



**BIMCO STANDARD CONTRACT FOR THE SALE OF  
VESSELS FOR DEMOLITION AND RECYCLING  
CODE NAME: "DEMOLISHCON"**

PART I

1. Place and Date of Contract		3. Buyers/Place of business (state full style and address)	
2. Sellers/Place of business (state full style and address)		5. Registered Owners' P&I Club	
4. Managers of the Vessel (state full style and address)		6. Name of Vessel (state also previous names, if any)	
7. Type of Vessel		8. Year and place built	
9. Flag	10. Place of registry	11. IMO number	
12. Class		13. Hull construction	
14. GT/NT (as per registry certificate)		15. Loa/Lbp (as per registry certificate)	
16. Breadth moulded (as per registry certificate)		17. Depth moulded (as per registry certificate)	
18. Deadweight max. SSW (state metric or long tons)		19. Approximate arrival draft fore/aft <a href="#">(Cl. 8.1)</a>	
20. Light Displacement Tonnage in long tons <a href="#">(Cl. 12)</a>		21. Permanent ballast, if any	
22. Removals (state removals including hired items, if any) <a href="#">(Cl. 11)</a>		23. Generators (number, make, model, power, voltage, frequency)	
24. Main engine (make, model, power)		25. Working propeller(s) (number and material)	
26. Spare propeller (number and material)	27. Spare tail shaft	28. Spare anchor/chain	
<b>For Dry Cargo Vessels:</b>		<b>For Tankers:</b>	
29. Reefer space (type of insulation)		30. Heating coils (place and material)	
31. Cargo gear		32. Deck/Steam/Cargo lines (material)	
33. Hold/Hatches		34. Cargo tanks coating (condition)	
35. Ballast tanks coating (condition)			

Printed by BIMCO's *idea*

Copyright, published by BIMCO, Copenhagen, issued November, 2004. (First issued November 2001)

continued

"DEMOLISHCON" BIMCO STANDARD CONTRACT FOR THE SALE OF VESSELS FOR DEMOLITION AND RECYCLING

36. Trading history and last five cargoes	
37. Purchase Price in figures and letters (state both lump sum price and the equivalent price per long ton light displacement)( <a href="#">Cl. 2</a> ) (a) Lump sum price (b) Equivalent price per long ton light displacement	
38. Deposit ( <a href="#">Cl. 3</a> ) (a) State percentage of purchase price  (b) State name and place of bank to which the deposit shall be paid	39. Sellers' bank (state name and place and bank account details to which the balance of the purchase price shall be paid) ( <a href="#">Cl. 4</a> )
40. Financial Documentation ( <a href="#">Cl. 5</a> ) (a) State place of closing  (b) State by whom bill of sale shall be legalised or apostilled  (c) State number of commercial invoice(s)	41. Place of delivery ( <a href="#">Cl. 8.1</a> )
	42. Time of delivery ( <a href="#">Cl. 9.1</a> )
	43. Cancelling date ( <a href="#">Cl. 9.1</a> )
44. Buyers' watchmen ( <a href="#">Cl. 15</a> )	45. Dispute Resolution (state <a href="#">21.1</a> , <a href="#">21.2</a> or <a href="#">21.3</a> ; if <a href="#">21.3</a> agreed place of arbitration <u>must</u> be stated)( <a href="#">Cl. 21</a> )
46. Notices (state postal and cable address, e-mail and telefax number for serving notice and communication <u>to the Sellers</u> )( <a href="#">Cl. 22.2</a> )	47. Notices (state postal and cable address, e-mail and telefax number for serving notice and communication <u>to the Buyers</u> )( <a href="#">Cl. 22.2</a> )
48. Numbers of additional clauses covering special provisions, if agreed	

Printed by BIMCO's *idea*

**The Sellers shall not be held responsible for any errors, omissions and/or overall condition of the Vessel upon arrival at the place of delivery except for the items specified in this PART I**

It is mutually agreed between the party named in Box 2 (hereinafter referred to as "the Sellers") and the party named in Box 3 (hereinafter referred to as "the Buyers") that on the date of this Contract the Sellers have sold and the Buyers have bought the Vessel described in PART I hereof (hereinafter referred to as "the Vessel") on the terms and conditions contained in this Contract consisting of PART I including additional clauses, if any agreed and stated in Box 48, and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further.

