## **PROJECTCON FINAL EXAMINATION**

This final examination is <u>take home</u>. You may use any materials you want to complete the examination. You may also discuss the matter with anyone, but your responses <u>must</u> be your own.

**SUBMISSION INSTRUCTIONS:** 

The examination is due on or before 17:00 German Time on <u>July 7th, 2015.</u>

As final grades are due the next day, we cannot accept late examinations.

Your answers MUST be either EMAILED info@kravets.de or FAXED +49 (0) 4721 55 12 234 9. Call +49 (0) 4721 55 12 234 0 or email us (info@kravets.de) with <u>ANY</u> questions.

> The examination has three parts (1, 2, 3). Each part is worth 33% of the final grade.

Part III is multiple choice. You are only required to provide the letter of your answer choice (a, b, c). IF you WANT to, you can provide your answer <u>and</u> an explanation of your answer. If you get the answer wrong, you may still receive partial credit based on your explanation.

We will email or fax back your examinations with an answer key in July.

# PART 1 (research)

Explain (in your own words) the purpose of the PROJECTCON form and provide at least two (2) examples of companies that you think would use this form.

Be sure to explain why you chose these two companies. For example: Hapag-Lloyd might use BIMCO's BOXTIME form because Hapag-Lloyd is a container shipping company and BOXTIME is a time charter party used for container shipping.

# PART 2 (fixing note with 7 parts)

You own the tug Wulf 7 and the barge Boabarge 21 and you have prepared a "fixing note" to send to a potential charterer.

The fixing note modifies the BIMCO PROJECTCON form (which is included at the end of this examination for your reference).

Here are the terms of your fixing note:

- 1. WULF 7; BOABARGE 21; C/P 15 JULY 2015, CUX
- 2. NO USE OF
- 3. The log book of the Tug and copies of the bunker supplier's invoices shall be conclusive evidence of the quantity of bunker's consumed and the prices actually paid.
- 4. INT. RATE 10% p.a AFTER TEN CALENDAR DAYS (CL. 28)
- 5. DELY 10.10.2015 20.10.2015
- 6. O/W AS PER BIMCO PROJECT C/P
- 7. ARB. LMAA; ENGLISH LAW

The charterer, however, does not want to accept the fixing note because the charterer does not understand the terms that you have changed. You need to explain the contents of the fixing note and reference how each modifies the charter party.

For example, (1) above is the name of both the tug (Wulf 7) and the barge (Boabarge 21) (you will need to look up the additional particulars in order to complete the task) as well as the date (July 1, 2015) of the charter party and location (Cuxhaven).

If this information were included on the PROJECTCON form, the name (and the other details that you look-up) would be in Box 4 and the date and location of the charter party would be in box 1.

The charterer has given you two options. You can either:

- (a) login to BIMCO.org and modify the BIMCO template form to reflect the modifications made by the fixing note <u>OR</u>
- (b) you can write explanations for each of the modifications in the fixing note.

NOTE: If you want to use the BIMCO login, please also download the BIMCO login instructions.

## PART 3 (three questions)

- (1) If you are the OWNER of a vessel and your business is located in Germany and you execute a PROJECTCON C/P with a charterer in China, which of the following is the most advantageous to you as an entry in Box 28?
  - a. 31(a)
  - b. 31(b)
  - c. 31(c); Hamburg; German Law
- (2) If you are the OWNER of a vessel under a PROJECTCON C/P, which of the following is <u>the</u> <u>most advantageous</u> as the entry in Box 23?
  - a. \*left blank\*
  - b. \$1 USD
  - c. Giraffe
- (3) If you are the CHARTERER of a vessel under the PROJECTCON C/P, which of the following is <u>the most advantageous</u> as the entry in Box 24?
  - a. all
  - b. none
  - c. 5,000 EUR

1.	Place and date of Contract	BIMCO SPECIAL PROJECTS CHARTER PARTY CODE NAME: PROJECTCON
2.	Owners/place of business (Cl. 1)	3. Charterers/place of business
4.	Vessels (name, type and other particulars) <u>(Cl. 1)</u> Tug: Barge:	
5.	Cargo (full description of cargo and state maximum weight of cargo and maximum	mum expected draft of laden barge) (Cl. 1 & 11(e))
6.	Loading port(s)/place(s) (Cl. 1)	<ol> <li>Discharging port(s)/place(s) and intended route from loading port(s)/place(s) to discharging port(s)/place(s) (Cl. 1, 3(b) &amp; 13(a))</li> </ol>
8.	Loading method(s) ( <u>CI. 5(c)</u> )	9. Discharging method(s) ( <u>CI. 5(e)</u> )
10	). Initial Delivery Period ( <u>Cl. 9</u> (a))	<ol> <li>Delivery Period Notification Schedule (<u>Cl. 9</u>(b) and (c)) Number of day s' notice:</li> </ol>
12	2. Daily compensation for late delivery (CI. 9(c))	Delivery Window:
13	B. Barge Engineer (State amount) ( <u>CI. 4(</u> a)) Daily rate: Overtime rate (per hour):	
14	<ul> <li>Cancelling (State number of days after delivery date) (<u>Cl. 9(</u>c), 9(d), 9(e), 9(f) &amp; 9 (h))</li> </ul>	15. Notices for delivery to be given to ( <u>Cl. 10</u> (a))
16	5. Marine Warranty Surveyor(s) and date for approval of Vessels (Cl. 11(a) & 11(	l b))
17	. Freight and Payment Schedule ( <u>CI. 12</u> & CI. <u>14(b)</u> )	18. Payment of Freight, Delay Payments, etc. (currency and where payable; also state Owners' bank account) (CI. 12 & CI. 13(d))
19	<ul> <li>Pree time at loading/discharging port(s)/places(s) and canal transit (if applicable) (CI. <u>13</u>(a) &amp; <u>14</u>(a)</li> </ul>	
		20. Delay rate per day ( <u>Cl. 3(b)</u> , 3(c), <u>6(b)</u> , 8, <u>13(b)</u> , <u>14(a)</u> , 14(c), <u>17 &amp; 20(b)</u> ) In Port:
		At Sea:
21	. Canal transit costs (if any ) limited to ( <u>Cl. 14(b)</u> )	22. Price per metric ton of bunker oil and quantity (Cl. 15)
23	3. Termination Fee(s) (state amount(s) with schedule, if agreed) (Cl. 20(a) & 20(b))	24. Tax es ( <u>Cl. 7</u> )
		25. General average shall be adjusted/settled at (Cl. 26)
26	6. Interest rate (%) per annum to run from (state number of days) after any sum is due ( <u>CI. 28</u> )	27. Brokerage and to whom pay able ( <u>Cl. 30</u> )
28	B. Dispute Resolution (state 31(a), 31(b) or 31(c) of Cl. 31, as agreed; if 31(c) agreed state place of arbitration) ( <u>Cl. 31</u> ) London	29. Additional clauses, if agreed

It is mutually agreed that this Contract shall be performed subject to the conditions contained in the Contract consisting of PART lincluding additional clauses, if any agreed and stated in Box 29, and PART II. In the event of a conflict of conditions, the provisions of PART I and any additional clauses shall prevail over those of PART II to the extent of such conflict but no further.

