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The Documentary Committee of The Japan Shipping Exchange, Inc.

MEMORANDUM OF AGREEMENT

Code Name : NIPPONSALE 1993

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SAMPLE

Date.....

IT IS THIS DAY MUTUALLY AGREED between the Sellers mentioned in (i) below ("the Sellers") and the Buyers mentioned in (ii) below ("the Buyers") that the Sellers shall sell and the Buyers shall buy the Vessel named in (iii) below with particulars mentioned in (iv) - (viii) below ("the Vessel"), which has been accepted by the Buyers as a result of their superficial inspection of the Vessel at .....and examination of her Class Records, on the following terms and conditions :

(i) Sellers: .....

.....

(ii) Buyers: .....

.....

(iii) Vessel's name: .....

(iv) Flag: .....(v) Class: .....

(vi) Built (year and builder's name): .....

(vii) Gross register tonnage: .....(viii) Summer dead-weight tonnage .....

1. PRICE

The Purchase Price of the Vessel shall be .....

.....

2. PAYMENT

(a) As security for the fulfilment of this Agreement, the Buyers shall pay a deposit of ten (10) per cent of the Purchase Money to a bank nominated by the Sellers within three (3) banking days from the date of this Agreement, in the names of the Sellers and the Buyers, which shall be paid to the Sellers as a part of the Purchase Money in the same manner as the ninety (90) per cent of the Purchase Money hereunder. Any interest earned on the deposit shall be for the Buyers' account and any bank charges on the deposit shall be borne equally by the Sellers and the Buyers.

(b) The Buyers shall remit the balance of the Purchase Money by telegraphic transfer to the said bank immediately after the Notice of Readiness for Delivery is tendered by the Sellers as per clause 7 of this Agreement. This balance shall be paid out to the Sellers together with the said ten (10) per cent deposit against the Protocol of Delivery and Acceptance being duly signed by the representatives of both parties at the time of delivery of the Vessel.

3. DOCUMENTATION

At the time of delivery of the Vessel, the Sellers shall furnish the Buyers with the following documents:

(a) the Bill of Sale, duly attested by a Notary Public, specifying that the Vessel is free from all debts, encumbrances and maritime liens,

(b) a letter from the Sellers undertaking to supply a Deletion Certificate from the ..... Registry promptly after the Vessel's delivery, and

(c) such other documents as may be mutually agreed.

Closing and exchange of documents shall take place at .....

4. DELIVERY PLACE AND TIME

(a) The Sellers shall deliver the Vessel to the Buyers at / in .... not before ....., and not later than ..... ("the cancelling date").

(b) In the event the Sellers fail to make the Vessel ready for delivery on or before the cancelling date, the Buyers shall have the option of maintaining or cancelling this Agreement, provided such option shall be declared in writing within forty-eight (48) hours (Saturdays, Sundays and Holidays excepted) from the cancelling date. However, any delay not exceeding thirty (30) days caused by force majeure and/or by repairs in order to pass the inspection under clause 6 of this Agreement shall be accepted by the Buyers.

(c) The Sellers shall keep the Buyers informed of the Vessel's itinerary and give the Buyers thirty (30) / fifteen (15) / seven (7) / three (3) days notice of approximate expected place and date of readiness for delivery.

5. DELIVERY CONDITION

The Sellers shall deliver to the Buyers the Vessel substantially in the same condition as when the Vessel was inspected by the Buyers at the place mentioned in the preamble, fair wear and tear excepted, but free from outstanding recommendations and average damage affecting her present class with all her class, national and international trading certificates clean and valid at the time of delivery.

6. DRYDOCKING

For the inspection by the Classification Society mentioned in (v) of the preamble of the Vessel's bottom and other underwater parts below the summer load line ("bottom and other underwater parts"), the Sellers shall place the Vessel in drydock at the port of delivery or near thereto prior to delivery.

If the rudder, propeller, bottom or other underwater parts be found broken, damaged or defective so as to affect the Vessel's clean certificate of class, the same shall be made good at the Sellers' expense to the Classification Society's satisfaction so as to retain the Vessel's class without qualification.

While the Vessel is in drydock and if required by the Buyers or the Classification Society's surveyor, the tail-end shaft shall be drawn, and should the same be condemned or found defective so as to affect the Vessel's clean certificate of class, it shall be renewed or made good at the Sellers' expense to the Classification Society's satisfaction so as to retain the Vessel's class without qualification.

The cost of drawing and replacing the tail-end shaft shall be borne by the Buyers unless the Classification Society requires the tail-end shaft to be drawn, made good or renewed.

