behalf of "Brazilian Navy";
- 1.4 The Term "End User" shall mean the Brazilian Navy Ship "Navio Polar Almirante Maximiano" to receive the fuel;

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- 1.5 The term "Marine Fuel Contract" means an agreement entered into between Buyer and the Seller pursuant to which the Buyer purchase Marine Fuels from the Seller;
- 1.6 The Term "Product" shall mean "Marine Fuel and Fueling Services";
- 1.7 The Term "Fueling Services" shall mean the supply of Marine Fuel, its transportation until point of delivery and delivery to Receiving Vessel;
- 1.8 The term "Service" shall mean "any service(s) covered by this Contract";
- 1.9 The term "Order for Fueling" shall mean "the official document used by the BNC to request Marine Fuel and Fueling Services";
- 1.10 The Term "Delivery Date" shall mean the date(s) agreed upon as the date(s) for delivery of the Marine Fuel;
- 1.11 The term "Delivery Point" means, "The place agreed upon as the location for delivery of the Marine Fuel"; and
- 1.12 The term "Party" means Buyer or Seller and "Parties", means Buyer and Seller collectively.

CLAUSE 2 - OBJECT OF THE CONTRACT

2.1 The supply of "Marine Fuel" to Brazilian Navy Ship "Navio Polar Almirante Maximiano" in the Port of Ushuaia. Seller shall provide the fuel and the fueling services (fuel, transportation of fuel to the specific port and filling the Ship's fuel tank in a way that complies with local environmental standards, laws and regulations). The entire chain of services should be strictly in compliance with environmental standards, laws, rules and regulations of Ushuaia Port in Argentina.

Ship	Port	Country	Estimated Fueling Date	Unit Price in liters	Estimated QTD in Liters	Total Amount USD
NPoAlte Maximiano	Ushuaia	Argentina	19MAR2019	1.08	420.000	453,600.00

2.2 Object Discrimination: The Fuel shall be the MGO according to specifications ISO-F-DMA, ISO-8217 as shown in the table below:

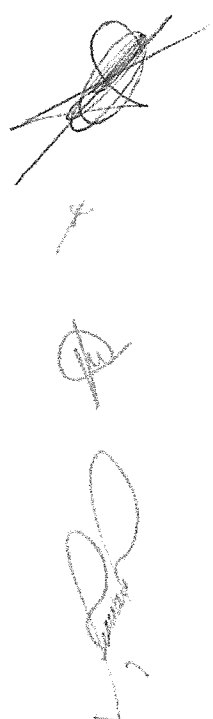
MARINE FUEL SPECIFICATIONS	Maximum Limit (MGO)	ANALYSIS METHOD
Total Acidity (d), mgKOH/g, MAX	0.5	ASTM D664
Ashes, % m/m, max	0.01	ASTM D 482
Color ASTM, max		ASTM D 1500
Sulfur, % m, max	0.50	ASTM D4294/D2622/D5453
Oxidation stability(f), mg/100ml (g), max	2.5	ASTM D 2274/D 5304
Cetane index, min	40.0	ASTM D 4737
Pour Point, ° C, max	-6	ASTM D97
Cloud Point, ° C, max	-1	ASTM D2500
Flash Point, ° C, min	60.0	ASTM D93
Ramsbottom Carbon Residue of final 10%, % m/m, max	0.30	ASTM D524/D4530
Viscosity at 40°C, mm ² /s (cSt)	2,000 to 6,000	ASTM D445
Density 20° C, Kg/m ³ , max	876,8	ASTM D1298/ D4052
Lubricity (c), µm, max	520	ASTM D6079/ISSO 12156-1