Signature (Owners)	Signature (Charterers)

First issued by BIMCO

Copyright, published by BIMCO, Copenhagen

	PROJECTCON	<ul> <li>Special</li> </ul>	Proje	ects Charter Party
1.	Definitions	1	-	nor day the Charterore shall now the amount nor have of
1.	In this Charter Party the following words and expressions	2		per day the Charterers shall pay the amount per hour of
	shall have the meanings hereby assigned to them:	3		the overtime rate per barge engineer stated in <u>Box 13</u> . In addition the Charterers shall pay all travel expenses,
	"Owners" shall mean the party identified in Box 2.	4		accommodation expenses and meals for each barge
	"Charterers" shall mean the party identified in Box 3.	5		engineer, all according to the Owners' invoice, at cost
	"Vessels" shall mean the tug and barge as described in	6		plus 10% and reimburse the Owners for any advance
	Box 4.	7		payments they have made in this respect. Payment shall
	"Cargo" shall mean any goods or equipment or other	8		be made on receipt of the Owners' invoice.
	items described in Box 5.	9		(b) The barge engineer shall be deemed to be a
	"Loading Port" shall mean the port(s) or place(s)	10		servant of the Charterers and the Charterers shall
	specified in Box 6.	11		indemnify and hold the Owners harmless from and
	"Discharging Port" shall mean the port(s) or place(s)	12		against all consequences and/or liabilities arising from
	specified in Box 7.	13		the ballast operations.
	"Transportation" shall mean the carriage of the cargo,	14		(c) For float on/float off operations where the barge is
	including the tow age of laden barges and, as the case	15		to be submerged, all ballasting operations will be carried
	may be, the loading, discharge and all other operations	16		out by the Owners' personnel and the costs shall be
	connected therewith.	17		included in the lumpsum price stated in Box 17 or delay
				rate stated in Box 20.
2.	Voyage	18		
	(a) It is agreed between the Owners and the	19	5.	Loading and Discharging
	Charterers that, subject to the terms and conditions of	20		(a) The Charterers shall have the cargo in all respects
	this Charter Party, the cargo shall be transported by	21		ready for the said voyage at the Loading Port on the
	the Owners from the Loading Port(s), or so near thereto	22		delivery date.
	as the Vessels may safely get and lie always safe and	23		The precise loading area or place within the agreed
	afloat, to the Discharging Port(s), or so near thereto as	24		Loading Port, which shall be always safe and accessible
	they may safely get and lie always safe and afloat.	25		and suitable for the loading operation, shall be
	(b) The Owners shall exercise due diligence in making	26		nominated by the Charterers, always subject to the
	the Vessels seaworthy before and at arrival at the	27		approval of the Owners and the Marine Warranty
	Loading Port. The Owners shall perform the voyage	28		Surveyor. Such approval shall not be unreasonably
	with due despatch unless otherwise agreed.	29		withheld.
				(b) The barge shall be delivered with cargo spaces
3.	Deviation and Delays	30		free of any obstructions with all previous seafastenings
	(a) The Vessels have the liberty to sail without pilots,	31		removed and the Vessels shall be properly documented
	to tow and/or assist vessels in distress, to deviate for	32		as regards trading certificates, classification and
	the purpose of saving life, to replenish bunkers and/or	33		equipment. All other equipment shall be provided by the
	to deviate for the purpose of safety of the cargo, crew,	34		Charterers. When the cargo has been loaded and
	Vessels and for any other reasonable purpose.	35		positioned, it shall be seafastened and/or lashed by the
	(b) Without prejudice to the provisions of <u>Clause 26</u> ,	36		Charterers at their expense to the satisfaction of the
	should the Tug Master decide, for the purpose of the	37		Marine Warranty Surveyor.
	safety of the cargo, to deviate from the normal route which	38		(c) At the Loading Port, the cargo shall be delivered
	is stipulated in $\underline{Box 7}$ , or reduce speed, the Owners shall	39		by the Charterers without delay at any time during day
	be entitled to receive from the Charterers additional	40		or night, Saturdays, Sundays and holidays included.
	compensation at the appropriate Delay rate as set out in	41		The cargo shall be placed on board the barge and
	Box 20 for all time spent by the Vessels at sea in excess	42		positioned by the Charterers to the full satisfaction of
	of the time which would have been spent had such	43		the Owners and the Marine Warranty Surveyor. The
	reduction of speed or deviation not taken place.	44		Charterers shall procure and pay for all labour and all
	The time lost shall include all time used until the Vessels	45		necessary equipment other than that stated in Box 4.
	reach the same or equidistant position to that where	46		If agreed in Box 8 that the cargo shall be loaded by
	the deviation commenced and the Charterers shall also	47		means of float-on method, the Charterers shall position
	pay all additional expenses incurred by such deviation	48		the cargo over the barge's submerged deck to the full
	including bunkers, port charges, pilotage, tug boats,	49		satisfaction of the Owners and the Marine Warranty
	agency fees and any other expenses whatsoever	50		Surveyor. The Owners shall attach lines to the cargo
	incurred.	51		and shall position and secure the cargo over the
	The Owners shall give prompt notification of any delay	52		submerged deck by using winches and/or tugs. The
	or deviation to the Charterers and any claims for	53		Charterers shall procure and pay the necessary labour
	additional compensation shall be supported by	54		and winchmen.
	appropriate documentation.	55		The Charterers shall procure and pay for workboats and
	(c) If the Vessels for reasons beyond the Owners'	56		tugs required for the positioning of the cargo. The
	control are being delayed at the Loading Port and/or	57		Owners shall have the right to use such workboats and
	the Discharging Port, including obtaining free pratique,	58		tugs for the loading operation.
	customs and port clearance or other formalities, but	59		(d) The precise discharging area or place within the
	not including delays caused by the late or non-arrival	60		Discharging Port and which shall be always safe and
	of the Tug, such delays shall be paid for by the	61		accessible and suitable for the discharging operation,
	Charterers at the Delay rate stipulated in Box 20.	62		shall be named by the Charterers well in advance of
	Poreo Engino or	62		the Vessels' arrival, always subject to the approval of
4.	Barge Engine er	63 64		the Owners and the Marine Warranty Surveyor. Such
	(a) The barge machinery and ballasting equipment may	64 65		approval shall not be unreasonably withheld.
	be utilised by the Charterers subject to the Charterers	65 66		At the Discharging Port the Charterers shall take delivery
	always using a fully qualified barge engineer provided	66 67		of the cargo without delay in accordance with Clause
	by the Owners. If the services of a barge engineer are	67 68		5(e) at any time during day or night, Saturdays, Sundays
	required, the Charterers shall give the Owners 72 hours	68 69		and holidays included.
	notice in writing plus allow ance for travelling time for each	69 70		(e) Prior to actual discharge the Charterers shall,
	occasion the barge engineer is required. The Charterers	70 71		unless otherwise agreed, remove seaf astening and/or
	agree to pay an amount per day as stated in Box 13 per	71		lashing and prepare the barge for the discharge
	barge engineer for a 10 hour w orking day including but			operation. The entire discharge operation shall always
	not limited to travelling time and/or time for standby	73 74		be done to the full satisfaction of the Marine Warranty
Thin 4	associated therewith. For any hour in excess of 10 hours		n or dela	ation to the form must be clearly visible. In event of any modification, being made

This document is a computer generated PROJECTCON form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In event of any modification being made to the preresult of discrepancies between the original BIMCO approved document and this computer generated document.

