

MEMORANDUM OF AGREEMENT

Norwegian Shipbrokers' Association's
Memorandum of Agreement for sale and purchase
of ships. Adopted by BIMCO in 1956.
Code-name
SALEFORM 2012
Revised 1966, 1983 and 1986/87, 1993 AND 2012

Dated:

NINGBO PIONEER SHIPPING COMPANY LIMITED, a company incorporated in Hong Kong 1
Special Administrative Region of the People's Republic of China with its registered office at Room 501,
WAYSON COMMERCIAL BUILDING, 28 CONNAUGHT ROAD WEST, SHEUNG WAN, HONG KONG
(~~Name of sellers~~), hereinafter called the "Sellers", have agreed to sell, and
(~~Name of buyers~~), hereinafter called the "Buyers", have agreed to buy: 2
Name of vessel: M.V. NINGBO PIONEER 3
IMO Number: 8801022 4
Classification Society: DNV GL 5
Class Notation: 1A1 Bulk Carrier ESP HC(E) 6
Year of Build: 1990 Builder/Yard: HYUNDAI HEAVY INDUSTRIES CO.,LTD.,ULSAN,S.KOREA 7
Flag: HONG KONG Place of Registration: HONG KONG GT/NT: 37519 /22604 8
hereinafter called the "Vessel", on the following terms and conditions: 9

Definitions 10

"Banking Days" are days on which banks are open both in the country of the currency stipulated for 11
the Purchase Price in Clause 1 (Purchase Price) and in the place of closing stipulated in Clause 8 12
(Documentation) and ~~China~~(~~add additional jurisdictions as appropriate~~). 13

"Buyers' Nominated Flag State" means (state flag state). 14

"Class" means the class notation referred to above. 15

"Classification Society" means the Society referred to above. 16

"Auctioneers" means ZHEJIANG SHIPPING EXCHANGE CO.LTD and ZHOUSHAN YI GE SHIP 17
AUCTION CO. LTD.

"Deposit" shall have the meaning given in Clause 2 (Deposit) 18

"Deposit Holder" means ZHEJIANG PROPERTY & STOCK EXCHANGE CO LTD, in China (state name 19
and location of Deposit Holder) or, if left blank, the
Sellers' Bank, which shall hold and release the Deposit in accordance with this Agreement. 20

"In writing" or "written" means a letter handed over from the Sellers to the Buyers or vice versa, a 21
registered letter, e-mail or telefax. 22

"Parties" means the Sellers and the Buyers. 23

"Purchase Price" means the price for the Vessel as stated in Clause 1 (Purchase Price). 24

"Sellers' Account" means (state details of bank account) at the Sellers' Bank. 25

"Sellers' Bank" means (state name of bank, branch and details) or, if left blank, the bank 26
notified by the Sellers to the Buyers for receipt of the balance of the Purchase Price. 27

1. Purchase Price 28
The Purchase Price is USD - (United States Dollars - - only). 29

2. Deposit 30
As security for the correct fulfilment of this Agreement the Buyers shall lodge a deposit of USD 31
500,000 (United States Dollars Five Hundred Thousands only) (the "Deposit") in an Non-interest
bearing account for the Parties with the Deposit Holder ~~within three (3) Banking Days after the~~ 32
~~date that:~~
(i) ~~this Agreement has been signed by the Parties and exchanged in original or by e-mail or~~ 33
~~telefax; and~~ 34