CLAUSE 3 - PERFORMANCE

- 3.1 "Black Bull Group Inc." agrees to sell and deliver the volume of fuel requested by the BNC, at a specified date, time and place. BNC should notify Seller at least five (5) business days in advance of the requested delivery date, delivery point, volume, method of delivery, name of Vessel, ETA/ETD, IMO number. Seller and BNC should jointly decide the delivery time, which preferably should be close to the Vessel ETA. BNC should also notify the Seller of any special condition, difficulty, peculiarity, deficiencies in respect to the particular Vessel.
- 3.2 Seller shall confirm the order in writing to BNC within 48 hours of request.
- 3.3 The Marine Fuel supplied hereunder shall be commercial grade and in accordance with ISO 8217. The BNC shall be responsible for nominating to the Seller the grade and specification for each delivery at the location in question.
- 3.4 Adverse Conditions: If conditions are adverse, caused by weather, sea, harbor, mooring or any other condition that makes the fueling operation dangerous, this should be cause for rescheduling the delivery, with no onus on the parties.
- 3.5 The Marine Fuel sold under each operation shall be of a commercial Marine Fuel grade. BNC shall inform to Seller the proper grade of Marine Fuel for use in the Receiving Vessel. End User shall be responsible for confirming that Specifications of the Marine Fuel are accurate and suitable for use in the Receiving Vessel.
- 3.6 The volume of Marine fuel actually delivered shall be verified by the readings of the barge's tank gauges or the vehicle meter if delivery is made by truck.
- 3.7 Price will be in US dollars, per liter, "firm and fixed".
- 3.8 Seller is responsible for the services of his subcontractors and will be liable for any environmental damages caused by them such as spills, leaks or others. Seller and his Subcontractors shall be jointly and severally liable for injuries, loss and damage caused directly or indirectly in whole or part by Seller or Seller's Subcontractors and Representatives.
- 3.9 Seller shall take during the Marine delivery process four (4) representative samples of the Marine Fuel delivered. End User shall have his representative witness the drawing of the samples. The samples shall be securely sealed and labelled by Seller and two (2) samples shall be given to the End User, one (1) of which is for MARPOL compliance purposes. Two (2) samples shall be retained by the Seller for verification of quality, if required. The Seller shall keep the samples at least third (30) days.

CLAUSE 4 - QUANTITY MEASUREMENTS

- 4.1 The quantities of Marine Fuels ordered by the BNC for delivery shall be those quantities stated in BNC's request subject to confirmation of supply by the Seller. After the order confirmation by the Seller, no change in quantity will be allowed.
- 4.2 The quantity of Marine Fuel delivered shall be the quantity specified in the Seller's confirmation of the order with a tolerance option of +/- 5% of the volume requested.
- 4.3 The volume of Marine Fuel actually delivered under this contract shall be determined by Seller from the tank gauges of the Barge, the onshore storage tank, pipeline meter or vehicle meter, depending on the delivery method. End User shall witness such measurements. The charges for Marine Fuels are going to be calculated based on these



measurements. Adjustment in volume owing to difference in temperature shall be made in accordance with ASTM Petroleum Measurement Tables.

- 4.4 All measurements made by the Seller and witnessed by End User shall be final and binding save for manifest error or fraud.

CLAUSE 5 – PRICE

5.1 The total price of the services under this Contract is “firm and fixed”, it is in US dollar, unit of issue is litter, and it shall include all expenses, direct or indirect, that might arise during the performance of the service, including all taxes and fees, transportation, labor, fiscal, insurance, administration fees, consumption materials, and any and all other fees or expenses necessary for the full compliance with the object of the Contract.

5.2 The agreed price per Liter for each supply is:

Estimated Fueling Date	Unit Price in litters
19MAR2019	1.08

CLAUSE 6 - INVOICE

- 6.1 Invoices issued by Black Bull Group Inc. must include the volume of the delivery, the delivery date, the delivery point, the price in US dollars and per liter.
- 6.2 Invoices must be accompanied by valid documentation, in this case a copy of receipt signed by a crewmember of the Receiving Vessel certifying the fuel supply;
- 6.3 Invoices must be issued by the Seller in the Seller's Letterhead. Invoice issued by subcontractors will not be accepted.

CLAUSE 7 - TERMS OF PAYMENT

- 7.1 Payment to Black Bull Group Inc. will be made upon receipt of the invoice and its attachment (delivery receipt signed by the End User) by the Brazilian Naval Commission in Washington. Invoices will only be paid if they are strictly in accordance with Clause 6.
- 7.2 Administrative proceedings for payment will begin immediately after the receiving of the Invoice and its attachment at BNC's office as long as the invoices are in conformity with the stipulations of Clause 6. If everything is in conformity, payment shall be made within thirty (30) days.
- 7.3 If the invoice does not contain the information required (as per Clause 6), the BNC will contact the Seller to request a compliant one. Payment will begin to be processed only when a fully compliant invoice is received by BNC.

CLAUSE 8 – LIABILITY

- 8.1 Seller shall be liable for damage of property, for injury or death caused to any person, fines or penalties and expenses incurred or sustained arising out of or in connection with the Contract when such claims, losses, costs, damages, liabilities and expenses arise through the sole and proven negligence of the Seller or his Subcontractors. In this case,

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the Seller and the subcontractors or third party acting in his behalf shall properly indemnify the Buyer.