223

224

225

226

227

228

229 230

231

232

233

234

235

236

237

238

239

240

241

242

243

244

245

246 247

248

249

250

251

252

253

254

255

256

257

258

259

260

261

262

263

264

265

266

267

268

269

270

271

272

273

274

275

276

277

278

279

280

281

282

283

284

285

286

287

288

289

290

291

292

293

294

295

296

Surveyor. 150 assessing compensation in accordance with this Clause The Charterers shall discharge the cargo and shall 151 9(c) the delivery date shall, in the event the Owners have procure and pay for the necessary equipment and labour 152 given notice in accordance with Clause 9(e) below and for the discharge of the cargo. 153 the Charterers have not exercised their option of If agreed in Box 9 that the cargo shall be discharged by 154 cancelling, be deemed to be the revised delivery date means of float-off method, the Owners shall submerge stated in the Owners' notice. 155 the barge. The Charterers shall procure and pay the 156 (d) Should the barge not be delivered latest the necessarv winchmen. 157 number of days stated in Box 14 after the delivery date The Charterers shall procure and pay for workboats and the Charterers shall have the option of cancelling this 158 tugs required for discharging the cargo. The Owners 159 Charter Party. shall have the right to use such workboats and tugs for (e) If it appears that the barge will be delayed beyond 160 the discharging operations. The Charterers shall take 161 the number of days stated in Box 14 after the delivery custody of the cargo as soon as afloat. 162 date, the Owners shall, as soon as they are in position to After the discharge operation the Charterers shall state with reasonable certainty the day on which the 163 remove all remaining seafastening and/or lashing, 164 Vessels should be ready, give notice thereof to the unless otherwiseagreed. 165 Charterers asking whether they will exercise their option Except as otherwise provided in this Charter Party, (f) 166 of cancelling and the option must then be declared within all agency charges, port charges (including compulsory 48 hours of the receipt by the Charterers of such notice. 167 charges for shore watchmen and garbage removal), 168 If the Charterers do not then exercise their option of light and canal dues, pilotage, local tug assistance, cancelling, the revised delivery date stated in the 169 consular charges, and all other charges and expenses 170 Owners' notice shall be regarded as the new delivery relating to the cargo and/or to the Vessels as a result of date for the purpose of this Clause. 171 their employment hereunder shall be for the Charterers' 172 The Owners shall not be responsible for any loss (f) account. All loading, seafastening, release, discharge 173 or damages whatsoever incurred by the Charterers as a result of the Charterers cancelling this Charter Party as and clean off costs shall be for the Charterers' account. 174 per Clause 9(d) nor shall the Owners be responsible for 6 Permits/Licences 175 any loss or damages whatsoever suffered by the (a) All necessary permits and/or licences pertaining 176 Charterers as a result of the failure of the barge to be to the Transportation shall be provided and paid for by 177 ready for loading latest on the cancelling date agreed the Charterers. 178 in Box 14 in the case that a new cancelling date has If required, the Owners shall assist the Charterers in 179 been agreed. If, for reasons beyond the Owners' control, the obtaining such permits and/or licences. 180 (g) (b) Any delay by the Charterers in obtaining the 181 loading operation has not commenced within 14 days permits and/or licences related to Clause 6(a) shall be 182 fromtendering of notice of readiness, the Owners shall at the Charterers' time and any time lost shall be paid 183 have the option of cancelling this Charter Party for at the Delay rate stipulated in Box 20. 184 If the Owners exercise their option of cancelling the Charter Party in accordance with this sub-clause, the 7. Taxes 185 Charterers shall pay to the Owners the applicable The Owners shall be responsible for the taxes stated in 186 termination fee according to the provisions of Clause Box 24 and the Charterers shall be responsible for all 187 20 in addition to any delay payment incurred. other taxes. 188 (h) If Box 14 is not appropriately filled in then 7 days In the event of change in local regulation and/or 189 shall apply. interpretation thereof, resulting in an unavoidable and 190 documented change of the Owners' tax liability after the 191 10. Notice s to the Charterers date of entering into the Charter Party, freight shall be 192 (a) Notice of Readiness adjusted accordingly. 193 The Owners shall give notice of readiness as per Box 15 advising when the Vessels are ready to commence 8. Quarantine 194 loading at the Loading Port and when the Vessels are Unless due to health conditions on board the Vessels, 195 ready to commence discharge at the Discharging Port. any time lost as a result of quarantine formalities and/ 196 All notices may be given at any time of the day, Fridays, or health restrictions imposed or incurred at any stage 197 Saturdays, Sundays and holidays included, whether of the voyage, including any such loss of time at the 198 within the official port limits or not, and notwithstanding Loading Port and/or the Discharging Port, shall be paid 199 hindrances as referred to in Clause 3(c) for by the Charterers at the Delay rate specified in Box 200 Prior to arrival at the Loading Port(s) the Owners (b) 20. The Charterers shall also pay for all other expenses 201 shall keep the Charterers duly advised of the expected which may be incurred as a result thereof. 202 time of arrival of the barge. (c) After departure from the Loading Port(s) the Commencement of Loading/Cancelling 203 9 Owners shall give daily notice of expected time of arrival (a) The barge shall be delivered to the Charterers 204 at Discharging Port(s). within the period agreed in Box 10. 205 (b) The delivery period in Clause 9(a) shall be narrow 206 11. Marine Warranty Surveyor(s)/Approval of the eddown by the Charterers to a delivery date in 207 Vessels and Condition of the Cargo accordance with the delivery period notification schedule 208 (a) The Marine Warranty Surveyor(s) stated in Box as stated in Box 11. 209 16 shall be appointed for this Transportation by the Each delivery window shall always be within the 210 Charterers. If Box 16 has not been filled in, the previously notified window and the number of days' 211 Charterers shall appoint Marine Warranty Surveyor(s) notice shall always be counted from the first day in the 212 acceptable to the cargo underw riters, subject to the w indow 213 Owners' approval which shall not be unreasonably Should the barge not be delivered according to Box 214 (C) withheld. 11 the Owners shall pay as compensation to the 215 (b) The Marine Warranty Surveyor(s) shall approve the Charterers a daily rate as stated in Box 12 for each day, 216 suitability of the Vessels for the Transportation as soon or pro rata for part thereof, counting from 2400 hours on 217 as possible, but no later than the date stated in Box 16. the delivery date until the day and time delivery actually 218 Should the Marine Warranty Surveyor(s) not give takes place, but in any event for not more than the number 219 approval by the date stipulated in Box 16, either the of days stated in Box 14. Such compensation shall be 220 Charterers or the Owners may elect to terminate this deemed liquidated damages and be the Charterers sole 221 Charter Party and all freight paid or advanced by the remedy for late delivery. Except for the purpose of 222