	The Buyers bid the highest price in the Vessel's auction. And the auction deposit shall be treated as the "Deposit" automatically.	
	(ii) the Deposit Holder has confirmed in writing to the Parties that the account has been opened.	35
	The "Purchase Confirmation Of Auction" has been signed by the Sellers, the Buyers and the Auctioneer.	36
	The Deposit shall be released in accordance with joint written instructions of the Parties.	37
	Interest, if any, shall be credited to the Buyers. Any fee charged for holding and releasing the Deposit shall be borne equally by the Parties. The Parties shall provide to the Deposit Holder all necessary documentation to open and maintain the account without delay.	38 39 40
3.	Payment	41
	Buyers shall ensure that all of the balance 90% of the Purchase Price and all other funds required to be paid under this Agreement to the Sellers shall be lodged with the Deposit Holder under Escrow Agreement , at least two (2) Banking days prior to the Vessel's expected delivery date and shall instruct the Deposit Holder to confirm to the Sellers receipt of funds.	42
	On delivery of the Vessel, but not later than three (3) Banking Days after the date that Notice of Readiness has been given in accordance with Clause 5 (Time and place of delivery and notices):	43
	(i) the Deposit and the balance of the Purchase Price and all other sums payable shall be released to the Sellers; and	44
	(i) The Deposit and the Balance of the Purchase Price and all other sums payable, shall be released to the Sellers account within two(2) banking days, after the "Protocol of Delivery and Acceptance" have been signed by both Sellers and Buyers On delivery of the Vessel.	
	(ii)the balance of the Purchase Price and all other sums payable on delivery by the Buyers to the Sellers under this Agreement shall be paid in full free of bank charges to the Sellers' Account.	45 46 47
4.	Inspection	48
	(a)* The Buyers have inspected and accepted the Vessel's classification records. The Buyers have also inspected the Vessel at/in _____ (state place) on _____ (state date) and have accepted the Vessel following this inspection and the sale is outright and definite, subject only to the terms and conditions of this Agreement.	49 50 51 52
	(b)* The Buyers shall have the right to inspect the Vessel's classification records and declare whether same are accepted or not within _____ (state date/period).	53 54
	The Sellers shall make the Vessel available for inspection at/in _____ (state place/range) within _____ (state date/period).	55 56
	The Buyers shall undertake the inspection without undue delay to the Vessel. Should the Buyers cause undue delay they shall compensate the Sellers for the losses thereby incurred.	57 58
	The Buyers shall inspect the Vessel without opening up and without cost to the Sellers.	59
	During the inspection, the Vessel's deck and engine log books shall be made available for examination by the Buyers.	60 61
	The sale shall become outright and definite, subject only to the terms and conditions of this Agreement, provided that the Sellers receive written notice of acceptance of the Vessel from the Buyers within seventy-two (72) hours after completion of such inspection or after the date/last day of the period stated in Line 59, whichever is earlier.	62 63 64 65
	Should the Buyers fail to undertake the inspection as scheduled and/or notice of acceptance of the Vessel's classification records and/or of the Vessel not be received by the Sellers as aforesaid, the Deposit together with interest earned, if any, shall be released immediately to the Buyers, whereafter this Agreement shall be null and void.	66 67 68 69
	*4(a) and 4(b) are alternatives; delete whichever is not applicable. In the absence of deletions, alternative 4(a) shall apply.	70 71
5.	Time and place of delivery and notices	72
	(a) The Vessel shall be delivered and taken over safely afloat at a safe and accessible berth or anchorage at/in a port of China Mainland or Hong Kong (state place/range) in the Sellers' option.	73 74