- 8.2 Black Bull Group Inc. is fully responsible for any accidents involving properties as well as human beings, caused by direct or indirect action or omission of its employees and/or its Subcontractors or third parties acting on its behalf.

CLAUSE 9 - DELIVERY

- 9.1 Upon receipt of a request to supply Marine Fuel to a Receiving Vessel, Black Bull Group Inc. shall contact the BNC to confirm the schedule, quantity, point of delivery and Receiving Vessel.
- 9.2 A member of the End User crew shall confirm the quantity and specifications of the fuel prior to commencement of delivery. If there is no objection, delivery may begin.
- 9.3 Once the delivery is completed and the quantity is checked, one member of the End User shall sign a receipt with duplicate copy, one for the ship and one for the Seller. A copy of this receipt shall be submitted with the invoice for payment.
- 9.4 Time is the essence with respect to delivery of the goods/services purchased under this Contract. If Black Bull Group Inc. encounters or anticipates difficulty in meeting the delivery schedule, Seller shall immediately notify, the BNC, giving all pertinent details (including stating the cause(s) and describing its efforts to eliminate or diminish the effect of those causes). However, such data must be informational only and must not be construed as a waiver by BNC of any delivery schedule or date or of any rights or remedies provided by law, or in equity, or under the Contract.
- 9.5 Seller must present alternatives to carry out the supply. BNC must be consulted and the alternative solution can only be implemented upon BNC approval.

CLAUSE 10- SUPERVISION

BNC will supervise and coordinate all the operations of supply and delivery of Marine fuel in conjunction with the End User.

CLAUSE 11 - ASSIGNMENT AND SUBCONTRACTING

- 11.1 Subcontracting is allowed; however, Seller shall remain responsible for fulfilling the Contract.
- 11.2 Subcontractors shall be legally established companies. However, it is the entire responsibility of "Black Bull Group Inc." for the conduct and performance of his Subcontractors including any irregularity committed by them, any breach of Contract, illegalities and negligence;

CLAUSE 12 - CLAIMS

- 12.1 Any dispute as to the quantity of the Marine Fuels based on the density of the Marine Fuels delivered shall be submitted by the Supervisor to the Seller in writing within twenty

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one (21) days of the date of delivery, failing which, such claim shall be deemed waived and forever barred.

- 12.2 Any dispute of short delivery that does not fall under Clause 12.1 above, shall be presented by the End User to the Seller at the time of delivery and the End User's representative shall have witnessed such measurement in accordance with Clause 4. Any dispute as to the quantity of the Marine Fuels delivered under this Clause 12.2 shall be recorded at the time of delivery in writing.
- 12.3 Any claim as to the quality of the Marine Fuels delivered must be submitted by the Supervisor to the Seller in writing within thirty (30) days of the date of delivery. The Supervisor shall promptly furnish the Seller with the results of testing of the retained sample provided to the vessel by the Seller together with full supporting evidence of its claim within ninety (90) days of delivery to enable the Seller to properly evaluate the claim.
- 12.4 The liability of the Seller for any loss, damage, claim or other expenditure arising out of or in connection with the failure by the Seller to supply the Marine Fuel according to specifications, shall lead the Seller, if necessary, to remove the improper fuel in a location, accepted by Supervisor. If the unsuitable fuel caused damage of any component Seller also should be responsible for repair costs.

CLAUSE 13 - PENALTIES

- 13.1 In the event that Seller fails to deliver the Marine Fuel to the End User and this is an "ad hoc" failure that does not compromise other supplies and the singular situation that caused this delivery failure could have been prevented by Seller and because of that, can not be excused as "Force Majeure", then Buyer is entitled to collect a financial penalty in the amount of 20% of the estimated price of this delivery. In addition, the Seller has the obligation to help the Buyer find an alternative source of supply of Marine Fuel.
- 13.2 In the event that Clause 13.1 is applied, BNC shall notify Seller, in writing, about the financial penalty that is being applied and, the amount of it. The maturity of the penalty shall be 15 days from the date of notification. After notification, the Company shall have five (5) business days to appeal.
- 13.3 Nothing in this Clause shall be deemed to restrict BNC's right to terminate the Contract, in whole or in part, in accordance with the terms hereof and to seek any and all rights, remedies and damages available.