297

298

299

300

301

302

303

304

305

306

307

308

309

310

311

312

313

314

315

316

317

318

319

320

321

322

323

324

325

326

327

328

329

330

331

332

333

334

335

336

337

338

339

340

341

342

343

344

345

346

347

348

349

350

351

352

353

354

355

356

357

358

359

360

361

362

363

364

365

366

367

368

369

370

Charterers to the Owners shall be promptly refunded. (c) All documentation reasonably required of the Owners by the Marine Warranty Surveyor(s) for their approval of the Transportation shall be submitted to the Charterers at the earliest possible stage after this Charter Party is made, if not already submitted earlier. The Charterers shall pay all expenses relating to the production of documentation related to the cargo and/ or the Charterers' equipment. The Owners shall pay all expenses relating to documentation related to the Vessels and all other equipment being provided by the Owners in the performance of the Transportation. (d) The Charterers shall arrange and pay for all the Marine Warranty Surveyor(s) services, including their approval of the Vessels and the Transportation. The Charterers w arrant that the full description of (e) the cargo mentioned in Box 5 is correct and further w arrant that the cargo is in all respects tight, staunch, strong and in every way fit for the Transportation. Should the cargo and/or its description not be in compliance with the aforesaid then the Owners shall have the option to cancel this Charter Party. If the Owners exercise their option to cancel the Charter Party in accordance with this Clause the Charterers shall pay to the Owners the applicable termination fee according to the provisions of Clause 20.

#### 12. Freight

The lumpsum freight shall be paid according to the schedule stated in <u>Box 17</u>. Each instalment shall be fully and irrevocably earned when due as set out in <u>Box 17</u>. Freight earned shall be non-returnable whether the Vessels and/or the cargo are lost or not lost and whether lost due to perils of the sea or howsoever. The freight and all other sums payable to the Owners under this Charter Party shall be payable without any discount, deduction, set-off, lien, claim or counter-claim, and shall be paid in the currency and into the Owners' bank account stated in <u>Box 18</u>.

#### 13. Free Time/De lay Payment

(a) The Charterers are allowed the free time stipulated in Box 19 in the Loading Port(s) and Discharging Port(s) and for canal transit if applicable, Fridays, Saturdays, Sundays and holidays included.

The free time at the Loading Port(s) shall start counting after notice of readiness has been tendered, in accordance with <u>Clause 10(a)</u>, unless loading has commenced earlier and shall count until the cargo is in all respects fully seafastened on board the barge and approved by the Marine Warranty Surveyor(s). The free time at the Discharging Port(s) shall start counting after notice of readiness has been tendered in accordance with <u>Clause 10(a)</u>, unless discharge has commenced earlier and shall count until the cargo and all seafastenings/lashings are removed from the barge with deck cleaned and the barge is in all respects ready for sea.

Time lost in waiting for berth at loading or discharging port shall count as free time or time on delay. If the cargo is to be loaded and/or discharged by float-on/ float-off method, time used for the actual loading and discharge operation (dry deck to dry deck) shall not count as free time or time on delay, unless such time used is due to reasons beyond the Owners' control. (b) Delay payment shall be payable for all time used in excess of the free time.

The Delay rate for the Vessels is the amount stipulated in  $\frac{Box 20}{C}$  calculated per day or pro rata for part of a day.

(c) Free time shall not count and delay payments shall not accrue for time lost by reason of strike or lockout of the Master, officers or crew or by reason of breakdow n of the Vessels or the Owners' equipment.

(d) The delay payment and other amounts which are calculated at the delay rate fall due and are payable by

the Charterers immediately upon presentation of the Owners' invoice to the Owners' bank account stipulated in <u>Box 18</u>.

Should more than 14 days of delay payment have accrued, the Owners are entitled to delay payment on account. The Owners may demand payment against presentation of invoices covering the first 14 days and thereafter for every 7 days.

#### 14. Canal Transit

(a) If the Transportation is scheduled to pass through a canal according to Box 7, the Charterers are granted free time for any such transit, and such free time shall count against the number of hours stipulated in Box 19. If the Transportation is delayed beyond the free time stipulated therein, unless the Owners are responsible for such delay, the Charterers shall pay for such extra transit time at the Delay rate stipulated in Box 20 and shall, in addition, pay for all other documented extra expenses thereby incurred. Canal transit time is defined as from arrival at pilot station or customary waiting place or anchorage, whichever is the earlier, and until dropping last outbound pilot when leaving for the open sea. (b) The freight rate stipulated in Box 17 is based upon the Owners paying canal tolls limited to the amount stipulated in Box 21. Any increase in the canal tolls and/ or any additional expenses for the canal transit actually paid by the Owners shall be reimbursed by the Charterers to the Owners upon presentation of the Owners' invoice.

(c) Should the transit of a canal be made impossible for reasons beyond the Owners' control, the Charterers shall pay for all extra time by which the voyage is thereby prolonged at the Delay rate stated in <u>Box 20</u>. The Charterers shall also pay all other expenses, including for bunkers, in addition to those which would normally have been incurred had the Vessels been standing-by in port less the amount of canal tolls saved by the Owners for not having transitted the canal.

#### 15. Bunker Escalation

This Charter Party is concluded on the basis of the price per metric ton and the quantity of bunker oil stated in <u>Box 22</u>. If the price actually paid by the Owners for this quantity of bunker oil should be higher, the difference shall be

paid by the Charterers to the Owners. If the price actually paid by the Owners for this quantity of bunker oil should be low er, the difference shall be paid by the Owners to the Charterers.

#### 16. Ice

The Vessels shall not be obliged to force ice but, subject to the Owners' approval having due regard to their size, construction and class, may follow ice-breakers. (a) Port of Loading

If at any time after setting out on the approach (i) voyage the Vessels' passage is impeded by ice, or if on arrival the Loading Port is inaccessible by reason of ice, the Master or Owners shall notify the Charterers thereof and request them to nominate a safe and accessible alternative port. If the Charterers fail within 48 running hours, Sundays and holidays included, to make such nomination or agree to reckon free time as if the port named in the Charter Party were accessible or declare that they cancel the Charter Party, the Owners shall have the option of cancelling the Charter Party. In the event of cancellation by either party, the Charterers shall compensate the Owners for all proven loss of earnings under this Charter Party. (ii) If at any Loading Port the Master considers that there is a danger of the Vessels being frozen in, and provided that the Master or Owners immediately 442 notify the Charterers thereof, the Vessels may leave 443

with cargo loaded on board and proceed to the

This document is a computer generated PROJECTCON form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In event of any modification being made to the preprinted text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense caused as a result of discrepancies between the original BIMCO approved document and this computer generated document.

