Issued Dec. 16, 1965
Amended Jul. 13, 1971
Amended Mar. 16, 1977
Amended Sep. 9, 1993
Amended Nov. 2, 1999

The Documentary Committee of The Japan Shipping Exchange, Inc.

MEMORANDUM OF AGREEMENT

Place and Date of Agreement	Code Name: **NIPPONSALE 1999** (Part I)
1. Sellers (Preamble)	2. Buyers (Preamble)
3. Vessel's name (Preamble)	4. Flag/Registry (Preamble, Cl. 3 (a) (ii))
5. Class (Preamble, Cl. 6 (b))	6. Built (year and builder's name) (Preamble)
7. Gross register tonnage (Preamble)	8. Summer deadweight tonnage (Preamble)
9. Place/Date of superficial inspection (Preamble, Cl. 5 (a), Cl. 10)	10. Place/Date of class records examination (Preamble)
11. Purchase Price (Cl. 1)	
12. Place of closing (Cl. 3 (c))	
13. Delivery range (Cl. 4 (a), Cl. 6 (e)(i), (f))	
14. Delivery period (Cl. 4 (a)) and Cancelling Date (Cl. 4 (a), (d), (e))	
15. Places (Cl. 2 (a), Cl. 4 (c))	
16. Liquidated damages, per day (Cl. 7 (c))	The additional clauses, if any, numbered from 16 to 〔 〕 shall be deemed to be fully incorporated into this Agreement.

SAMPLE

It is mutually agreed that this Agreement shall be performed in accordance with the terms and conditions contained herein.

Signature (Sellers)	Signature (Buyers)
By:	By:
Title:	Title:

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NIPPONSALE 1999

(Part II)

IT IS THIS DAY MUTUALLY AGREED between the Sellers referred to in Box 1 ("the Sellers") and the Buyers referred to in Box 2 ("the Buyers") that the Sellers shall sell and the Buyers shall buy the Vessel named in Box 3 with particulars as referred to in Boxes 4 - 8 ("the Vessel"), which has been accepted by the Buyers following their superficial inspection of the Vessel and examination of her class records as referred to in Boxes 9 and 10 respectively on the following terms and conditions.

1. PURCHASE PRICE

The purchase price of the Vessel ("the Purchase Price") shall be as stated in Box 11.

2. PAYMENT

(a) As security for the fulfilment of this Agreement, the Buyers shall remit a deposit of ten (10) per cent of the Purchase Price ("the Deposit") to a bank nominated by the Sellers within three (3) banking days (being days on which banks are open for the transaction of business in the place stated in Box 15 ("Banking Days")), from the date of this Agreement, in the names of both the Sellers and the Buyers. Any interest earned on the Deposit shall be credited to the Buyers. Bank charges on the Deposit shall be borne equally by the Sellers and the Buyers. The Deposit shall be paid to the Sellers as a part of the Purchase Price in the same manner as the balance of the ninety (90) per cent of the Purchase Price as provided for hereunder.

(b) The Buyers shall remit the balance of the Purchase Price 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. The balance shall be paid to the Sellers together with the Deposit against the Protocol of Delivery and Acceptance being duly signed by a representative of each party at the time of delivery of the Vessel.

3. DOCUMENTATION

(a) At the time of delivery of the Vessel, the Sellers shall provide the Buyers with the following documents:

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

(ii) a letter from the Sellers undertaking to supply a Deletion Certificate from the Registry stated in Box 4 as soon as practicable after the Vessel's delivery; and

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

(b) Upon delivery the Buyers and the Sellers shall execute and exchange a Protocol of Delivery and Acceptance, thereby confirming the date and time of delivery of the Vessel.

(c) Closing shall take place at the place stated in Box 12.

4. DELIVERY PLACE AND TIME

(a) The Sellers shall ensure that the Vessel is ready for delivery within the Delivery Range stated in Box 13 not before and not later than the dates stated in Box 14, the latter date being the Cancelling Date.

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

(c) In the event that the Vessel is not ready for delivery on or before the Cancelling Date, the Buyers shall have the option of cancelling this Agreement, provided such option shall be exercised in writing within two (2) Working Days (which shall be the days not falling on Saturdays, Sundays, or Public holidays in the place stated in Box 15) from the Cancelling Date. However, if the failure to deliver the Vessel is caused by any event over which the Sellers have no control, then the Cancelling Date shall be extended by the corresponding time lost due to such event but in no case shall such extension be for a period of more than thirty (30) days.

