

# MEMORANDUM OF AGREEMENT

- 1 Dated: [REDACTED]
- 2 [REDACTED] (*Name of sellers*), hereinafter called the "Sellers", have agreed to sell, and
- 3 [REDACTED] (*Name of buyers*), hereinafter called the "Buyers", have agreed to buy:
- 4 Name of vessel: [REDACTED]
- 5 IMO Number: [REDACTED]
- 6 Classification Society: [REDACTED]
- 7 Class Notation: [REDACTED]
- 8 Year of Build: [REDACTED] Builder/Yard: [REDACTED]
- 9 Flag: [REDACTED] Place of Registration: [REDACTED] GT/NT: [REDACTED] / [REDACTED]
- 10 hereinafter called the "Vessel", on the following terms and conditions:
- 11 **Definitions**
- 12 "Banking Days" are days on which banks are open both in the country of the currency stipulated for
- 13 the Purchase Price in Clause 1 (Purchase Price) and in the place of closing stipulated in Clause 8
- 14 (Documentation) and [REDACTED] (*add additional jurisdictions as appropriate*).
- 15 "Buyers' Nominated Flag State" means [REDACTED] (*state flag state*).
- 16 "Class" means the class notation referred to above.
- 17 "Classification Society" means the Society referred to above.
- 18 "Deposit" shall have the meaning given in Clause 2 (Deposit)
- 19 "Deposit Holder" means [REDACTED] (*state name and location of Deposit Holder*) or, if left blank, the
- 20 Sellers' Bank, which shall hold and release the Deposit in accordance with this Agreement.
- 21 "In writing" or "written" means a letter handed over from the Sellers to the Buyers or vice versa, a
- 22 registered letter, e-mail or telefax.
- 23 "Parties" means the Sellers and the Buyers.
- 24 "Purchase Price" means the price for the Vessel as stated in Clause 1 (Purchase Price).
- 25 "Sellers' Account" means [REDACTED] (*state details of bank account*) at the Sellers' Bank.
- 26 "Sellers' Bank" means [REDACTED] (*state name of bank, branch and details*) or, if left blank, the bank
- 27 notified by the Sellers to the Buyers for receipt of the balance of the Purchase Price.
- 28 **1. Purchase Price**
- 29 The Purchase Price is [REDACTED] (*state currency and amount both in words and figures*).
- 30 **2. Deposit**
- 31 As security for the correct fulfilment of this Agreement the Buyers shall lodge a deposit of
- 32 [REDACTED] % ([REDACTED] per cent) or, if left blank, 10% (ten per cent), of the Purchase Price (the
- 33 "Deposit") in an interest bearing account for the Parties with the Deposit Holder within three (3)
- 34 Banking Days after the date that:

35 (i) this Agreement has been signed by the Parties and exchanged in original or by e-mail or  
36 telefax; and

37 (ii) the Deposit Holder has confirmed in writing to the Parties that the account has been  
38 opened.

39 The Deposit shall be released in accordance with joint written instructions of the Parties.  
40 Interest, if any, shall be credited to the Buyers. Any fee charged for holding and releasing the  
41 Deposit shall be borne equally by the Parties. The Parties shall provide to the Deposit Holder  
42 all necessary documentation to open and maintain the account without delay.

### 43 3. Payment

44 On delivery of the Vessel, but not later than three (3) Banking Days after the date that Notice of  
45 Readiness has been given in accordance with Clause 5 (Time and place of delivery and  
46 notices):

47 (i) the Deposit shall be released to the Sellers; and

48 (ii) the balance of the Purchase Price and all other sums payable on delivery by the Buyers  
49 to the Sellers under this Agreement shall be paid in full free of bank charges to the  
50 Sellers' Account.

### 51 4. Inspection

52 (a) \*The Buyers have inspected and accepted the Vessel's classification records. The Buyers  
53 have also inspected the Vessel at/in [REDACTED] (state place) on [REDACTED] (state date) and have  
54 accepted the Vessel following this inspection and the sale is outright and definite, subject only  
55 to the terms and conditions of this Agreement.

56 (b) \*The Buyers shall have the right to inspect the Vessel's classification records and declare  
57 whether same are accepted or not within [REDACTED] (state date/period).