Notice of Readiness shall not be tendered before:12th August 2020.	75
Cancelling Date (see <u>Cl</u> auses 5(c), 6(a)(i), 6(a)(iii) and 14): 20th September 2020.	76
(b) The Sellers shall keep the Buyers well informed of the Vessel's itinerary and shall provide the Buyers with twenty (20) , ten (10), five (5) and three (3) days' notice of the date the Sellers intend to tender Notice of Readiness and of the intended place of delivery.	77 78 79
When the Vessel is at the place of delivery and physically ready for delivery in accordance with this Agreement, the Sellers shall give the Buyers a written Notice of Readiness for delivery.	80 81
(c) If the Sellers anticipate that, notwithstanding the exercise of due diligence by them, the Vessel will not be ready for delivery by the Cancelling Date they may notify the Buyers in writing stating the date when they anticipate that the Vessel will be ready for delivery and proposing a new Cancelling Date. Upon receipt of such notification the Buyers shall have the option of either cancelling this Agreement in accordance with <u>Clause 14</u> (Sellers' Default) within three (3) Banking Days of receipt of the notice or of accepting the new date as the new Cancelling Date. If the Buyers have not declared their option within three (3) Banking Days of receipt of the Sellers' notification or if the Buyers accept the new date, the date proposed in the Sellers' notification shall be deemed to be the new Cancelling Date and shall be substituted for the Cancelling Date stipulated in <u>line 79</u> .	82 83 84 85 86 87 88 89 90 91
If this Agreement is maintained with the new Cancelling Date all other terms and conditions hereof including those contained in <u>Cl</u> auses 5(b) and 5(d) shall remain unaltered and in full force and effect.	92 93 94
(d) Cancellation, failure to cancel or acceptance of the new Cancelling Date shall be entirely without prejudice to any claim for damages the Buyers may have under <u>Clause 14</u> (Sellers' Default) for the Vessel not being ready by the original Cancelling Date.	95 96 97
(e) Should the Vessel become an actual, constructive or compromised total loss before delivery the Deposit together with interest earned, if any, shall be released immediately to the Buyers whereafter this Agreement shall be null and void.	98 99 100
6. Divers Inspection / Drydocking	101
(a)*	102
(i) ———— The Buyers shall have the option at their cost and expense to arrange for an underwater inspection by a diver approved by the Classification Society prior to the delivery of the Vessel. Such option shall be declared latest nine (9) days prior to the Vessel's intended date of readiness for delivery as notified by the Sellers pursuant to <u>Clause 5(b)</u> of this Agreement. The Sellers shall at their cost and expense make the Vessel available for such inspection. This inspection shall be carried out without undue delay and in the presence of a Classification Society surveyor arranged for by the Sellers and paid for by the Buyers. The Buyers' representative(s) shall have the right to be present at the diver's inspection as observer(s) only without interfering with the work or decisions of the Classification Society surveyor. The extent of the inspection and the conditions under which it is performed shall be to the satisfaction of the Classification Society. If the conditions at the place of delivery are unsuitable for such inspection, the Sellers shall at their cost and expense make the Vessel available at a suitable alternative place near to the delivery port, in which event the Cancelling Date shall be extended by the additional time required for such positioning and the subsequent re-positioning. The Sellers may not tender Notice of Readiness prior to completion of the underwater inspection.	103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118
(ii) ———— If the rudder, propeller, bottom or other underwater parts below the deepest load line are found broken, damaged or defective so as to affect the Vessel's class, then (1) unless repairs can be carried out afloat to the satisfaction of the Classification Society, the Sellers shall arrange for the Vessel to be drydocked at their expense for inspection by the Classification Society of the Vessel's underwater parts below the deepest load line, the extent of the inspection being in accordance with the Classification Society's rules (2) such defects shall be made good by the Sellers at their cost and expense to the satisfaction of the Classification Society without condition/recommendation** and (3) the Sellers shall pay for the underwater inspection and the Classification Society's attendance.	119 120 121 122 123 124 125 126 127 128
Notwithstanding anything to the contrary in this Agreement, if the Classification Society do not require the aforementioned defects to be rectified before the next class drydocking survey, the Sellers shall be entitled to deliver the Vessel with these defects against a deduction from the Purchase Price of the estimated direct cost (of labour and	129 130 131 132