(d) In the event the Buyers do not elect to exercise the option to cancel this Agreement in accordance with sub-clause (c) above, they shall have the right to designate a new date for delivery of the Vessel, provided such right is exercised in writing within two (2) Working Days from the Cancelling Date, and such designated date shall be the new Cancelling Date as if stated in Box 14. However if no new Cancelling Date is designated by the Buyers in accordance with this sub-clause there shall be no further Cancelling Date and the Sellers shall deliver the Vessel as soon as practicable.

(e) Notwithstanding the exercise of due diligence by them, if the Sellers anticipate that the Vessel will not be ready for delivery by the Cancelling Date, (whether it be the first agreed Cancelling Date or any subsequent Cancelling Date as provided for in sub-clause (d) above), then the Sellers may notify the Buyers in writing stating the date when they anticipate that the Vessel will be ready for delivery and proposing that that date shall be the new Cancelling Date. Upon receipt of such notification the Buyers shall have the option to cancel this Agreement, provided such option is exercised in writing within two (2) Working Days from the receipt of the aforesaid notification from the Sellers. If the Buyers do not exercise the option to cancel this Agreement, the date proposed by the Sellers shall be the new Cancelling Date as if stated in Box 14.

5. DELIVERY CONDITION

(a) The Sellers shall deliver the Vessel to the Buyers in substantially the same condition as when the Vessel was inspected by the Buyers at the place stated in Box 9, fair wear and tear excepted, but free from outstanding recommendations and average damage affecting her present class and with all her class, national and international trading certificates clean and valid at the time of delivery.

(b) Upon the Vessel being delivered to and accepted by the Buyers in accordance with this Agreement the Sellers shall have no liability whatsoever for any fault or deficiency in their description of the Vessel or for any defects in the Vessel regardless of whether such defect was apparent or latent at the time of delivery.

6. UNDERWATER INSPECTION

(a) The Sellers may deliver the Vessel without drydocking, subject to the following provisions.

(b) Prior to delivery of the Vessel the Buyers shall have the right to have divers approved by a classification society referred to in Box 5 ("the Classification Society"), carry out an inspection of the Vessel's underwater parts below the summer load line in the presence of a surveyor of the Classification Society arranged by the Sellers. Such inspection, if any, is to be at the Buyers' arrangement, risk and expense and is not to interfere with the Vessel's operation and delivery schedule.

(c) The Buyers shall give a written notice of their intention to have an underwater inspection carried out within two (2) days from the receipt of the seven (7) days notice stipulated in sub-clause (b) of Clause 4. If the Buyers fail to give such a written notice within two (2) days, they shall lose their right to have an underwater inspection.

(d) Upon receipt of the Buyers' notice the Sellers shall arrange with the Classification Society to carry out an underwater inspection. The cost of the underwater inspection shall be borne by the Buyers unless damage affecting the class is found, in which case the Sellers shall bear the cost.

(e) Should any damage affecting the class be found by such divers' inspection the following shall apply:

(i) where the damage is of such nature that repairs are not required prior to the next scheduled drydocking by the Classification Society, then the Sellers and the Buyers shall each select a reputable shipyard in the Delivery Range stated in Box 13 or near thereto and obtain from such shipyard a quotation for the cost of repairs of the damage. Each quotation is to be for the direct repair costs of the damage only and is not to include the cost of

SAMPLE

NIPPONSALE 1999

dockage and general service expenses. The Sellers shall then have the option to either repair the damage prior to delivery of the Vessel or deliver the Vessel without the damage being repaired with a reduction from the Purchase Price of the estimated cost of repairs. The estimated cost of repairs shall be defined as the average of the two quotations obtained from the two shipyards;

(ii) where the damage is of such nature that repairs are required prior to the next scheduled drydocking by the Classification Society, then the Sellers shall repair the damage at their cost and expense and to the Classification Society's satisfaction.

(f) In the event that the Vessel is drydocked to effect repairs of damage in accordance with sub-clause (e) hereof, the Sellers shall have the right to designate the drydock place as the new delivery place if such drydock place is within the Delivery Range stated in Box 13. In such event the Buyers shall have the right to clean and paint the underwater parts of the Vessel at their risk and expense and without interfering with the work of the Sellers and a surveyor of the Classification Society and without affecting the Vessel's delivery schedule. However if the Buyers' work in drydock is still in progress when the Sellers have completed their work, then the additional docking period necessary for completing such work shall be at the Buyers' risk and expense, in which event the Sellers shall have the right to tender a Notice of Readiness for Delivery on or after completion of their work.