444

445

446

447

448

449

450

451

452

453

454

455

456

457

458

459

460

461

462

463

464

465

466

467

468

469

470

471

472

473

474

475

476

477

478

479

480

481

482

483

484

485

486

487

488

489

490

491

492

493

494

495

496

497

498 499

500

501

502

503

504

505

506

507

508

509

510

511

512

513

514

515

516

517

nearest safe and ice free place and there aw ait the Charterers' nomination of a safe and accessible alternative port within 24 running hours, Sundays and holidays excluded, of the Master's or Owners' notification. If the Charterers fail to nominate such alternative port, the Vessels may proceed to any port(s), whether or not on the customary route for the chartered voyage, to complete with cargo for the Owners' account. *Port of Discharge* If the voyage to the Discharging Port is impeded by ice, or if on arrival the Discharging Port is inaccessible by reason of ice, the Master or Owners shall notify the Charterers thereof. In such case, the Charterers shall have the option of

keeping the Vessels waiting until the port is accessible against paying compensation in an amount equivalent to the delay rate or of ordering the Vessels to a safe and accessible alternative port.

If the Charterers fail to make such declaration within 48 running hours, Sundays and holidays included, of the Master or Owners having given notice to the Charterers, the Master may proceed without further notice to the nearest safe and accessible port and there discharge the cargo.

(ii) If at any Discharging Port the Master considers that there is a danger of the Vessels being frozen in, and provided that the Master or Owners immediately notify the Charterers thereof, the Vessels may leave with cargo remaining on board and proceed to the nearest safe and ice free place and there aw ait the Charterers' nomination of a safe and accessible alternative port within 24 running hours, Sundays and holidays excluded, of the Master's or Owners' notification. If the Charterers fail to nominate such alternative port, the Vessels may proceed to the nearest safe and accessible port and there discharge the remaining cargo.

On delivery of the cargo other than at the port(s) named in the Charter Party, all conditions of any cargo note or receipt issued in respect of any shipment hereunder shall apply and the Vessels shall receive the same freight as if discharge had been at the original port(s) of destination, except that if the distance of the substituted port(s) exceeds 100 nautical miles, the freight on the cargo delivered at the substituted port(s) shall be increased proportionately.

#### 17. Dange rous Cargo

(b)

(i)

If part of the cargo is of an inflammable, explosive or dangerous nature or condition or at any stage may develop into such nature or condition it must be packed and stored or stow ed in accordance with IMO Dangerous Goods Code and/or other applicable regulations always to the full satisfaction of the Master. Any delay to the Transportation in this respect shall be paid for by the Charterers at the Delay rate stipulated in Box 20.

#### 18. Lien

The Owners shall have a lien on the cargo and any Charterers' equipment for all freight and all other expenses in relation to the Transportation including deadfreight, advances, delay payments, damages for detention, general average and salvage including costs for recovering same.

#### 19. Substitution

The Owners shall be entitled at any time before delivery to provide substitute Vessels, provided such substitute Vessels are approved by the Marine Warranty Surveyor(s) and subject also to the Charterers' prior approval, which shall not be unreasonably withheld.

#### 20. Termination

(a) Notwithstanding anything else provided herein, the Charterers shall have the right to terminate this Charter Party prior to the barge's arrival at the first Loading Port against payment of the applicable amount stipulated in Box 23.

(b) Furthermore, the Charterers shall have the right to terminate this Charter Party after the barge's arrival at the first Loading Port but not later than upon commencement of loading against payment of the applicable amount stipulated in Box 23 plus compensation for all time spent at the first Loading Port at the Delay rate stipulated in Box 20 together with the actual expenses incurred by the Owners in preparation for the loading.

(c) If  $\underline{\text{Box } 23}$  is not appropriately filled in then this Clause shall not apply.

#### 21. Liability and Indemnity

#### (a) Definitions

For the purpose of this Clause "Owners' Group" shall mean: the Owners, and their contractors and subcontractors, and Employees, Servants or Agents of any of the foregoing. For the purpose of this Clause "Charterers' Group" shall

mean: the Charterers, and their contractors, subcontractors, co-venturers and Charterers' customers with w homthey have a contractual relationship in respect of the job or project on which the Vessels are employed, and Employees, Servants or Agents of any of the foregoing.

(b) Not withstanding anything else contained herein, the Owners shall be liable for all loss or damage of whatsoever nature to or sustained by the Vessels, any liability in respect of w reck removal and the expense of moving, lighting or buoying the Vessels, and any liability in respect of death or injury of any of the Owners' Group, and any liability in respect of other cargo on board not the subject of this Charter Party, all of which shall be for the sole account of the Owners without recourse to the Charterers, their servants or agents, and the Owners shall indemnify, defend and hold the Charterers harmless from and against any and all claims, losses, costs, damages and expenses of every kind and nature including legal expenses arising from the foregoing. Notwithstanding anything else contained herein, the Charterers shall be liable for all loss or damage or delay of whatsoever nature and howsoever caused to or sustained by the cargo, including any property operated, ow ned, hired and/or leased by any member of the Charterers' Group on board, and any liability in respect of w reck removal and the expense of moving, lighting or buoying the cargo, and any liability in respect of death or injury of any of the Charterers' Group, or the Marine Warranty Surveyor(s) personnel, and all liabilities consequent upon loss, damage or delay to the cargo, all of which shall be for the sole account of the Charterers without recourse to the Owners, their servants or agents or insurers and the Charterers shall indemnify, defend and hold all these harmless from and against any and all claims, losses, costs, damages and expenses of every kind and nature including legal expenses arising from the foregoing. (d) Consequential Damages Neither party shall be liable to the other for any consequential damages whatsoever arising out of or in connection with the performance or non-performance of this Charter Party, and each party shall protect, defend and indemnify the other from and against all

defend and indemnify the other from and against all585such claims from any member of its Group as defined586in Clause 21(a).587"Consequential damages" shall include, but not be588limited to, loss of use, loss of profits, shut-in or loss of589production and cost of insurance, whether or not590foreseeable at the date of this Charter Party.591(e)Any provisions of this Charter Party to the contrary592

This document is a computer generated PROJECTCON form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In event of any modification being made to the preprinted text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense caused as a result of discrepancies between the original BIMCO approved document and this computer generated document.