The expense of putting the Vessel in and taking her out of drydock and the drydock dues

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including the fee of the Classification Society's surveyor shall be paid by the Buyers unless the rudder, propeller, bottom, other underwater parts or tail-end shaft be found broken, damaged or defective as aforesaid, in which event the Sellers shall pay these expenses.

The Sellers shall pay all costs of transporting the Vessel to the drydock and from the drydock to the place of delivery.

7. NOTICE OF READINESS AND LIQUIDATED DAMAGES

When the Vessel has been approved by the Classification Society's surveyor following the inspection stipulated in the preceding clause, the Vessel shall be deemed ready for delivery and thereupon the Sellers shall tender to the Buyers a notice of readiness for delivery.

The Buyers shall take over the Vessel within three (3) banking days from the day of the receipt of such notice inclusive.

In the event of the Buyers not taking delivery of the Vessel within the period specified above, the Buyers shall pay to the Sellers the sum of .....per day as liquidated damages, but such detention shall not exceed ten (10) days.

8. FORCE MAJEURE

Should the Vessel become an actual or constructive total loss before delivery or not be able to be delivered through outbreak of war, political reasons, restraint of Governments, Princes or People, or any other cause which either party hereto cannot prevent, this Agreement shall be deemed to be null and void, and the deposit shall at once be returned in full to the Buyers.

9. ALLOCATION OF RISK

The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is delivered to the Buyers, and after the delivery of the Vessel in accordance with this Agreement the Sellers shall have no responsibility for any possible fault or deficiency of any description.

10. BELONGINGS AND BUNKERS

The Sellers shall deliver to the Buyers the Vessel with everything belonging to her at the time of the superficial inspection mentioned in the preamble including all spare parts, stores and equipment, on board or on shore, used or unused, except such things as are in the normal course of operations used during the period between the superficial inspection and delivery. Forwarding charges, if any, shall be for the Buyers' account.

The Buyers shall take over and pay the Sellers for remaining bunkers and unused lubricating oils at last purchased prices evidenced by supporting vouchers. Payment under this clause shall be made on or prior to delivery of the Vessel in the same currency as the Purchase Money.

The Sellers shall provide an inventory list for the Buyers at the time of delivery.

11. EXCLUSIONS FROM THE SALE

The Sellers have the right to take ashore crockery, plate, cutlery, linen and other articles bearing the Sellers' flag or name, provided they substitute for the same an adequate number of similar unmarked items. Books, cassettes and forms etc., exclusively for use on the Sellers' vessels, shall be taken ashore before delivery.

Personal effects of the Master, Officers and Crew including slop chest, and hired equipment, if any, are excluded from this sale and shall be removed by the Sellers prior to delivery of the

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Vessel.

12. CHANGE OF NAME ETC.

The Buyers undertake to change the name of the Vessel and alter the funnel markings upon delivery of the Vessel.

13. ENCUMBRANCES ETC.

The Sellers shall deliver to the Buyers the Vessel free from all debts, encumbrances and maritime liens.

The Sellers hereby undertake to indemnify the Buyers against all consequences of claims made against the Vessel in respect of liabilities incurred prior to the time of delivery.

14. DEFAULT AND COMPENSATION

Should the Buyers fail to fulfil this Agreement, the Sellers have the right to cancel the Agreement, in which case the deposit shall be forfeited to the Sellers. If the deposit does not cover the Sellers' loss caused by the Buyers' non-fulfilment of this Agreement, the Sellers shall be entitled to claim further compensation from the Buyers for any loss and for all expenses.

If the Sellers should default in the delivery of the Vessel with everything belonging to her in the manner and within the time herein specified, the deposit shall at once be returned to the Buyers and in addition the Sellers shall, when such default is due to their negligent or intentional acts or omissions, make due compensation for loss caused by their non-fulfilment of this Agreement.

15. ARBITRATION

Any dispute arising out of this Agreement shall be submitted to arbitration held in Tokyo by the Tokyo Maritime Arbitration Commission ("TOMAC") of The Japan Shipping Exchange, Inc. in accordance with the Rules of TOMAC and any amendments thereto, and the award given by the arbitrators shall be final and binding on both parties.

The additional clauses from 16 to ..... shall be deemed to be fully incorporated in this Agreement.

IN WITNESS WHEREOF the Sellers and the Buyers have signed and executed TWO COPIES of this Agreement the day and year first above written.

THE SELLERS	THE BUYERS
_____	_____
By :	By :
Title :	Title :

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