CLAUSE 14 - EXCUSABLE DELAYS

- 14.1 Neither BNC nor Black Bull Group Inc. shall be liable for delays or be deemed to be in default by reason of any failure or delay in performing any of its obligations under the Contract to the extent that such failure or delay is directly due to force majeure or Acts of God that prevent performance of the Contract and that are beyond the affected party's reasonable control and could not have been foreseen or avoided by exercising due care. Force Majeure and Acts of God may include natural disasters, floods, hurricanes, adverse weather, or sea conditions. Perils of the sea, war (declared or undeclared), embargoes, civil insurrection, riots, strikes, labor disputes, accidents, fires, explosions, mechanical breakdown or any cause beyond reasonable control of the affected Party.

- 14.2 Whenever either Party's performance is prevented or delayed as a result of "Force Majeure" the affected Party shall notify the other, of such failure or delay by a written notice, within twenty-four (24) hours from the date of actual occurrence of "Force Majeure" circumstance set forth herein.
- 14.3 Each party shall use reasonable diligence to cure or correct any condition of "Force Majeure" affecting performance by such party.
- 14.4 If applicable, the Seller will make every effort to help BNC find alternative sources of supply.

CLAUSE 15 - GOVERNING LAW

- 15.1 The Contract will be governed by the laws of the District of Columbia-USA. The Parties shall fully comply with all applicable federal and State regulations and local laws and rules, which directly or indirectly affect the Marine Fuel supply and delivery.
- 15.2 The Parties shall comply with Federal, State and Local Environmental laws, Regulations and Rules.
- 15.3 Seller's Subcontractors must also comply strictly with laws and regulations mentioned in items 15.1 and 15.2 and any other law, rule or regulation that applies to the type of operation carried out.
- 15.4 Controversy or claim arising out of or relating to the Contract shall be determined in accordance with the Maritime and Commercial Laws applicable to this type of trade and the parties shall be subject to the jurisdiction of the federal courts sitting in the District of Columbia and waive the right to assert lack of personal jurisdiction in any legal proceeding.

CLAUSE 16 - DISPUTES

- 16.1 If the parties are unable to, amicably, settle a dispute from this Contract, the controversy or claim shall be determined by arbitration in accordance with the International Arbitration Rules of the American Arbitration Association.
- 16.2 The place of arbitration shall be Washington, D.C., the number of arbitrators shall be three and the award of the arbitrators shall be final and binding on the parties. Each Party shall select one arbitrator within thirty (30) days after the commencement of the arbitration and the two arbitrators shall select a third. If either Party fails to select an arbitrator within such time period, the arbitrator selected by the other party shall be the sole arbitrator. If the two arbitrators do not agree on the selection of a third arbitrator within forty-five (45) days after the commencement of the arbitration, the American Arbitration Association shall select the third arbitrator.
- 16.3 The arbitration and all related documentation shall be conducted in the English language.
- 16.4 The arbitration award shall be the sole and exclusive remedy between the parties regarding any claims, counterclaims, issues or accountings presented or pled to the arbitrators. The award shall be payable in U.S. dollars net of any tax, deduction or offset. Any costs, fees, and expenses incurred in connection with enforcing the award shall be charged against the party resisting such enforcement.
- 16.5 The award shall include interest from the date of the breach or other violation of this Contract. The arbitrators shall also fix the appropriate rate of interest from the date of the breach or other violation to the date when the award is paid in full. In no event, however,

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should such interest rate during such period be lower than the prime commercial lending rate announced by Bank of America for ninety (90) day loans for commercial borrowers for the corresponding period.

- 16.6 Judgment upon the arbitration award may be entered by any court of competent jurisdiction. Notwithstanding the foregoing, nothing in this Clause shall be construed to prevent BNC from seeking injunctive relief or other interim measures during the impending of the arbitration.
- 16.7 All notices to be given in connection with the arbitration shall be in writing. All notices shall be sent by registered airmail, return receipt requested.

CLAUSE 17 - DEFAULT

- 17.1 In the event of material breach by either party of its obligations under this Contract, or, in the case of Seller, non-delivery of conforming Service in accordance herewith, the aggrieved party may, but is not required to, terminate this Contract for default in whole or in part, and seek the remedies as set forth below.
- 17.2 BNC may terminate this Contract, completely or in part, for Seller default by written notice. If BNC terminates this Contract in part, Seller shall continue performance of this Contract to the extent not terminated.
- 17.3 In the event of termination due to Seller default, BNC shall have all remedies provided in this Contract and all rights and remedies available under applicable law. The rights and remedies of BNC under this Contract are cumulative with, and in addition to, all other rights and remedies available under applicable law.