	notwithstanding, the Owners shall have the benefit of all limitations of, and exemptions from, liability accorded to the Owners or chartered Owners of vessels by any applicable statute or rule of law for the time being in force, and the same benefits to apply regardless of the form of signatures given to this Charter Party.
22.	<ul> <li>Bills of Lading, Cargo Notes and Receipts <ul> <li>(a) No bills of lading will be issued for shipments under this Charter Party.</li> <li>(b) The cargo shall be shipped on deck at the Charterers' risk and the Owners not to be responsible for any loss or damage or delay to the cargo whatsoever or howsoever arising and by w hosoever caused.</li> <li>(c) In the event of a conflict of conditions between this Charter Party and any cargo note or receipt issued in respect of any shipment hereunder, the terms, conditions, liberties, clauses and exceptions of this Charter Party, including <u>Clause 31</u> (BIMCO Dispute Resolution Clause), shall prevail.</li> </ul> </li> </ul>
23.	<ul> <li>Insurance</li> <li>(a) Without prejudice to the Charterers' obligations and liabilities under this Charter Party, the Charterers shall take out and, in their name and at their expense, maintain at all material times and throughout the duration of this Charter Party a policy or policies of insurance in respect of all loss or damage to the cargo up to the full value of the cargo including but not limited to a policy or policies comprising All Risks cargo cover and cover against liabilities to third parties (including liability in respect of death and injury and claims for consequential loss), and w reck removal of the cargo. The Charterers shall arrange at their expense that the Owners shall be named as co-insured under the said policy or policies of insurance and arrange that the underw riters waive the right of subrogation. Co-insurance and w aiver of subrogation shall be given only in so far as these relate to liabilities which are properly the responsibility of the Charterers hereby agree to produce the original certificates of insurance (s) as required to protect the Charterers against the Owners' liabilities under Clause 21(b). The Owners hereby agree to produce the original certificate(s) of insurance maintained hereunder to the Charterers against the Owners' liabilities under Clause 21(b).</li> </ul>
24.	<ul> <li>Him alaya Clause <ul> <li>(a) All exceptions, exemptions, defences, immunities, limitations of liability, indemnities, privileges and conditions granted or provided by this Charter Party or by any applicable statute, rule or regulation for the benefit of the Charterers' parent, affiliated, related and subsidiary companies; the Charterers' contractors, sub-contractors, clients, joint venturers and joint interest Owners (always with respect to the job or project on which the tug and barge are employed); their respective employees and their respective underwriters.</li> <li>(b) All exceptions, exemptions, defences, immunities, limitations of liability, indemnities, privileges and conditions granted or provided by this Charter Party or by any applicable statute, rule or regulation for the benefit of the Owners' parent, affiliated, related and subsidiary companies, the Owners' contractors, sub-contractors, the tug, its Master, Officers and Crew, the barge, their registered Owner, their operator, their demise charterer(s), their respective employees and their respective employees and their respective employees and their spective the operator, their demise charterer(s), their respective employees and the owners' parent, affiliated, related and subsidiary companies, the Owners' contractors, sub-contractors, sub-contractors, the tug, its Master, Officers and Crew, the barge, their registered Owner, their operator, their demise charterer(s), their respective employees and their respective underwriters.</li> </ul> </li> <li>(c) The Owners or the Charterers shall be deemed to be acting as agent or trustee of and for the benefit of all such persons and parties set forth above, but only for</li> </ul>

the limited purpose of contracting for the extension of such benefits to such persons and parties. 

#### Both-to-Blam e Collision Clause 25.

If the Vessels come into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the Master, mariner, pilot or the servants of the Owners in the navigation or in the management of the Vessels, the Owners of the cargo carried hereunder will indemnify the Owners against all loss or liability to the other or non-carrying vessel or her Owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the Owners of the said cargo, paid or payable by the other or non-carrying vessel or her Owners to the Owners of said cargo and set-off, recouped or recovered by the other or non-carrying vessel or her Owners as part of their claim against the carrying Vessels or Owners. The foregoing provisions shall also apply where the Owners, operators or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect of a collision or contact. 

#### General Average and New Jason Clause 26.

General Average shall be adjusted and settled in London unless otherwisestated in Box 25, according to the York/ Antw erp Rules, 1994.

Should adjustment be made in accordance with the law and practice of the United States of America, the follow ing clause shall apply:

"In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to nealigence or not, for which or for the consequence of which, the Owners are not responsible, by statute, contract or otherwise, the cargo, shippers, consignees or Owners of the cargo shall contribute with the Owners in general average to the payment of any sacrifices, loss or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo. If a salving vessel is ow ned or operated by the Owners, salvage shall be paid for as fully as if the said salving vessel or vessels belonged to strangers. Such deposit as the Owners, or their agents, may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or Owners of the cargo to the Ownersbefore delivery".

27.	War Risks (VOYWAR 2004)	715
	(a) For the purpose of this Clause, the words:	716
	(i) "Owners" shall include the shipOwners, bareboat	717
	charterers, disponent Owners, managers or other	718
	operators who are charged with the management	719
	of the Vessels, and the Master; and	720
	(ii) "War Risks" shall include any actual, threatened	721
	or reported:	722
	w ar; act of war; civil w ar; hostilities; revolution;	723
	rebellion; civil commotion; w arlike operations;	724
	laying of mines; acts of piracy; acts of terrorists;	725
	acts of hostility or malicious damage; blockades	726
	(whether imposed against all vessels or imposed	727
	selectively against vessels of certain flags or	728
	Ownership, or against certain cargoes or crews or	729
	otherwise howsoever); by any person, body,	730
	terrorist or political group, or the Government of	731
	any state whatsoever, which, in the reasonable	732
	judgement of the Master and/or the Owners, may	733
	be dangerous or are likely to be or to become	734
	dangerous to the Vessels, their cargo, crew or	735
	other persons on board the Vessels.	736
	(b) If at any time before the Vessels commence	737
	loading, it appears that, in the reasonable judgement	738
	of the Master and/or the Owners, performance of the	739
	Charter Party, or any part of it, may expose, or is likely	740

This document is a computer generated PROJECTCON form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In event of any modification being made to the preprinted text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense caused as a result of discrepancies between the original BIMCO approved document and this computer generated document.