Signature (Sellers)	Signature (Buyers)
---------------------	--------------------

**PART II**  
**“DEMOLISHCON” Standard Contract for the Sale of Vessels for Demolition and Recycling**

<b>Preamble</b>	1	(v) a written undertaking by the Sellers to instruct the Master or their agents to promptly release and deliver the Vessel to the Buyers;	70
The party stated in <a href="#">Box 2</a> (hereinafter “the Sellers”) has agreed to sell and the party stated in <a href="#">Box 3</a> (hereinafter “the Buyers”) has agreed to buy the Vessel stated in <a href="#">Box 6</a> on the following terms and conditions which, in particular, include an undertaking to comply with the IMO Resolution A.962(23) IMO Guidelines on Ship Recycling (hereinafter the “IMO Guidelines”) in accordance with <a href="#">Clause 17</a> (Safety and Environment).	2 3 4 5 6 7 8 9	(vi) a certified copy of the minutes of the Board of Directors and/or shareholders resolution, as appropriate, according to which they decide the sale of the Vessel and a copy of the power of attorney authorizing the signature of the bill of sale;	71 72 73 74 75 76 77
<b>Definition</b>	10	(vii) a certificate according to which the Sellers guarantee that at the time of delivery the Vessel is free from all encumbrances and maritime liens or any other debts whatsoever.	78 79 80 81
“Banking Days” are days on which banks are open both in the country of the currency stipulated for the purchase price in <a href="#">Clause 2</a> and at the place of closing.	11 12 13	<b>5.2</b> At the time of delivery the Buyers and the Sellers shall sign a protocol of delivery and acceptance confirming the date and time of delivery of the Vessel. The Sellers shall make available to the Buyers copies of the documents listed in <a href="#">sub-clauses 5.1(i) to (vii)</a> as soon as possible after the signing of this Contract, but no later than 3 days prior to the date of the Sellers tendering notice of readiness for delivery.	82 83 84 85 86 87 88 89
<b>1. Outright Sale</b>	14	<b>6. Advance Notice of Arrival</b>	90
The Vessel has been accepted by the Buyers without inspection and the sale is outright and definite subject only to the terms and conditions of this Contract.	15 16 17	The Sellers shall keep the Buyers fully informed about the Vessel’s position and of any alteration in expected time of arrival and shall give to the Buyers 15, 10, 7, and 3 days notice of the expected time of arrival of the Vessel.	91 92 93 94 95
<b>2. Purchase Price</b>	18	<b>7. Notice of Readiness for Delivery</b>	96
The purchase price is the sum stated in <a href="#">Box 37(a)</a> payable in United States Dollars based upon a price per long ton Light Displacement Tonnage (LDT) (see <a href="#">Clause 12</a> ) as stated in <a href="#">Box 37(b)</a> calculated on the basis of the Vessel’s LDT as stated in <a href="#">Box 20</a> .	19 20 21 22 23	When the Vessel is ready for delivery, the Sellers shall give to the Buyers a written notice of readiness for delivery. The notice of readiness shall be tendered during normal office hours at the Place of Delivery and, unless otherwise specifically provided elsewhere in this Contract, be accompanied by the following documents to the extent necessary:	97 98 99 100 101 102 103
<b>3. Deposit</b>	24	<b>7.1</b> a certificate issued by a local marine surveyor confirming the LDT of the Vessel as stated in <a href="#">Box 20</a> as per the builders’ original trim and stability booklet or the builders’ capacity plan on board the Vessel, which has been sighted;	104 105 106 107 108
<b>3.1</b> As a security for the due fulfilment of this Contract, the Buyers shall pay a deposit as stated in <a href="#">Box 38</a> to be placed with the bank stated in <a href="#">Box 38</a> in the joint names of the Sellers and the Buyers.	25 26 27	<b>7.2</b> a letter from the Sellers’ local agents at the Place of Delivery stating that there are no pending dues against the Vessel at the time of delivery;	109 110 111