58 The Sellers shall make the Vessel available for inspection at/in [REDACTED] (state place/range) within  
59 [REDACTED] (state date/period).

60 The Buyers shall undertake the inspection without undue delay to the Vessel. Should the  
61 Buyers cause undue delay they shall compensate the Sellers for the losses thereby incurred.

62 The Buyers shall inspect the Vessel without opening up and without cost to the Sellers.

63 During the inspection, the Vessel's deck and engine log books shall be made available for  
64 examination by the Buyers.

65 The sale shall become outright and definite, subject only to the terms and conditions of this  
66 Agreement, provided that the Sellers receive written notice of acceptance of the Vessel from  
67 the Buyers within seventy-two (72) hours after completion of such inspection or after the  
68 date/last day of the period stated in Line 59, whichever is earlier.

69 Should the Buyers fail to undertake the inspection as scheduled and/or notice of acceptance of  
70 the Vessel's classification records and/or of the Vessel not be received by the Sellers as  
71 aforesaid, the Deposit together with interest earned, if any, shall be released immediately to the  
72 Buyers, whereafter this Agreement shall be null and void.

73 \*4(a) and 4(b) are alternatives; delete whichever is not applicable. In the absence of deletions,  
74 alternative 4(a) shall apply.

### 75 5. Time and place of delivery and notices

76 (a) The Vessel shall be delivered and taken over safely afloat at a safe and accessible berth or  
77 anchorage at/in [REDACTED] (state place/range) in the Sellers' option.

78 Notice of Readiness shall not be tendered before: [REDACTED] (date)

79 Cancelling Date (see Clauses 5(c), 6 (a)(i), 6(a) (iii) and 14): [REDACTED]

80 (b) The Sellers shall keep the Buyers well informed of the Vessel's itinerary and shall  
81 provide the Buyers with twenty (20), ten (10), five (5) and three (3) days' notice of the date the  
82 Sellers intend to tender Notice of Readiness and of the intended place of delivery.

83 When the Vessel is at the place of delivery and physically ready for delivery in accordance with  
84 this Agreement, the Sellers shall give the Buyers a written Notice of Readiness for delivery.

85 (c) If the Sellers anticipate that, notwithstanding the exercise of due diligence by them, the  
86 Vessel will not be ready for delivery by the Cancelling Date they may notify the Buyers in writing  
87 stating the date when they anticipate that the Vessel will be ready for delivery and proposing a  
88 new Cancelling Date. Upon receipt of such notification the Buyers shall have the option of  
89 either cancelling this Agreement in accordance with Clause 14 (Sellers' Default) within three (3)  
90 Banking Days of receipt of the notice or of accepting the new date as the new Cancelling Date.  
91 If the Buyers have not declared their option within three (3) Banking Days of receipt of the  
92 Sellers' notification or if the Buyers accept the new date, the date proposed in the Sellers'  
93 notification shall be deemed to be the new Cancelling Date and shall be substituted for the  
94 Cancelling Date stipulated in line 79.

95 If this Agreement is maintained with the new Cancelling Date all other terms and conditions  
96 hereof including those contained in Clauses 5(b) and 5(d) shall remain unaltered and in full  
97 force and effect.

98 (d) Cancellation, failure to cancel or acceptance of the new Cancelling Date shall be entirely  
99 without prejudice to any claim for damages the Buyers may have under Clause 14 (Sellers'  
100 Default) for the Vessel not being ready by the original Cancelling Date.

101 (e) Should the Vessel become an actual, constructive or compromised total loss before delivery  
102 the Deposit together with interest earned, if any, shall be released immediately to the Buyers  
103 whereafter this Agreement shall be null and void.