741

742

743

744

745

746

747

748

749

750

751

752

753

754

755

756

757

758

759

760

761

762

763

764

765

766

767

768

769

770

771

772

773

774

775

776

777

778

779

780

781

782

783

784

785

786

787

788

789

790

791

792

793

794

795

796

797

798

799

800

801

802

803

804

805

806

807

808

809

810

811

812

813

814

815

816

(f)

to expose, the Vessels, their cargo, crew or other persons on board the Vessels to War Risks, the Owners may give notice to the Charterers cancelling this Charter Party, or may refuse to perform such part of it as may expose, or may be likely to expose, the Vessels, their cargo, crew or other persons on board the Vessels to War Risks; provided always that if this Charter Party provides that loading or discharging is to take place within a range of ports, and at the port or ports nominated by the Charterers the Vessels, their cargo, crew, or other persons on board the Vessels may be exposed, or may be likely to be exposed, to War Risks, the Owners shall first require the Charterers to nominate any other safe port which lies within the range for loading or discharging, and may only cancel this Charter Party if the Charterers shall not have nominated such safe port or ports within 48 hours of receipt of notice of such requirement. (c) The Owners shall not be required to continue to load cargo for any voyage, or to sign Bills of Lading for any port or place, or to proceed or continue on any voyage, or on any part thereof, or to proceed through any canal or w aterway, or to proceed to or remain at any port or place whatsoever, where it appears, either after the loading of the cargo commences, or at any stage of the voyage thereafter before the discharge of the cargo is completed, that, in the reasonable judgement of the Master and/or the Owners, the Vessels, their cargo (or any part thereof), crew or other persons on board the Vessels (or any one or more of them) may be, or are likely to be, exposed to War Risks. If it should so appear, the Owners may by notice request the Charterers to nominate a safe port for the discharge of the cargo or any part thereof, and if within 48 hours of the receipt of such notice, the Charterers shall not have nominated such a port, the Owners may discharge the cargo at any safe port of their choice (including the port of loading) in complete fulfilment of the Charter Party. The Owners shall be entitled to recover from the Charterers the extra expenses of such discharge and, if the discharge takes place at any port other than the Loading Port, to receive the full freight as though the cargo had been carried to the Discharging Port and if the extra distance exceeds 100 miles, to additional freight which shall be the same percentage of the freight contracted for as the percentage which the extra distance represents to the distance of the normal and customary route, the Owners having a lien on the cargo for such expenses and freight. (d) If at any stage of the voyage after the loading of the cargo commences, it appears that, in the reasonable judgement of the Master and/or the Owners, the Vessels, their cargo, crew or other persons on board the Vessels may be, or are likely to be, exposed to War Risks on any part of the route (including any canal or w aterw ay) which is normally and customarily used in a voyage of the nature contracted for, and there is another longer route to the Discharging Port, the Owners shall give notice to the Charterers that this route will be taken. In this event the Owners shall be entitled, if the total extra distance exceeds 100 miles, to additional freight which shall be the same percentage of the freight contracted for as the percentage which the extra distance represents to the distance of the normal and customary route. (i) The Owners may effect war risks insurance in (e) respect of the Hull and Machinery of the Vessels and their other interests (including, but not limited to, loss of earnings and detention, the crew and their Protection and Indemnity Risks), and the premiums and/or calls therefor shall be for their account.

(ii) If the Underw riters of such insurance should require payment of premiums and/or calls because, pursuant to the Charterers' orders, or in order to fulfil the Owners' obligation under this Charter Party, the Vessels are within, or are due to enter and remain within, or pass through any area or areas which are specified by such Underw riters as being subject to additional premiums because of War Risks, then the actual premiums and/or calls paid shall be reimbursed by the Charterers to the Owners within 14 days after receipt of the Owners' invoice. If the Vessels discharge all of her cargo within an area subject to additional premiums as herein set forth, the Charterer shall reimburse the Owners for the actual additional premiums paid which may accrue from completion of discharge until the Vessels leave such area or areas referred to above. The Owners shall leave the area as soon as possible after completion of discharge. The Vessels shall have liberty:-

817

818

819

820

821

822

823

824

825

826

827

828

829

830

831

832

833 834

835

836

837

838

839

840 841

842

843

844

845

846

847

848

849

850

851

852

853

854

855

856

857

858

859

860

861

862

863

864

865

866

867

868

869

870

871

872

873

874

875

876

877

878

879

880

881

882

883

884

- (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery or in any way whatsoever which are given by the Government of the Nation under whose flag the Vessels sail, or other Government to whose laws the Owners are subject, or any other Government which so requires, or any body or group acting with the pow er to comple compliance with their orders or directions;
  (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have
- dations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;
- (iii) to comply with the terms of any resolution of the Security Council of the United Nations, the effective orders of any other Supranational body which has the right to issue and give the same, and with national law s aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those w ho are charged with their enforcement;
- (iv) to discharge at any other port any cargo or part thereof which may render the Vessels liable to confiscation as a contraband carrier;
- (v) to call at any other port to change the crew or any part thereof or other persons on board the Vessels w hen there is reason to believe that they may be subject to internment, imprisonment or other sanctions;
- (vi) where cargo has not been loaded or has been discharged by the Owners under any provisions of this Clause, to load other cargo for the Owners' ow n benefit and carry it to any other port or ports whatsoever, whether backwards or forwards or in a contrary direction to the ordinary or customary route.

(g) If in compliance with any of the provisions of subclauses (b) to (f) of this Clause anything is done or not done, such shall not be deemed to be a deviation, but shall be considered as due fulfilment of the Charter Party.

#### 28. Interests

If any amounts due under this Charter Party are not paid when due, then interest at the rate stated in Box <u>26</u> shall be paid on all such amounts until payment is received.

#### 29. Agency

The Vessels shall be addressed to Charterers' agents at Port(s) of Loading and Port(s) of discharging.

# 30. Brokerage 885 The Owners shall pay a brokerage at the rate stated in 886 Box 27 to the Broker(s) mentioned in Box 27 on any freight, delay payment and/or termination fee paid under 888 this Charter Party. 889 if the full amounts as aforesaid are not paid owing to 890

If the full amounts as aforesaid are not paid ow ing to

891

892

breach of this Charter Party by either of the parties, the party liable therefor shall indemnify the Broker(s) against r their less of brokerood