materials) of carrying out the repairs to the satisfaction of the Classification Society,	133
whereafter the Buyers shall have no further rights whatsoever in respect of the defects	134
and/or repairs. The estimated direct cost of the repairs shall be the average of quotes	135
for the repair work obtained from two reputable independent shipyards at or in the	136
vicinity of the port of delivery, one to be obtained by each of the Parties within two (2)	137
Banking Days from the date of the imposition of the condition/recommendation, unless	138
the Parties agree otherwise. Should either of the Parties fail to obtain such a quote within	139
the stipulated time then the quote duly obtained by the other Party shall be the sole basis	140
for the estimate of the direct repair costs. The Sellers may not tender Notice of	141
Readiness prior to such estimate having been established.	142
(iii) — If the Vessel is to be drydocked pursuant to Clause 6(a)(ii) and no suitable dry-docking	143
facilities are available at the port of delivery, the Sellers shall take the Vessel to a port	144
where suitable drydocking facilities are available, whether within or outside the delivery	145
range as per Clause 5(a). Once drydocking has taken place the Sellers shall deliver the	146
Vessel at a port within the delivery range as per Clause 5(a) which shall, for the purpose	147
of this Clause, become the new port of delivery. In such event the Cancelling Date shall	148
be extended by the additional time required for the drydocking and extra steaming, but	149
limited to a maximum of fourteen (14) days.	150
(b)* The Sellers shall place the Vessel in drydock at the port of delivery for inspection by the	151
Classification Society of the Vessel's underwater parts below the deepest load line, the extent	152
of the inspection being in accordance with the Classification Society's rules. If the rudder,	153
propeller, bottom or other underwater parts below the deepest load line are found broken,	154
damaged or defective so as to affect the Vessel's class, such defects shall be made good at the	155
Sellers' cost and expense to the satisfaction of the Classification Society without	156
condition/recommendation**. In such event the Sellers are also to pay for the costs and	157
expenses in connection with putting the Vessel in and taking her out of drydock, including the	158
drydock dues and the Classification Society's fees. The Sellers shall also pay for these costs	159
and expenses if parts of the tailshaft system are condemned or found defective or broken so as	160
to affect the Vessel's class. In all other cases, the Buyers shall pay the aforesaid costs and	161
expenses, dues and fees.	162
(c) If the Vessel is drydocked pursuant to Clause 6(a)(ii) or 6(b) above:	163
(i) — The Classification Society may require survey of the tailshaft system, the extent of the	164
survey being to the satisfaction of the Classification surveyor. If such survey is	165
not required by the Classification Society, the Buyers shall have the option to require the	166
tailshaft to be drawn and surveyed by the Classification Society, the extent of the survey	167
being in accordance with the Classification Society's rules for tailshaft survey and	168
consistent with the current stage of the Vessel's survey cycle. The Buyers shall declare	169
whether they require the tailshaft to be drawn and surveyed not later than by the	170
completion of the inspection by the Classification Society. The drawing and refitting of	171
the tailshaft shall be arranged by the Sellers. Should any parts of the tailshaft system be	172
condemned or found defective so as to affect the Vessel's class, those parts shall be	173
renewed or made good at the Sellers' cost and expense to the satisfaction of	174
Classification Society without condition/recommendation**.	175
(ii) — The costs and expenses relating to the survey of the tailshaft system shall be borne by	176
the Buyers unless the Classification Society requires such survey to be carried out or if	177
parts of the system are condemned or found defective or broken so as to affect the	178
Vessel's class, in which case the Sellers shall pay these costs and expenses.	179
(iii) — The Buyers' representative(s) shall have the right to be present in the drydock, as	180
observer(s) only without interfering with the work or decisions of the Classification	181
Society surveyor.	182
(iv) — The Buyers shall have the right to have the underwater parts of the Vessel cleaned	183
and painted at their risk, cost and expense without interfering with the Sellers' or the	184
Classification Society surveyor's work, if any, and without affecting the Vessel's timely	185
delivery. If, however, the Buyers' work in drydock is still in progress when the	186
Sellers have completed the work which the Sellers are required to do, the additional	187
docking time needed to complete the Buyers' work shall be for the Buyers' risk, cost and	188
expense. In the event that the Buyers' work requires such additional time, the Sellers	189
may upon completion of the Sellers' work tender Notice of Readiness for delivery whilst	190
the Vessel is still in drydock and, notwithstanding Clause 5(a), the Buyers shall be	191
obliged to take delivery in accordance with Clause 3 (Payment), whether the Vessel is in	192
drydock or not.	193