104 **6. Divers Inspection / Drydocking**

105 (a) \*  
106 (i) The Buyers shall have the option at their cost and expense to arrange for an underwater  
107 inspection by a diver approved by the Classification Society prior to the delivery of the  
108 Vessel. Such option shall be declared latest nine (9) days prior to the Vessel's intended  
109 date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of this  
110 Agreement. The Sellers shall at their cost and expense make the Vessel available for  
111 such inspection. This inspection shall be carried out without undue delay and in the  
112 presence of a Classification Society surveyor arranged for by the Sellers and paid for by  
113 the Buyers. The Buyers' representative(s) shall have the right to be present at the diver's  
114 inspection as observer(s) only without interfering with the work or decisions of the  
115 Classification Society surveyor. The extent of the inspection and the conditions under  
116 which it is performed shall be to the satisfaction of the Classification Society. If the  
117 conditions at the place of delivery are unsuitable for such inspection, the Sellers shall at  
118 their cost and expense make the Vessel available at a suitable alternative place near to  
119 the delivery port, in which event the Cancelling Date shall be extended by the additional  
120 time required for such positioning and the subsequent re-positioning. The Sellers may  
121 not tender Notice of Readiness prior to completion of the underwater inspection.

122 (ii) If the rudder, propeller, bottom or other underwater parts below the deepest load line are  
123 found broken, damaged or defective so as to affect the Vessel's class, then (1) unless  
124 repairs can be carried out afloat to the satisfaction of the Classification Society, the  
125 Sellers shall arrange for the Vessel to be drydocked at their expense for inspection by  
126 the Classification Society of the Vessel's underwater parts below the deepest load line,  
127 the extent of the inspection being in accordance with the Classification Society's rules (2)  
128 such defects shall be made good by the Sellers at their cost and expense to the  
129 satisfaction of the Classification Society without condition/recommendation\*\* and (3) the

130 Sellers shall pay for the underwater inspection and the Classification Society's  
131 attendance.

132 Notwithstanding anything to the contrary in this Agreement, if the Classification Society  
133 do not require the aforementioned defects to be rectified before the next class  
134 drydocking survey, the Sellers shall be entitled to deliver the Vessel with these defects  
135 against a deduction from the Purchase Price of the estimated direct cost (of labour and  
136 materials) of carrying out the repairs to the satisfaction of the Classification Society,  
137 whereafter the Buyers shall have no further rights whatsoever in respect of the defects  
138 and/or repairs. The estimated direct cost of the repairs shall be the average of quotes for  
139 the repair work obtained from two reputable independent shipyards at or in the vicinity of  
140 the port of delivery, one to be obtained by each of the Parties within two (2) Banking  
141 Days from the date of the imposition of the condition/recommendation, unless the Parties  
142 agree otherwise. Should either of the Parties fail to obtain such a quote within the  
143 stipulated time then the quote duly obtained by the other Party shall be the sole basis for  
144 the estimate of the direct repair costs. The Sellers may not tender Notice of Readiness  
145 prior to such estimate having been established.

146 **(iii)** If the Vessel is to be drydocked pursuant to Clause 6(a) (ii) and no suitable dry-docking  
147 facilities are available at the port of delivery, the Sellers shall take the Vessel to a port  
148 where suitable drydocking facilities are available, whether within or outside the delivery  
149 range as per Clause 5(a). Once drydocking has taken place the Sellers shall deliver the  
150 Vessel at a port within the delivery range as per Clause 5(a) which shall, for the purpose  
151 of this Clause, become the new port of delivery. In such event the Cancelling Date shall  
152 be extended by the additional time required for the drydocking and extra steaming, but  
153 limited to a maximum of fourteen (14) days.

154 **(b)** \*The Sellers shall place the Vessel in drydock at the port of delivery for inspection by the  
155 Classification Society of the Vessel's underwater parts below the deepest load line, the extent  
156 of the inspection being in accordance with the Classification Society's rules. If the rudder,  
157 propeller, bottom or other underwater parts below the deepest load line are found broken,  
158 damaged or defective so as to affect the Vessel's class, such defects shall be made good at the  
159 Sellers' cost and expense to the satisfaction of the Classification Society without  
160 condition/recommendation\*\*. In such event the Sellers are also to pay for the costs and  
161 expenses in connection with putting the Vessel in and taking her out of drydock, including the  
162 drydock dues and the Classification Society's fees. The Sellers shall also pay for these costs  
163 and expenses if parts of the tailshaft system are condemned or found defective or broken so as  
164 to affect the Vessel's class. In all other cases, the Buyers shall pay the aforesaid costs and  
165 expenses, dues and fees.