	his or their loss of brokerage.	893
31.	BIMCO Dispute Resolution Clause	894
*)	(a) This Charter Party shall be governed by and	895
	construed in accordance with English law and any	896
	dispute arising out of or in connection with this Charter	897
	Party shall be referred to arbitration in London in	898
	accordance with the Arbitration Act 1996 or any statutory	899
	modification or re-enactment thereof save to the extent	900
	necessary to give effect to the provisions of this Clause. The arbitration shall be conducted in accordance with	901 902
	the London Maritime Arbitrators Association (LMAA)	903
	Terms current at the time when the arbitration	904
	proceedings are commenc ed.	905
	The reference shall be to three arbitrators. A party	906
	w ishing to refer a dispute to arbitration shall appoint its	907
	arbitrator and send notice of such appointment in writing	908
	to the other party requiring the other party to appoint its ow n arbitrator within 14 calendar days of that notice	909 910
	and stating that it will appoint its arbitrator as sole	910
	arbitrator unless the other party appoints its ow n	912
	arbitrator and gives notice that it has done so within the	913
	14 days specified. If the other party does not appoint its	914
	ow n arbitrator and give notice that it has done so within	915
	the 14 days specified, the party referring a dispute to	916
	arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as	917 918
	sole arbitrator and shall advise the other party	919
	accordingly. The aw ard of a sole arbitrator shall be	920
	binding on both parties as if he had been appointed by	921
	agreement.	922
	Nothing herein shall prevent the parties agreeing in	923
	w riting to vary these provisions to provide for the	924 925
	appointment of a sole arbitrator. In cases where neither the claim nor any counterclaim	925 926
	exceeds the sum of US\$50,000 (or such other sum as	927
	the parties may agree) the arbitration shall be conducted	928
	in accordance with the LMAA Small Claims Procedure	929
	current at the time when the arbitration proceedings	930
+1	are commenced.	931
*)	(b) This Charter Party shall be governed by and construed in accordance with Title 9 of the United States	932 933
	Code and the Maritime Law of the United States and	934
	any dispute arising out of or in connection with this	935
	Charter Party shall be referred to three persons at New	936
	York, one to be appointed by each of the parties hereto,	937
	and the third by the two so chosen; their decision or	938
	that of any two of themshall be final, and for the purposes of enforcing any award, judgement may be	939 940
	entered on an aw ard by any court of competent	940 941
	jurisdiction. The proceedings shall be conducted in	942
	accordance with the rules of the Society of Maritime	943
	Arbitrators, Inc.	944
	In cases where neither the claim nor any counterclaim	945
	exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted	946 947
	in accordance with the Shortened Arbitration Procedure	947 948
	of the Society of Maritime Arbitrators, Inc. current at the	949
	time when the arbitration proceedings are commenced.	950
*)	(c) This Charter Party shall be governed by and	951
	construed in accordance with the law s of the place	952
	mutually agreed by the parties and any dispute arising out of or in connection with this Charter Party shall be	953 954
	referred to arbitration at a mutually agreed place, subject	954 955
	to the procedures applicable there.	956
	(d) Notwithstanding (a), (b) or (c) above, the parties	957
	may agree at any time to refer to mediation any	958
	difference and/or dispute arising out of or in connection	959
	with this Charter Party. In the case of a dispute in respect of which arbitration	960 961
	has been commenced under (a), (b) or (c) above, the	961 962
	follow ing shall apply:	963
	(i) Either party may at any time and from time to time	964
	elect to refer the dispute or part of the dispute to	965

mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.

966

967

968

969

970

971

972

973

974

975 976

977

978 979

980

981

982

983 984

985

986

987

988

989

990

991

992

993

994

995

996

997

998

999

1000

1001

1002 1003

1004

1005

1006

1007 1008

1009

1010

1011

1012 1013

1014

1015 1016

1017

1018

1019 1020

1021

1022

1023

1024

1025

1026 1027

1028

1029

- The other party shall thereupon within 14 calendar (ii) days of receipt of the Mediation Notice confirmthat they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.
- If the other party does not agree to mediate, that (iii) fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal w hen allocating the costs of the arbitration as between the parties.
- (iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.
- Either party may advise the Tribunal that they have (v) agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account w hen setting the timetable for steps in the arbitration.
- (vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its ow n costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.
- The mediation process shall be without prejudice (vii) and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration. (Note: the parties should be aware that the mediation process may not necessarily interrupt time limits.)

(e) If Box 28 in Part I is not appropriately filled in, Clause 31(a) of this Clause shall apply. Clause 31(d) shall apply in all cases.

\*) Clauses 31(a), 31(b) and 31(c) are alternatives; indicate alternative agreed in Box 28.

#### 32. BIMCO ISPS/MTSA Clause for Vovage Charter Partie s

- (a) (i) The Owners shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) relating to the Vessel and "the Company" (as defined by the ISPS Code). If trading to or from the United States or passing through United States waters, the Owners shall also comply with the requirements of the US Maritime Transportation Security Act 2002 (MTSA) relating to the Vessel and the "Ow ner" (as defined by the MTSA).
- Upon request the Owners shall provide the (ii) Charterers with a copy of the relevant International Ship Security Certificate (or the Interim International Ship Security Certificate) and the full style contact details of the Company Security Officer (CSO).
- 1030 Except as otherwise provided in this Charter Party, (iii) loss, damages, expense or delay (excluding 1031 1032 consequential loss, damages, expense or delay) caused by failure on the part of the Ownersor "the 1033 Company"/"Ow ner" to comply with the requirements 1034 of the ISPS Code/MTSA or this Clause shall be for 1035 the Owners' account. 1036 (i) The Charterers shall provide the Owners and (b)
- 1037 the Master with their full style contact details and, 1038 upon request, any other information the Owners 1039 require to comply with the ISPS Code/MTSA. 1040

1041

1042

1043

1044

1045

1046

1047

1048

1049

1050

1051

1052

1053

1054

1055

1056

1057 1058

1059

1060

1061

1062

1063

1064

1065

1066

- (ii) Except as otherwise provided in this Charter Party, loss, damages or expense (excluding consequential loss, damages or expense) caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers' account and any delay caused by such failure shall count as laytime or time on demurrage.
- (c) Provided that the delay is not caused by the Owners' failure to comply with their obligations under the ISPS Code/MTSA, the follow ing shall apply:
- (i) Notwithstanding anything to the contrary provided in this Charter Party, the Vessel shall be entitled to tender Notice of Readiness even if not cleared due to applicable security regulations or measures imposed by a port facility or any relevant authority under the ISPS Code/MTSA.
- (ii) Any delay resulting from measures imposed by a port facility or by any relevant authority under the ISPS Code/MTSA shall count as laytime or time on demurrage, unless such measures result solely from the negligence of the Owners, Master or crew or the previous trading of the Vessel, the nationality of the crew or the identity of the Owners' managers.

(d) Notwithstanding anything to the contrary provided in this Charter Party, any costs or expenses whatsoever

solely arising out of or related to security regulations or 1067 measures required by the port facility or any relevant 1068 authority in accordance with the ISPS Code/MTSA 1069 including, but not limited to, security guards, launch 1070 services, tug escorts, port security fees or taxes and 1071 inspections, shall be for the Charterers' account, unless 1072 such costs or expenses result solely from the negligence 1073 of the Owners. Master or crew or the previous trading 1074 of the Vessel, the nationality of the crew or the identity 1075 of the Owners' managers. All measures required by the 1076 Owners to comply with the Ship Security Plan shall be 1077 for the Owners' account. 1078 (e) If either party makes any payment which is for the 1079 other party's account according to this Clause, the other 1080 party shall indemnify the paying party. 1081 33. BIMCO Notice s Clause 1082 (a) All notices given by either party or their agents to 1083 the other party or their agents in accordance with the 1084 provisions of this Charter Party shall be in writing. 1085 (b) For the purposes of this Charter Party, "in writing" 1086 shall mean any method of legible communication. A 1087

notice may be given by any effective means including,

recorded mail, or by personal service.

but not limited to, cable, telex, fax, e-mail, registered or

1088

1089

1090