*6(a) and 6(b) are alternatives; delete whichever is not applicable. In the absence of deletions, alternative 6(a) shall apply.	194
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**Notes or memoranda, if any, in the surveyor's report which are accepted by the Classification Society without condition/recommendation are not to be taken into account.	196
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7. Spares, bunkers and other items	198
The Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board and on shore. All spare parts and spare equipment including spare tail-end shaft(s) and/or spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of delivery inspection	199
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used or unused, whether on board or not shall become the Buyers' property, but spares on order are excluded. Forwarding charges, if any, shall be for the Buyers' account. The Sellers are not required to replace spare parts including spare tail-end shaft(s) and spare propeller(s)/propeller blade(s) which are taken out of spare and used as replacement prior to delivery, but the replaced items shall be the property of the Buyers. Unused stores and Provisions shall be included in the sale and be taken over by the Buyers without extra payment. Library and forms exclusively for use in the Sellers' vessel(s) and captain's, officers' and crew's personal belongings including the slop chest are excluded from the sale without compensation, as well as the following additional items: <i>(include list) pending</i>	202
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-Personal belongings, laptops and computers	
-Deck Log Book	
-Engine Log Book	
-Oil Record Book	
-ISM manuals	
-MLC manuals	
-SOPEP manuals	
-Original certificates issued by flag state	
Items on board which are on hire or owned by third parties, listed as follows, are excluded from the sale without compensation: <i>(include list)</i>	211
	212
-Gas bottles	
-IBC tanks	
Items on board at the time of delivery inspection which are on hire or owned by third parties, not listed above, shall be replaced or procured by the Sellers prior to delivery at their cost and expense.	213
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The Buyers shall take over the remaining bunkers and unused all lubricating and hydraulic oils and greases on board in storage tanks and unopened drums and pay either:	215
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Quantity of bunkers and lubricating oils remaining on board at the time of delivery to be jointly measured by the Sellers and Buyers authorized representatives.	
The total quantity of VLSFO remaining on board on delivery shall not exceed 200 tons, and Buyers only need to pay the Sellers for the part which exceed 100 tons, as per the unit price of the last invoice or vouchers as evidence.	
The total quantity of MDO/MGO remaining on board on delivery shall not exceed 50 tons, and Buyers only need to pay the Sellers for the part which exceed 20 tons, as per the unit price of the last invoice or vouchers as evidence.	
All of the lubricating and hydraulic oils and greases on board, Sellers shall hand over to Buyers on delivery for free, without any fees.	
(a) *the actual net price (excluding barging expenses) as evidenced by invoices or vouchers; or	217

(b) *the current net market price (excluding barging expenses) at the port and date of delivery of the Vessel or, if unavailable, at the nearest bunkering port,	218
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for the quantities taken over.	220
Payment under this Clause shall be made at the same time and place and in the same currency as the Purchase Price.	221
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"inspection" in this Clause 7, shall mean the Buyers' inspection according to Clause 4(a) or 4(b) (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this Agreement shall be the relevant date.	223
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*(a) and (b) are alternatives, delete whichever is not applicable. In the absence of deletions alternative (a) shall apply.	226
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8. Documentation	228
The place of closing:	229
ZHEJIANG PROPERTY & STOCK EXCHANGE CO LTD, in Hang Zhou City, China.	
(a). In exchange for payment of the Purchase Price the Sellers shall provide the Buyers with the following delivery documents:	230
(1) Two (2) Original Legal Bill(s) of Sale (in British Form 10 a) evidencing the transfer of all the shares in the Vessel and in her boats, appurtenances belonging to the Vessel to the Buyers and stating the Vessel is free from all encumbrances, maritime liens, mortgages or any other debts whatsoever, duly notarized and legalised or apostilled in HONG KONG.	231
(2) Original Meeting Board of Directors Resolutions of the selling company approving sale of the Vessel, stating the name of the person (or persons) authorized to execute the MOA, the Bill of Sale, the Protocol of Delivery and Acceptance and other relevant documents, duly notarized and legalised or apostilled in HONG KONG.	232
(3) Original Power of Attorney in related to above document A2 in favor of person(s) execute the sale and signing MOA, Bill of Sale, Protocol of Delivery and Acceptance and all other documents pertaining to the sale and the delivery of the Vessel to the Buyers, duly notarized and legalised or apostilled in HONG KONG.	233
(4) (i) Certified true copies of the Sellers' corporate documents i.e. Articles of Incorporation, By-Laws (or equivalent), and of any amendments thereto.	234
(ii) Original Certificate of Continuing Registration of the Sellers issued by register of Companies the HONG KONG Special Administrative Region not more than ten (10) banking days prior to the date of delivery of the Vessel.	235
(5) Original Certificate of Ownership and Encumbrance for the vessel issued by the HONG KONG Flag Registry confirming the ownership of the vessel and that the vessel is free from mortgages and other encumbrances, dated not more than ten (10) banking days prior to the date of delivery, but always subject to the standard wording of the HONG KONG flag authorities.	236
(6) Original Class Maintenance Certificate issued by the Vessels present Classification Society, stating that the Vessel is class maintained. This Certificate to be dated maximum Ten(10) Banking Days prior to the Delivery.	237
(7) Five (5) original commercial invoices stating the particulars of the Vessel for the purchased price marked fully paid and signed by the Sellers.	238
(8) Five (5) original commercial invoices for unused bunkers and lubricants remaining on board marked fully paid duly signed by the Sellers.	239
(9) Original written undertaking letters duly signed by the Sellers undertaking:	240