166 **(c)** If the Vessel is drydocked pursuant to Clause 6(a) (ii) or 6(b) above:

167 **(i)** The Classification Society may require survey of the tailshaft system, the extent of the  
168 survey being to the satisfaction of the Classification Society surveyor. If such survey is  
169 not required by the Classification Society, the Buyers shall have the option to require the  
170 tailshaft to be drawn and surveyed by the Classification Society, the extent of the survey  
171 being in accordance with the Classification Society's rules for tailshaft survey and  
172 consistent with the current stage of the Vessel's survey cycle. The Buyers shall declare  
173 whether they require the tailshaft to be drawn and surveyed not later than by the  
174 completion of the inspection by the Classification Society. The drawing and refitting of  
175 the tailshaft shall be arranged by the Sellers. Should any parts of the tailshaft system be  
176 condemned or found defective so as to affect the Vessel's class, those parts shall be  
177 renewed or made good at the Sellers' cost and expense to the satisfaction of the  
178 Classification Society without condition/recommendation\*\*.

179 **(ii)** The costs and expenses relating to the survey of the tailshaft system shall be borne by  
180 the Buyers unless the Classification Society requires such survey to be carried out or if  
181 parts of the system are condemned or found defective or broken so as to affect the  
182 Vessel's class, in which case the Sellers shall pay these costs and expenses.

183 (iii) The Buyers' representative(s) shall have the right to be present in the drydock, as  
184 observer(s) only without interfering with the work or decisions of the Classification  
185 Society surveyor.

186 (iv) The Buyers shall have the right to have the underwater parts of the Vessel cleaned  
187 and painted at their risk, cost and expense without interfering with the Sellers' or the  
188 Classification Society surveyor's work, if any, and without affecting the Vessel's timely  
189 delivery. If, however, the Buyers' work in drydock is still in progress when the  
190 Sellers have completed the work which the Sellers are required to do, the additional  
191 docking time needed to complete the Buyers' work shall be for the Buyers' risk, cost and  
192 expense. In the event that the Buyers' work requires such additional time, the Sellers  
193 may upon completion of the Sellers' work tender Notice of Readiness for delivery whilst  
194 the Vessel is still in drydock and, notwithstanding Clause 5(a), the Buyers shall be  
195 obliged to take delivery in accordance with Clause 3 (Payment), whether the Vessel is in  
196 drydock or not.

197 *\*6(a) and 6(b) are alternatives; delete whichever is not applicable. In the absence of deletions,  
198 alternative 6(a) shall apply.*

199 *\*\*Notes or memoranda, if any, in the surveyor's report which are accepted by the Classification  
200 Society without condition/recommendation are not to be taken into account.*

201 **7. Spares, bunkers and other items**

202 The Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board  
203 and on shore. All spare parts and spare equipment including spare tail-end shaft(s) and/or  
204 spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of inspection  
205 used or unused, whether on board or not shall become the Buyers' property, but spares on  
206 order are excluded. Forwarding charges, if any, shall be for the Buyers' account. The Sellers  
207 are not required to replace spare parts including spare tail-end shaft(s) and spare  
208 propeller(s)/propeller blade(s) which are taken out of spare and used as replacement prior to  
209 delivery, but the replaced items shall be the property of the Buyers. Unused stores and  
210 provisions shall be included in the sale and be taken over by the Buyers without extra payment.

211 Library and forms exclusively for use in the Sellers' vessel(s) and captain's, officers' and crew's  
212 personal belongings including the slop chest are excluded from the sale without compensation,  
213 as well as the following additional items: [REDACTED] (include list)

214 Items on board which are on hire or owned by third parties, listed as follows, are excluded from  
215 the sale without compensation: [REDACTED] (include list)

216 Items on board at the time of inspection which are on hire or owned by third parties, not listed  
217 above, shall be replaced or procured by the Sellers prior to delivery at their cost and expense.

218 The Buyers shall take over remaining bunkers and unused lubricating and hydraulic oils and  
219 greases in storage tanks and unopened drums and pay either:

220 (a) \*the actual net price (excluding barging expenses) as evidenced by invoices or vouchers; or

221 (b) \*the current net market price (excluding barging expenses) at the port and date of delivery  
222 of the Vessel or, if unavailable, at the nearest bunkering port,

223 for the quantities taken over.