CLAUSE 18 - TERMINATION

In addition to the provisions of Default Clause, BNC may terminate this Contract by written notice addressed to Seller, if:

- a) Seller fails to comply with any contractual obligations and does not take measures to remedy such default within reasonable time from the receipt of the written notice from the BNC, requesting a solution.
- b) Seller becomes insolvent, undergoes voluntary or compulsory liquidation, except for the purpose of consolidation or merger.
- c) Seller transfers or assigns its rights and obligations under this Contract, without the previous written consent from the BNC.
- d) BNC may terminate the contract upon its sole discretion, without any explanation, when convenient to its interest without penalties.

CLAUSE 19 - EFFECTIVE DATE

This Contract will come into force upon signatures by both parties commencing on February 27 and expiring on April 27, 2019.

CLAUSE 20 – SAFETY

Seller shall furnish to BNC health, safety and local environmental information, laws, regulations and safety aspects of the Marine Fuel purchased, including health, safety and environmental warnings required by applicable law.

CLAUSE 21 – AMENDMENT

- 21.1 This Contract shall be changed only by means of written Amendment to this Contract dated and signed by Seller and Buyer.
- 21.2 Under no circumstances shall oral statements and understandings be valid or binding upon either Buyer or Seller. No express waiver by Buyer shall be construed as a waiver of subsequent breach hereunder or the performance of any of the terms or conditions hereof.

CLAUSE 22 – ENTIRE AGREEMENT

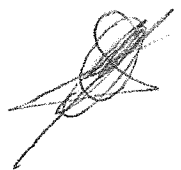
The terms and conditions of this Contract constitute the full and complete agreement between the Parties. No other verbal or written agreement shall, in any way, vary or alter any Provision of this Contract unless both Parties consent to vary or alter any provision of this Contract in a signed writing. This Contract is intended to be an integrated writing and any prior oral or written agreements between the Parties are merged into this Contract and extinguished. No custom, industry standard or course of dealing between the Parties shall in any way vary or alter the terms and conditions of this Contract.

CLAUSE 23 – NOTICES

All required notices or permits to be given hereunder shall be in writing and in English, and shall be delivered by email or certified mail. Addresses of the Seller and the Buyer are listed below. The effective time of notice shall be upon the receipt date.

To: Black Bull Group Inc.
Ms. Barbara Montero
Contract Number: 70200/19-01/00
Address: 78 SW 7th Street, 8th Floor, Miami FL 33130
Email: b.montero@blackbull-group.com
Tel: (786) 757-2539

To: Brazilian Naval Commission in Washington
Attn. Contracts Division
Contract Number: 70200/19-01/00
Address: 5130 MacArthur Blvd., NW, Washington, D.C. 20016
Email: etna@marinha.mil.br or luciano-gomes.silva@marinha.mil.br
Tel: (202) 244-3950 ext. 341, Fax: (202) 363-5138



CLAUSE 24- TITLES AND HEADINGS


Titles and headings of sections of this Contract are for convenience only and shall not affect the construction of any provision of this Contract.

CLAUSE 25 - COPIES

This Contract is made in two original counterparts: one for the BNC and one for Black Bull Group Inc. and one copy to End User.

It is agreed hereby that both parties have accepted the provisions in this Contract, which was read, agreed and signed by Captain André Luís Ferreira da Silva, President of the Brazilian Naval Commission in Washington, representing the Brazilian Navy, and Mr. Fernando Manuel Tirado Leñador, President of Black Bull Group Inc., and witnessed by CDR Raphael Annechino Marques and CDR Luciano Gomes Silva, Brazilian Naval Commission in Washington Representatives.

Washington DC, February 27, 2019

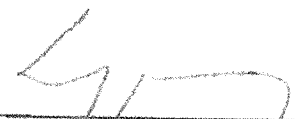


André Luís Ferreira da Silva
Captain, Brazilian Navy
President




Fernando Manuel Tirado Leñador
Black Bull Group Inc.
President

Witnesses:



Raphael Annechino Marques
CDR, Brazilian Navy
Head of Purchasing Division



Luciano Gomes Silva
LCDR, Brazilian Navy
Head of Contracts Division