(i) to deliver to the Buyers all the original continuous synopsis record documents other than the closing CSR (“CSRs”) on board the Vessel after the Purchase Price, bunkers and lube oil money are paid in full; and	
(ii) to deliver to the Buyers a Certificate of Deletion issued by the HONG KONG Flag Registry together with the closed CSRs issued by the HONG KONG Flag Registry no later than Four(4) weeks after physical Delivery of the Vessel. The Sellers will use reasonable efforts to delete the Vessel as early as possible.	241
(iii) that the Sellers will instruct their satellite communication provider to cancel the Vessel’s communications contract immediately after the Delivery of the Vessel.	242
(iv) to indemnify the Buyers against any maritime liens and other debts whatsoever arising prior to the time of the delivery of the Vessel to the Buyers.	243
(10) Original written confirmation letters from the Sellers to the Buyers confirming to the best of their knowledge that, as at the time of the Delivery, the Vessel:	244
(i) is not blacklisted by the Arab boycott league any other country or legislation;	245
(ii) is free from any contamination of gypsy moth;	246
(iii) has never called any ports of North Korea or Iran.	247
(iv) confirming that the crew members have no pending dues from the Sellers or against the vessel at the time of delivery.	248
(11) All of the original Certificates of the vessel and documents which are not required to be returned to the issuing authority by the maritime authorities of the Flag state of the Vessel as onboard, except the document listed in Clause 7.	249
(12) Any other documents as may reasonably be required, by the competent authorities of the Buyers' Nominated Flag State for the purpose of registering the vessel, provide the Buyers notify the Sellers of any such documents as soon as possible after the date of this MOA signed.	250
(13) Two (2) originals of a Protocol of Delivery and Acceptance.	251
(b). At the time of Delivery the Buyers shall provide the Sellers with the following the Delivery documents:	252
(1) Original Resolution of the Shareholders and Board of Directors of the Buyers confirming: approving and ratifying the purchase of the Vessel, the execution of the MOA, approving the Escrow Agreement made between Sellers, Buyers and the Escrow Agent Deposit Holder, the Protocol of Delivery and Acceptance, the release of the deposit and the balance of the purchase price and extras to the Sellers held by the Escrow Agent Deposit Holder,, and take delivery of the Vessel, in signed by the Shareholders and Directors of the Buyers duly notarized and legalized (or apostilled).	253
(2) Original Power of Attorney duly executed by the Buyers pursuant to the above Directors’ Resolutions, authorizing certain persons to inter alia execute any addendum to the MOA and the Escrow Agreement Purchase Confirmation of Auction, the Protocol of Delivery and Acceptance, to release the deposit and the balance of the purchase price and extras to the Sellers held by the Escrow Agent Deposit Holder, and to take delivery of the Vessel, duly notarized and legalized(or apostilled).	254
(3) Certificate of Incumbency issued by a Director of the buyers confirming the names of the	255

Shareholders and Directors and attaching a certified copy of the Certificate of Incorporation and Memorandum and Articles of Association.