224 Payment under this Clause shall be made at the same time and place and in the same  
225 currency as the Purchase Price.

226 "inspection" in this Clause 7, shall mean the Buyers' inspection according to Clause 4(a) or 4(b)  
227 (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this  
228 Agreement shall be the relevant date.

229 *\*(a) and (b) are alternatives, delete whichever is not applicable. In the absence of deletions*  
230 *alternative (a) shall apply.*

231 **8. Documentation**

232 The place of closing:           

233 **(a)** In exchange for payment of the Purchase Price the Sellers shall provide the Buyers with the  
234 following delivery documents:

235 **(i)** Legal Bill(s) of Sale in a form recordable in the Buyers' Nominated Flag State,  
236 transferring title of the Vessel and stating that the Vessel is free from all mortgages,  
237 encumbrances and maritime liens or any other debts whatsoever, duly notarially attested  
238 and legalised or apostilled, as required by the Buyers' Nominated Flag State;

239 **(ii)** Evidence that all necessary corporate, shareholder and other action has been taken by  
240 the Sellers to authorise the execution, delivery and performance of this Agreement;

241 **(iii)** Power of Attorney of the Sellers appointing one or more representatives to act on behalf  
242 of the Sellers in the performance of this Agreement, duly notarially attested and legalised  
243 or apostilled (as appropriate);

244 **(iv)** Certificate or Transcript of Registry issued by the competent authorities of the flag state  
245 on the date of delivery evidencing the Sellers' ownership of the Vessel and that the  
246 Vessel is free from registered encumbrances and mortgages, to be faxed or e-mailed by  
247 such authority to the closing meeting with the original to be sent to the Buyers as soon as  
248 possible after delivery of the Vessel;

249 **(v)** Declaration of Class or (depending on the Classification Society) a Class Maintenance  
250 Certificate issued within three (3) Banking Days prior to delivery confirming that the  
251 Vessel is in Class free of condition/recommendation;

252 **(vi)** Certificate of Deletion of the Vessel from the Vessel's registry or other official evidence of  
253 deletion appropriate to the Vessel's registry at the time of delivery, or, in the event that  
254 the registry does not as a matter of practice issue such documentation immediately, a  
255 written undertaking by the Sellers to effect deletion from the Vessel's registry forthwith  
256 and provide a certificate or other official evidence of deletion to the Buyers promptly and  
257 latest within four (4) weeks after the Purchase Price has been paid and the Vessel has  
258 been delivered;

259 **(vii)** A copy of the Vessel's Continuous Synopsis Record certifying the date on which the  
260 Vessel ceased to be registered with the Vessel's registry, or, in the event that the registry  
261 does not as a matter of practice issue such certificate immediately, a written undertaking  
262 from the Sellers to provide the copy of this certificate promptly upon it being issued  
263 together with evidence of submission by the Sellers of a duly executed Form 2 stating  
264 the date on which the Vessel shall cease to be registered with the Vessel's registry;

265 **(viii)** Commercial Invoice for the Vessel;

266 **(ix)** Commercial Invoice(s) for bunkers, lubricating and hydraulic oils and greases;

267 **(x)** A copy of the Sellers' letter to their satellite communication provider cancelling the  
268 Vessel's communications contract which is to be sent immediately after delivery of the  
269 Vessel;

270 **(xi)** Any additional documents as may reasonably be required by the competent authorities of  
271 the Buyers' Nominated Flag State for the purpose of registering the Vessel, provided the  
272 Buyers notify the Sellers of any such documents as soon as possible after the date of  
273 this Agreement; and

274 (xii) The Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not  
275 black listed by any nation or international organisation.

276 (b) At the time of delivery the Buyers shall provide the Sellers with:

277 (i) Evidence that all necessary corporate, shareholder and other action has been taken by  
278 the Buyers to authorise the execution, delivery and performance of this Agreement; and

279 (ii) Power of Attorney of the Buyers appointing one or more representatives to act on behalf  
280 of the Buyers in the performance of this Agreement, duly notarially attested and legalised  
281 or apostilled (as appropriate).

282 (c) If any of the documents listed in Sub-clauses (a) and (b) above are not in the English  
283 language they shall be accompanied by an English translation by an authorised translator or  
284 certified by a lawyer qualified to practice in the country of the translated language.

285 (d) The Parties shall to the extent possible exchange copies, drafts or samples of the  
286 documents listed in Sub-clause (a) and Sub-clause (b) above for review and comment by the  
287 other party not later than [REDACTED] (state number of days), or if left blank, nine (9) days prior to  
288 the Vessel's intended date of readiness for delivery as notified by the Sellers pursuant to  
289 Clause 5(b) of this Agreement.

290 (e) Concurrent with the exchange of documents in Sub-clause (a) and Sub-clause (b) above,  
291 the Sellers shall also hand to the Buyers the classification certificate(s) as well as all plans,  
292 drawings and manuals, (excluding ISM/ISPS manuals), which are on board the Vessel. Other  
293 certificates which are on board the Vessel shall also be handed over to the Buyers unless the  
294 Sellers are required to retain same, in which case the Buyers have the right to take copies.

295 (f) Other technical documentation which may be in the Sellers' possession shall promptly after  
296 delivery be forwarded to the Buyers at their expense, if they so request. The Sellers may keep  
297 the Vessel's log books but the Buyers have the right to take copies of same.

298 (g) The Parties shall sign and deliver to each other a Protocol of Delivery and Acceptance  
299 confirming the date and time of delivery of the Vessel from the Sellers to the Buyers.

300 **9. Encumbrances**

301 The Sellers warrant that the Vessel, at the time of delivery, is free from all charters,  
302 encumbrances, mortgages and maritime liens or any other debts whatsoever, and is not subject  
303 to Port State or other administrative detentions. The Sellers hereby undertake to indemnify the  
304 Buyers against all consequences of claims made against the Vessel which have been incurred  
305 prior to the time of delivery.

306 **10. Taxes, fees and expenses**

307 Any taxes, fees and expenses in connection with the purchase and registration in the Buyers'  
308 Nominated Flag State shall be for the Buyers' account, whereas similar charges in connection  
309 with the closing of the Sellers' register shall be for the Sellers' account.

310 **11. Condition on delivery**

311 The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is  
312 delivered to the Buyers, but subject to the terms and conditions of this Agreement she shall be  
313 delivered and taken over as she was at the time of inspection, fair wear and tear excepted.

314 However, the Vessel shall be delivered free of cargo and free of stowaways with her Class  
315 maintained without condition/recommendation\*, free of average damage affecting the Vessel's  
316 class, and with her classification certificates and national certificates, as well as all other  
317 certificates the Vessel had at the time of inspection, valid and unextended without  
318 condition/recommendation\* by the Classification Society or the relevant authorities at the time  
319 of delivery.

320 "inspection" in this Clause 11, shall mean the Buyers' inspection according to Clause 4(a) or  
321 4(b) (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this  
322 Agreement shall be the relevant date.

323 *\*Notes and memoranda, if any, in the surveyor's report which are accepted by the Classification*  
324 *Society without condition/recommendation are not to be taken into account.*

325 **12. Name/markings**

326 Upon delivery the Buyers undertake to change the name of the Vessel and alter funnel  
327 markings.

328 **13. Buyers' default**

329 Should the Deposit not be lodged in accordance with Clause 2 (Deposit), the Sellers have the  
330 right to cancel this Agreement, and they shall be entitled to claim compensation for their losses  
331 and for all expenses incurred together with interest.

332 Should the Purchase Price not be paid in accordance with Clause 3 (Payment), the Sellers  
333 have the right to cancel this Agreement, in which case the Deposit together with interest  
334 earned, if any, shall be released to the Sellers. If the Deposit does not cover their loss, the  
335 Sellers shall be entitled to claim further compensation for their losses and for all expenses  
336 incurred together with interest.

337 **14. Sellers' default**

338 Should the Sellers fail to give Notice of Readiness in accordance with Clause 5(b) or fail to be  
339 ready to validly complete a legal transfer by the Cancelling Date the Buyers shall have the  
340 option of cancelling this Agreement. If after Notice of Readiness has been given but before  
341 the Buyers have taken delivery, the Vessel ceases to be physically ready for delivery and is not  
342 made physically ready again by the Cancelling Date and new Notice of Readiness given, the  
343 Buyers shall retain their option to cancel. In the event that the Buyers elect to cancel this  
344 Agreement, the Deposit together with interest earned, if any, shall be released to them  
345 immediately.

346 Should the Sellers fail to give Notice of Readiness by the Cancelling Date or fail to be ready to  
347 validly complete a legal transfer as aforesaid they shall make due compensation to the Buyers  
348 for their loss and for all expenses together with interest if their failure is due to proven  
349 negligence and whether or not the Buyers cancel this Agreement.

350 **15. Buyers' representatives**

351 After this Agreement has been signed by the Parties and the Deposit has been lodged, the  
352 Buyers have the right to place two (2) representatives on board the Vessel at their sole risk and  
353 expense.

354 These representatives are on board for the purpose of familiarisation and in the capacity of  
355 observers only, and they shall not interfere in any respect with the operation of the Vessel. The  
356 Buyers and the Buyers' representatives shall sign the Sellers' P&I Club's standard letter of  
357 indemnity prior to their embarkation.

358 **16. Law and Arbitration**

359 (a) \*This Agreement shall be governed by and construed in accordance with English law and  
360 any dispute arising out of or in connection with this Agreement shall be referred to arbitration in  
361 London in accordance with the Arbitration Act 1996 or any statutory modification or re-  
362 enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

363 The arbitration shall be conducted in accordance with the London Maritime Arbitrators  
364 Association (LMAA) Terms current at the time when the arbitration proceedings are  
365 commenced.

366 The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall  
367 appoint its arbitrator and send notice of such appointment in writing to the other party requiring  
368 the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and

369 stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own  
370 arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the  
371 other party does not appoint its own arbitrator and give notice that it has done so within the  
372 fourteen (14) days specified, the party referring a dispute to arbitration may, without the  
373 requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator  
374 and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on  
375 both Parties as if the sole arbitrator had been appointed by agreement.

376 In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 the  
377 arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at  
378 the time when the arbitration proceedings are commenced.

379 **(b)** \*This Agreement shall be governed by and construed in accordance with Title 9 of the  
380 United States Code and the substantive law (not including the choice of law rules) of the State  
381 of New York and any dispute arising out of or in connection with this Agreement shall be  
382 referred to three (3) persons at New York, one to be appointed by each of the parties hereto,  
383 and the third by the two so chosen; their decision or that of any two of them shall be final, and  
384 for the purposes of enforcing any award, judgment may be entered on an award by any court of  
385 competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the  
386 Society of Maritime Arbitrators, Inc.

387 In cases where neither the claim nor any counterclaim exceeds the sum of US\$ 100,000 the  
388 arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the  
389 Society of Maritime Arbitrators, Inc.

390 **(c)** This Agreement shall be governed by and construed in accordance with the laws of [REDACTED]  
391 (state place) and any dispute arising out of or in connection with this Agreement shall be  
392 referred to arbitration at [REDACTED] (state place), subject to the procedures applicable there.

393 *\*16(a), 16(b) and 16(c) are alternatives; delete whichever is not applicable. In the absence of*  
394 *deletions, alternative 16(a) shall apply.*

395 **17. Notices**

396 All notices to be provided under this Agreement shall be in writing.

397 Contact details for recipients of notices are as follows:

398 For the Buyers: [REDACTED]

399 For the Sellers: [REDACTED]

400 **18. Entire Agreement**

401 The written terms of this Agreement comprise the entire agreement between the Buyers and  
402 the Sellers in relation to the sale and purchase of the Vessel and supersede all previous  
403 agreements whether oral or written between the Parties in relation thereto.

404 Each of the Parties acknowledges that in entering into this Agreement it has not relied on and  
405 shall have no right or remedy in respect of any statement, representation, assurance or  
406 warranty (whether or not made negligently) other than as is expressly set out in this Agreement.

407 Any terms implied into this Agreement by any applicable statute or law are hereby excluded to  
408 the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude  
409 any liability for fraud.

For and on behalf of the Sellers

Name: \_\_\_\_\_

Title: \_\_\_\_\_

For and on behalf of the Buyers

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Sample copy