(g) If repairs are required in accordance with sub-clause (e) hereof, then the Cancelling Date shall be extended by the corresponding time lost to effect such repairs provided that such extension shall not in any event exceed thirty (30) days.

7. NOTICE OF READINESS AND LIQUIDATED DAMAGES

(a) When the Vessel becomes ready for delivery, the Sellers shall tender to the Buyers a Notice of Readiness for Delivery.

(b) The Buyers shall take over the Vessel within three (3) Banking Days from the day of receipt of such Notice of Readiness for Delivery.

(c) In the event the Buyers do not take delivery of the Vessel within the period specified above, the Buyers shall pay to the Sellers for each day of the delay up to the tenth (10^{th}) day of the delay the liquidated damages as stated in Box 16. If the delay exceeds ten (10) days then the Sellers shall have the right to cancel this Agreement and claim damages for their losses flowing therefrom.

8. TOTAL LOSS AND FORCE MAJEURE

Should, before delivery, the Vessel become an actual, constructive or compromised total loss (not being a result of an act or omission of the Sellers committed with the intent to cause such total loss or recklessly and with knowledge that such total loss would probably result therefrom), or should the Vessel not be able to be delivered before the Cancelling Date through the outbreak of war, the restraint of Governments, Princes or People, political reasons or any other cause over which the Sellers have no control, then this Agreement shall be null and void and neither party shall be liable to the other. In such event the Deposit together with interest accrued thereon, if any, shall be immediately released in full to the Buyers.

9. TRANSFER OF TITLE AND RISK

Title and risk to the Vessel, together with everything belonging to her, shall pass to the Buyers upon both payment of the Purchase Price and delivery of the Vessel having occurred. Delivery of the Vessel shall be deemed to take place at the date and time specified in the Protocol of Delivery and Acceptance.

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 referred to in the Box 9 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. The Sellers shall provide the Buyers with an inventory list at the time of delivery. Forwarding charges, if any, shall be for the Buyers' account. The Buyers shall take over and pay the Sellers for the remaining bunkers and unused lubricating oils at the 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 Price.

11. EXCLUSION FROM THE SALE

The Sellers have the right to take ashore all crockery, cutlery, linen and other articles bearing the Sellers' flag or name, provided the Sellers substitute the same for an equivalent number and type of similar unmarked items. Books, cassettes and forms etc., exclusively for use by the Sellers on the Vessel, 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 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, mortgages and maritime liens. The Sellers hereby undertake to indemnify the Buyers against all claims of whatever nature made against the Vessel in respect of liabilities incurred prior to the time of delivery.

14. DEFAULT AND COMPENSATION

(a) Should the Buyers default in the payment of the Deposit or the balance of the Purchase Price in the manner and within the time herein specified, or the Buyers otherwise fail to perform their obligations under this Agreement and such failure is not remedied within seven (7) days following receipt of a notice of default from the Sellers to the Buyers, then the Sellers shall have the right to cancel this Agreement. In such event the Deposit if already paid, together with interest accrued thereon, if any, shall be forfeited to the Sellers. If the Deposit has not yet been paid the Sellers shall have the right to receive the amount equivalent to the Deposit from the Buyers. If the Deposit or the amount equivalent to the Deposit does not cover the Sellers' losses, the Sellers shall have the right to claim further compensation from the Buyers to recover such losses.

(b) Should the Sellers default in the delivery of the Vessel with everything belonging to her in the manner and within the time herein specified, or the Sellers otherwise fail to perform their obligations under this Agreement and such failure is not remedied within seven (7) days following receipt of a notice of default from the Buyers to the Sellers, then the Buyers shall have the right to cancel this Agreement. In such event the Buyers shall have the right to be paid the amount equivalent to the Deposit by the Sellers and the Deposit, if already paid, together with interest accrued thereon, if any, shall be released to the Buyers. If the amount equivalent to the Deposit does not cover the Buyers' losses the Buyers shall have the right to claim further compensation from the Sellers to recover such losses.

15. ARBITRATION

Any and all disputes arising out of or in connection with this Agreement shall be submitted to arbitration held in Tokyo at 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.

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