(4)	A Certificate of Continuing Registration from the Companies Registry.	256
(c)	If any of the documents listed in Sub-clauses (a) and (b) above are not in the English language they shall be accompanied by an English translation by an authorized translator or certified by a lawyer qualified to practice in the country of the translated language.	257 258 259
(d)	The Parties shall to the extent possible exchange copies, drafts or samples of the documents listed in Sub-clause (a) and Sub-clause (b) above for review and comment by the other party not later than (state number of days), or if left blank, nine (9) days prior to the Vessel's intended date of readiness for delivery as notified by the Sellers pursuant to <u>Clause 5(b)</u> of this Agreement.	260 261 262 263
(e)	Concurrent with the exchange of documents in Sub-clause (a) and Sub-clause (b) above, the Sellers shall also hand to the Buyers the classification certificate(s) as well as all plans, drawings and manuals, (excluding ISM/ISPS manuals), which are on board the Vessel. Other certificates which are on board the Vessel shall also be handed over to the Buyers unless the Sellers are required to retain same, in which case the Buyers have the right to take copies.	264 265 266 267 268
(f)	Other technical documentation which may be in the Sellers' possession shall promptly after delivery be forwarded to the Buyers at their expense, if they so request. The Sellers may keep the Vessel's log books but the Buyers have the right to take copies of same.	269 270 271
(g)	The Parties shall sign and deliver to each other a Protocol of Delivery and Acceptance confirming the date and time of delivery of the Vessel from the Sellers to the Buyers.	272 273
9.	Encumbrances	274
	The Sellers warrant that the Vessel, at the time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts whatsoever, and is not subject to Port State or other administrative detentions. The Sellers hereby undertake to indemnify the Buyers against all consequences of claims made against the Vessel which have been incurred prior to the time of delivery. —	275 276 277 278 279
10.	Taxes, fees and expenses	280
	Any taxes, fees and expenses in connection with the purchase and registration in the Buyers' Nominated Flag State shall be for the Buyers' account, whereas similar charges in connection with the closing of the Sellers' register shall be for the Sellers' account.	281 282 283
11.	Condition on delivery	284
	The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is delivered to the Buyers. but subject to the terms and conditions of this Agreement she shall be delivered and taken over as she was at the time of inspection, fair wear and tear excepted.	285 286 287
	However, the Vessel shall be delivered free of cargo and free of stowaways with her Class maintained without condition/recommendation*, free of average damage affecting the Vessel's class, and with her classification certificates and national certificates, as well as all other certificates the Vessel had at the time of inspection , valid and unextended without condition/recommendation* by the Classification Society or the relevant authorities at the time of delivery.	288 289 290 291 292 293
	"inspection" in this Clause 11, shall mean the Buyers' inspection according to Clause 4(a) or 4(b) (Inspections), if applicable. If the Vessel is taken over without inspection, the date of this Agreement shall be the relevant date.	294 295 296
	*Notes and memoranda, if any, in the surveyor's report which are accepted by the Classification Society without condition/recommendation are not to be taken into account.	297 298
12.	Name/markings	299
	Upon delivery the Buyers undertake to change the name of the Vessel and alter funnel markings.	300 301
13.	Buyers' default	302
	Should the Deposit not be lodged in accordance with <u>Clause 2</u> (Deposit), the Sellers have the right to cancel this Agreement, and they shall be entitled to claim compensation for their losses and for all expenses incurred together with interest.	303 304 305
	Should the Purchase Price not be paid in accordance with <u>Clause 3</u> (Payment), the Sellers have the right to cancel this Agreement, in which case the Deposit together with interest	306 307

Earned, if any, shall be released to the Sellers. If the Deposit does not cover their loss, the Sellers shall be entitled to claim further compensation for their losses and for all expenses incurred together with interest.	308 309 310
14. Sellers' default	311
Should the Sellers fail to give Notice of Readiness in accordance with <u>Clause 5(b)</u> or fail to be ready to validly complete a legal transfer by the Cancelling Date the Buyers shall have the option of cancelling this Agreement. If after Notice of Readiness has been given but before the Buyers have taken delivery, the Vessel ceases to be physically ready for delivery and is not made physically ready again by the Cancelling Date and new Notice of Readiness given, the Buyers shall retain their option to cancel. In the event that the Buyers elect to cancel this Agreement, the Deposit together with interest earned, if any, shall be released to them immediately.	312 313 314 315 316 317 318 319
Should the Sellers fail to give Notice of Readiness by the Cancelling Date or fail to be ready to validly complete a legal transfer as aforesaid they shall make due compensation to the Buyers for their loss and for all expenses together with interest if their failure is due to proven negligence and whether or not the Buyers cancel this Agreement.	320 321 322 323
15. Buyers' representatives	324
After this Agreement has been signed by the Parties and the Deposit has been lodged, the Buyers have the right to place two (2) representatives on board the Vessel at their sole risk and expense.	325 326 327
These representatives are on board for the purpose of familiarisation and in the capacity of observers only, and they shall not interfere in any respect with the operation of the Vessel. The Buyers and the Buyers' representatives shall sign the Sellers' P&I Club's standard letter of indemnity prior to their embarkation.	328 329 330 331
16. Law and Arbitration	332
(a) *This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in <u>London-HONG KONG</u> in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	333 334 335 336
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	337 338 339
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both Parties as if the sole arbitrator had been appointed by agreement.	340 341 342 343 344 345 346 347 348 349
In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	350 351 352
(b) *This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the substantive law (not including the choice of law rules) of the State of New York and any dispute arising out of or in connection with this Agreement shall be referred to three (3) persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	353 354 355 356 357 358 359 360
In cases where neither the claim nor any counterclaim exceeds the sum of US\$ 100,000 the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc.	361 362 363
(c) This Agreement shall be governed by and construed in accordance with the laws of (state place) and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at (state place), subject to the procedures applicable there.	364 365 366