<b>3.2</b> Such deposit shall be made latest within 3 banking days after the date of signing this Contract.	28 29 30	<b>7.3</b> a letter signed and stamped by the Master stating that neither he nor the crew have any outstanding claims against the Vessel;	112 113 114
<b>3.3</b> Interest, if any, on such deposit shall be credited to the Buyers.	31 32	<b>7.4</b> an inventory, in the form as recommended by the IMO Guidelines as applicable;	115 116
<b>3.4</b> Any fees or charges for establishing and holding such deposit shall be borne equally by the Sellers and the Buyers.	33 34 35	<b>7.5</b> a portworthy certificate issued by a local marine surveyor confirming the material of the working propeller(s) as stated in <a href="#">Box 25</a> ;	117 118 119
<b>4. Payment</b>	36	<b>7.6</b> a valid gasfree certificate for hotwork. Such certificate shall be issued by the relevant authorities on arrival at the Place of Delivery and shall specify that all the Vessel’s cargo tanks, pump rooms and cofferdams are gasfree, safe for men, safe for fire and are free of slops, sludge and residues;	120 121 122 123 124 125
The Buyers shall release the deposit stated in <a href="#">Box 38</a> to the Sellers and shall pay the balance of the said purchase price in full to the Sellers’ bank stated in <a href="#">Box 39</a> on delivery latest within 3 banking days from the time the Sellers have tendered notice of readiness for delivery in accordance with the terms and conditions of this Contract.	37 38 39 40 41 42 43	<b>7.7</b> a letter from the Sellers stating that the Vessel has not carried any nuclear waste or industrial waste or chemicals prior to the time of notice of readiness being tendered;	126 127 128 129
<b>5. Financial Documentation</b>	44	<b>7.8</b> a letter from the Master confirming that there have been no removals from the Vessel other than those stated in <a href="#">Box 22</a> ;	130 131 132
<b>5.1</b> In exchange for the payment of the purchase price the Sellers shall furnish the Buyers with the following documents at the place of closing stated in <a href="#">Box 40(a)</a> , which shall be in English or with a certified English translation if in a language other than English:	45 46 47 48 49	<b>7.9</b> a letter of undertaking from the Sellers’ agents that they will arrange for the filing of the inward general manifest;	133 134 135
(i) a legal bill of sale transferring title of the Vessel and stating that the said Vessel is free from all encumbrances and maritime liens or any other debts whatsoever, notationally attested, legalised or apostilled as appropriate by the Consul or other competent authority stated in <a href="#">Box 40(b)</a> ;	50 51 52 53 54 55	<b>7.10</b> a valid deratisation exemption certificate issued by the relevant authorities.	136 137
(ii) the number of commercial invoices mentioned in <a href="#">Box 40(c)</a> signed by the Sellers, stating the purchase price of the Vessel and her particulars as mentioned in Boxes 6-36 as applicable;	56 57 58 59	<i>7.1 – 7.10. Delete as appropriate.</i>	138
(iii) a certificate or transcript of registry evidencing the ownership of the Vessel and that the Vessel is free from registered encumbrances, taxes and mortgages. Such certificate or transcript of registry shall be dated not earlier than 5 days prior to the date of the Sellers tendering notice of readiness for delivery;	60 61 62 63 64 65	<b>8. Delivery</b>	139
(iv) a written undertaking from the Sellers to apply for and supply to the Buyers a certificate of deletion or closed transcript of registry latest 4 weeks after delivery of the Vessel;	66 67 68 69		

Printed by BIMCO's *idea*

PART II

“DEMOLISHCON” Standard Contract for the Sale of Vessels for Demolition and Recycling

Printed by BIMCO's *idea*

8.1	The Vessel shall be delivered by the Sellers to the Buyers under her own power, safely afloat, substantially intact, free of any fire and/or explosion damage, free of cargo, free from all charters, with anchors in place and, where applicable, with hatches closed and derricks lowered and gasfree for hotwork (see <a href="#">sub-clause 7.6</a> ), as appropriate, with the approximate arrival draft stated in <a href="#">Box 19</a> at the place stated in <a href="#">Box 41</a> (hereinafter “the Place of Delivery”).	140 141 142 143 144 145 146 147 148			
8.2	If, on the Vessel's arrival, the Place of Delivery is inaccessible for any reason whatsoever including but not limited to port congestion, the Vessel shall be delivered and taken over by the Buyers as near thereto as she may safely get at a safe and accessible berth or at a safe anchorage which shall be designated by the Buyers, always provided that such berth or anchorage shall be subject to the approval of the Sellers and the Master which shall not be unreasonably withheld. If the Buyers fail to nominate such place within 24 hours of arrival, the place at which it is customary for vessels to wait shall constitute the Place of Delivery.	149 150 151 152 153 154 155 156 157 158 159 160 161			
8.3	The delivery of the Vessel according to the provisions of <a href="#">sub-clause 8.2</a> shall constitute a full performance of the Sellers' obligations according to <a href="#">sub-clause 8.1</a> and all other terms and conditions of this Contract shall apply as if delivery had taken place according to <a href="#">sub-clause 8.1</a> .	162 163 164 165 166 167			
8.4	All expenses incurred prior to delivery of the Vessel and all local fees/port disbursements relating to the Vessel, including repatriation of the crew shall be for the Sellers' account while all expenses after delivery of the Vessel, including import duties and other local taxes, if any, shall be for the Buyers' account.	168 169 170 171 172 173			
8.5	The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is delivered to the Buyers.	174 175 176			
8.6	The Sellers shall deliver the Vessel to the Buyers with the minimum amount of ballast water on board without prejudicing the safety of the Vessel.	177 178 179			
8.7	The Vessel shall be delivered without any stowaways, contraband or arms and ammunition on board, otherwise the Buyers shall have the option not to accept the Vessel, without prejudice to any claim for loss and/or damages the Buyers may have against the Sellers under this Contract.	180 181 182 183 184 185			
9.	<b>Time of Delivery/Cancelling Date</b>	186			
9.1	The Vessel shall be ready for delivery between the dates (both inclusive) stated in <a href="#">Box 42</a> but latest on the date stated in <a href="#">Box 43</a> (hereinafter “the Cancelling Date”).	187 188 189			
9.2(i)	Should the Sellers anticipate that notwithstanding the exercise of due diligence, the Vessel will not be ready for delivery by the Cancelling Date they may notify the Buyers in writing stating the date when they anticipate that the Vessel will be ready for delivery and propose a new date for the Cancelling Date. Upon receipt of such notification the Buyers shall have the option either to cancel the Contract according to <a href="#">Clause 20</a> within 2 working days of receipt of such notice or of accepting the new date as the Cancelling Date. If the Buyers have not declared their option within 2 working days of receipt of the Sellers' notification or, if the Buyers accept the new date, the date proposed by the Sellers shall be deemed the Cancelling Date.	190 191 192 193 194 195 196 197 198 199 200 201 202			
(ii)	If this Contract is maintained with the new Cancelling Date, all other terms and conditions hereof shall remain in full force and effect. Cancellation or non-cancellation by the Buyers in accordance with the provisions of <a href="#">sub-clause 9.2 (i)</a> shall be without prejudice to any claim for loss and/or damages the Buyers may have against the Sellers under this	203 204 205 206 207 208 209 210			
	Contract.	211			
10.	<b>Beaching</b>	212			
	Following payment and delivery of the Vessel the Sellers shall assist the Buyers in the beaching of the Vessel at the Buyers' designated demolition plot. The Vessel shall be delivered with sufficient useable/pumpable fuel, water and provisions for one day's steaming and nine days' idling. The Sellers shall arrange for crew according to the safe manning certificate to remain with the Vessel for a period of up to 10 days after delivery in order to assist with the aforesaid beaching. The beaching of the Vessel, which shall include the moving of the Vessel from the outer anchorage to the beaching plot, shall be for the Buyers' risk and expense. However, the Master shall co-operate with the Buyers in achieving the best possible draft and trim for beaching. The Buyers shall use their best endeavours to assist in the safe disembarkation of the crew after beaching. The Sellers shall pay the wages and arrange P&I insurance cover on their crew involved in the beaching operation.	213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232			
11.	<b>Bunkers, Equipment etc.</b>	233			
11.1	The Vessel shall be delivered with everything belonging to her on board without removals other than those stated in <a href="#">Box 22</a> . However, the Sellers shall have the right to take ashore without compensation the following items: crockery, cutlery, linen and other articles bearing the Sellers' flag or name, as well as library, forms, etc., exclusively for use in the Sellers' vessels. Master's, Officers' and crew's personal belongings including slop chest and the Vessel's log book shall be excluded from the sale.	234 235 236 237 238 239 240 241 242 243			
11.2	Unless otherwise agreed, any remaining bunkers, lubricating oils, stores, equipment and spares used or unused on board at the time of delivery shall become the Buyers' property without extra payment.	244 245 246 247			
11.3	The Sellers shall, at the time of delivery, hand to the Buyers all plans, specifications and certificates, or copies hereof, as available and whether valid or invalid.	248 249 250			
11.4	The Sellers are not required to replace such material, spare parts or stores including spare propeller(s), if any, which may be consumed or taken out of spare and used as replacement prior to delivery, but all replaced spares shall be retained on board and shall become the property of the Buyers.	251 252 253 254 255 256			
12.	<b>Light Displacement Tonnage (LDT)</b>	257			
	The purchase price of the Vessel shall be based on the Vessel's LDT in long tons as stated in <a href="#">Box 20</a> excluding any permanent ballast. The Vessel's LDT shall be verified by the builders' original trim and stability booklet stamped and approved by Class which shall be on board the Vessel and made available to the Buyers' representatives at the time of tendering the Vessel's notice of readiness in accordance with <a href="#">Clause 7</a> . The Sellers shall also make available to the Buyers an original or copy of the builders' capacity plan with a deadweight scale and/or builders' letter. The Sellers shall make copies of the above documents available to the Buyers as soon as possible after the signing of this Contract.	258 259 260 261 262 263 264 265 266 267 268 269 270 271			
13.	<b>Encumbrances and Maritime Liens, etc.</b>	272			
	The Sellers warrant that the Vessel, at the time of delivery, is free from all charters, encumbrances and maritime liens or any other debts whatsoever. Should any claims, which have been incurred prior to the time of delivery, be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims.	273 274 275 276 277 278 279			



PART II

“DEMOLISHCON” Standard Contract for the Sale of Vessels for Demolition and Recycling

<b>14. Taxes, Dues and Charges, etc.</b>	280	case the deposit in full shall be returned to the Buyers	349
Any taxes, fees and expenses connected with the	281	purchase of the Vessel under the Buyers' ownership	350
purchase of the Vessel under the Buyers' ownership	282	shall be for the Buyers' account, and charges	351
shall be for the Buyers' account, and charges	283	Sellers shall make due compensation to the Buyers	352
connected with the closing of the Sellers' register shall	284	for any loss and for all expenses incurred together	353
be for the Sellers' account.	285	with interest by their failure to give notice of readiness,	354
		to execute a legal transfer or to deliver the Vessel with	355
<b>15. Buyers' Watchmen</b>	286	everything belonging to her by the Cancelling Date, if	356
The Sellers agree to allow the Buyers to place the	287	such failure is due to the proven negligence of the	357
number of watchmen stated in <a href="#">Box 44</a> on board the	288	Sellers.	358
Vessel on her arrival at the Place of Delivery.	289		
Whilst on board the Vessel, such watchmen shall be	290	<b>21. Dispute Resolution Clause</b>	359
at the sole risk, liability and expense of the Buyers and	291	<b>21.1*</b> This Contract shall be governed by and construed	360
the Buyers shall indemnify the Sellers against any	292	in accordance with English law and any dispute arising	361
claim for loss and/or damages in this respect. The	293	out of or in connection with this Contract shall be	362
Buyers' watchmen must not interfere with the operation	294	referred to arbitration in London in accordance with	363
of the Vessel and they shall sign the Sellers' letter of	295	the Arbitration Act 1996 or any statutory modification or	364
indemnity prior to their embarkation.	296	re-enactment thereof save to the extent necessary to	365
		give effect to the provisions of this Clause.	366
<b>16. Purpose of Sale</b>	297	The arbitration shall be conducted in accordance with	367
The Vessel is sold for the purpose of demolition and	298	the London Maritime Arbitrators Association (LMAA)	368
recycling only and the Buyers undertake that they will	299	Terms current at the time when the arbitration	369
neither trade the Vessel for their own account nor sell	300	proceedings are commenced.	370
the Vessel to a third party for any purpose other than	301	The reference shall be to three arbitrators. A party	371
demolition and recycling. The Buyers shall procure	302	wishing to refer a dispute to arbitration shall appoint	372
that this obligation is made a term of any and every	303	its arbitrator and send notice of such appointment in	373
subsequent agreement for the resale of the Vessel.	304	writing to the other party requiring the other party to	374
		appoint its own arbitrator within 14 calendar days of	375
<b>17. Safety and Environment</b>	305	that notice and stating that it will appoint its arbitrator	376
Both the Sellers and the Buyers are familiar with the	306	as sole arbitrator unless the other party appoints its	377
IMO Guidelines and the Sellers shall use their best	307	own arbitrator and gives notice that it has done so	378
endeavours to give information to the Buyers in respect	308	within the 14 days specified. If the other party does not	379
of the recommendations of the IMO Guidelines and the	309	appoint its own arbitrator and give notice that it has	380
Buyers likewise shall use their best endeavours to	310	done so within the 14 days specified, the party referring	381
comply with such recommendations.	311	a dispute to arbitration may, without the requirement of	382
The Buyers shall ensure that after delivery the Sellers'	312	any further prior notice to the other party, appoint its	383
representatives are allowed to visit the ship recycling	313	arbitrator as sole arbitrator and shall advise the other	384
facility to ascertain that safe and environmentally sound	314	party accordingly. The award of a sole arbitrator shall	385
practices are being conducted in respect of the	315	be binding on both parties as if he had been appointed	386
recycling of the Vessel.	316	by agreement.	387
		Nothing herein shall prevent the parties agreeing in	388
<b>18. Exemptions</b>	317	writing to vary these provisions to provide for the	389
Neither the Sellers nor the Buyers shall be under any	318	appointment of a sole arbitrator.	390
liability if the Vessel should become an actual,	319	In cases where neither the claim nor any counterclaim	391
constructive or compromised total loss before delivery,	320	exceeds the sum of US\$50,000 (or such other sum as	392
or if delivery of the Vessel by the Cancelling Date should	321	the parties may agree) the arbitration shall be	393
otherwise be prevented or delayed due to outbreak of	322	conducted in accordance with the LMAA Small Claims	394
war, restraint of Government, Princes, Rulers or People	323	Procedure current at the time when the arbitration	395
of any Nation or the United Nations, Act of God, or any	324	proceedings are commenced.	396
other cause whatsoever beyond the Buyers' or the	325	<b>21.2*</b> This Contract shall be governed by and construed	397
Sellers' control.	326	in accordance with Title 9 of the United States Code	398
		and the Maritime Law of the United States and any	399
<b>19. Buyers' Default</b>	327	dispute arising out of or in connection with this Contract	400
Should the deposit not be paid in accordance with the	328	shall be referred to three persons at New York, one to	401
provisions of <a href="#">Clause 3</a> , the Sellers shall have the right	329	be appointed by each of the parties hereto, and the	402
to cancel this Contract, and they shall be entitled to	330	third by the two so chosen; their decision or that of any	403
claim compensation for their losses and for all	331	two of them shall be final, and for the purposes of	404
expenses incurred together with interest at LIBOR plus	332	enforcing any award, judgement may be entered on	405
3% per annum.	333	an award by any court of competent jurisdiction. The	406
Should the purchase price not be paid in the manner	334	proceedings shall be conducted in accordance with	407
provided for in this Contract the Sellers shall have the	335	the rules of the Society of Maritime Arbitrators, Inc.	408
right to cancel the Contract, in which case the amount	336	In cases where neither the claim nor any counterclaim	409
deposited together with interest earned, if any, shall	337	exceeds the sum of US\$50,000 (or such other sum as	410
be forfeited to the Sellers. If the deposit does not cover	338	the parties may agree) the arbitration shall be	411
the Sellers' losses, they shall be entitled to claim	339	conducted in accordance with the Shortened Arbitration	412
further compensation for their losses and for all	340	Procedure of the Society of Maritime Arbitrators, Inc.	413
expenses together with interest at LIBOR plus 3% per	341	current at the time when the arbitration proceedings	414
annum.	342	are commenced.	415
		<b>21.3*</b> This Contract shall be governed by and construed	416
<b>20. Sellers' Default</b>	343	in accordance with the laws of the place mutually	417
Should the Sellers fail to give notice of readiness in	344	agreed by the parties and any dispute arising out of or	418
accordance with <a href="#">Clause 7</a> or fail to execute a legal	345	in connection with this Contract shall be referred to	419
transfer or to deliver the Vessel with everything	346	arbitration at a mutually agreed place, subject to the	420
belonging to her by the Cancelling Date, the Buyers	347		
shall have the right to cancel the Contract, in which	348		

Printed by BIMCO's *idea*

**PART II**  
**“DEMOLISHCON” Standard Contract for the Sale of Vessels for Demolition and Recycling**

procedures applicable there.	421	party to seek such relief or take such steps as it	452
<b>21.4</b> Notwithstanding 21.1, 21.2 or 21.3 above, the	422	considers necessary to protect its interest.	453
parties may agree at any time to refer to mediation any	423	<b>(v)</b> Either party may advise the Tribunal that they have	454
difference and/or dispute arising out of or in connection	424	agreed to mediation. The arbitration procedure shall	455
with this Contract.	425	continue during the conduct of the mediation but the	456
In the case of a dispute in respect of which arbitration	426	Tribunal may take the mediation timetable into account	457
has been commenced under 21.1, 21.2 or 21.3 above,	427	when setting the timetable for steps in the arbitration.	458
the following shall apply:-	428	<b>(vi)</b> Unless otherwise agreed or specified in the	459
<b>(i)</b> Either party may at any time and from time to time	429	mediation terms, each party shall bear its own costs	460
elect to refer the dispute or part of the dispute to	430	incurred in the mediation and the parties shall share	461
mediation by service on the other party of a written	431	equally the mediator's costs and expenses.	462
notice (the "Mediation Notice") calling on the other party	432	<b>(vii)</b> The mediation process shall be without prejudice	463
to agree to mediation.	433	and confidential and no information or documents	464
<b>(ii)</b> The other party shall thereupon within 14 calendar	434	disclosed during it shall be revealed to the Tribunal	465
days of receipt of the Mediation Notice confirm that they	435	except to the extent that they are disclosable under the	466
agree to mediation, in which case the parties shall	436	law and procedure governing the arbitration.	467
thereafter agree a mediator within a further 14 calendar	437	<i>(Note: The parties should be aware that the mediation</i>	468
days, failing which on the application of either party a	438	<i>process may not necessarily interrupt time limits.)</i>	469
mediator will be appointed promptly by the Arbitration	439	<b>21.5</b> If <a href="#">Box 45</a> in PART I is not appropriately filled in,	470
Tribunal ("the Tribunal") or such person as the Tribunal	440	<a href="#">sub-clause 21.1</a> of this Clause shall apply. Sub-clause	471
may designate for that purpose. The mediation shall	441	<a href="#">21.4</a> shall apply in all cases.	472
be conducted in such place and in accordance with	442	<i>*21.1, 21.2 and 21.3 are alternatives; indicate</i>	473
such procedure and on such terms as the parties may	443	<i>alternative agreed in <a href="#">Box 45</a>.</i>	474
agree or, in the event of disagreement, as may be set	444		
by the mediator.	445	<b>22. Notices</b>	475
<b>(iii)</b> If the other party does not agree to mediate, that	446	<b>22.1</b> Any notice to be given by either party to the other	476
fact may be brought to the attention of the Tribunal and	447	party shall be in writing and may be sent by fax, e-mail,	477
may be taken into account by the Tribunal when	448	registered or recorded mail or by personal service.	478
allocating the costs of the arbitration as between the	449	<b>22.2</b> The address of the Parties for service of such	479
parties.	450	communication shall be as stated in <a href="#">Boxes 46</a> and <a href="#">47</a>	480
<b>(iv)</b> The mediation shall not affect the right of either	451	respectively.	481

WORKING COPY