	*16(a), 16(b) and 16(c) are alternatives; delete whichever is not applicable. In the absence of deletions, alternative 16(a) shall apply.	367 368
17.	Notices	369
	All notices to be provided under this Agreement shall be in writing.	370
	Contact details for recipients of notices are as follows:	371
	For the Buyers:	372
	For the Sellers: via ZHEJIANG PROPERTY & STOCK EXCHANGE CO LTD.	373
18.	Entire Agreement	374
	The written terms of this Agreement comprise the entire agreement between the Buyers and the Sellers in relation to the sale and purchase of the Vessel and supersede all previous agreements whether oral or written between the Parties in relation thereto.	375 376 377
	Each of the Parties acknowledges that in entering into this Agreement it has not relied on and shall have no right or remedy in respect of any statement, representation, assurance or warranty (whether or not made negligently) other than as is expressly set out in this Agreement.	378 379 380
	Any terms implied into this Agreement by any applicable statute, or law are hereby excluded to the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude any liability for fraud.	381 382 383
19.	Sanction Clause	384
	NOTWITHSTANDING ANYTHING CONTAINED ELSEWHERE TO THE CONTRARY, BUYERS SHALL GUARANTEE THAT : THE BUYERS GUARANTEE THE FOLLOWING CLAUSES, OTHERWISE, THE SELLERS SHALL BE ENTITLED TO REJECT THE BUSINESS OR CANCEL THIS CONTRACT AT ANY TIME AND THE BUYERS SHALL UNDERTAKE THE LOSSES, THE DAMAGES, THE EXPENSE AND ALL CONSEQUENCES INCURRED BY OR FROM THIS.	385
	(i) THE BUYERS AND/OR ANY OTHER RELATED COMPANY IN THE MOA ARE NOT LISTED ON THE UNITED STATES DEPARTMENT OF THE TREASURY OFFICE OF FOREIGN ASSETS CONTROL SPECIALLY DESIGNATED NATIONALS & BLOCKED PERSONS LIST (OFAC SDN LIST) AND THEY ARE NOT SANCTIONED BY U.N./ E.U.	
	(ii) THE PERFORMING BUYERS COMPANY IS NOT OWNED OR COMMERCIALY MANAGED BY CUBA /IRAN /IRAQ /SUDAN /SYRIA/NORTH KOREA/CRIMEA/VENEZUELA AND OTHER U.N. OR E.U. OR USA SANCTIONED COUNTRIES RELATED ENTITIES, HAS NOT CALLED CUBA /IRAN /IRAQ /SUDAN /SYRIA/NORTH KOREA/CRIMEA/VENEZUELA AND OTHER U.N. OR E.U. OR USA SANCTIONED PORTS OR COUNTRIES FROM TIME TO TIME, AND THE BUYER HAVE NOT DONE ANY CUBA /IRAN /IRAQ /SUDAN /SYRIA/NORTH KOREA/CRIMEA/VENEZUELA AND OTHER UN OR E.U. OR USA SANCTIONED PORTS OR COUNTRIES RELATED BUSINESS.	
	(iii)THE BUYERS AND RELATED COMPANY UNDER THIS MOA WOULD NOT BE IN VIOLATION OF ANY U.S. ECONOMIC OR TRADE SANCTIONS INCLUDING, BUT NOT LIMITED TO, THOSE SANCTIONS ADMINISTERED AND ENFORCED BY THE U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL.	
	FURTHER MORE, ANY VIOLATION OF ABOVE MAY RESULT IN PAYMENT BEING UNABLE TO BE EFFECTED DUE TO INTERNAL REGULATIONS OF BANKS. IN THIS CASE, SELLERS WILL NOT BE HELD RESPONSIBLE FOR NON-PAYMENTS OR LATE PAYMENTS IF SELLERS PAYMENTS.	
	For and on behalf of the Sellers	For and on behalf of the Buyers
	Name:	Name:
	Title:	Title: