

3 Dated May 1, 2004

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6 The terms and conditions contained herein have been reviewed and recommended by the U.S. Agency for International Development (hereinafter "USAID") and the U.S.
7 Department of Agriculture (hereinafter "USDA") as the standard terms and conditions applicable to mark and count cargo bookings under U.S. Government funded food
8 aid programs administered by these agencies. This document, when incorporated by reference or as an attachment to the U.S. FOOD AID BOOKING NOTE for
9 Packaged Commodities Part I (hereinafter "PART I"), forms an integral part of the contract of carriage of the cargoes described in PART I. The terms and conditions
10 contained herein apply to such shipments, except to the extent there are exemptions, modifications, or additional terms added in PART I, which supercede the terms and
11 conditions contained herein.

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14 **1. LOAD/DELIVERY TERMS**

15 Cargo to be loaded at Carriers time, risk and expense with no demurrage/ no
16 despatch/no detention in accordance with the following provisions. The
17 applicable load / delivery terms for each parcel are to be noted in PART I of
18 this booking note:

19 (A) FAS VESSEL NAMED PORT OF LOADING (POL)

20 Cargo will be delivered to the Carrier at the first point of rest within a USDA
21 approved transport terminal within the commercial limits of the named port of
22 loading free of expense to carrier including any wharfage assessed against
23 the cargo by the governing port authority and/or receiving terminal. The
24 Carrier is to nominate the transport terminal in writing within 3 business days
25 after the Carrier has received written notification from the Shipper or its agent
26 that all subjects on the booking have been lifted. Carrier is to be liable for all
27 costs incurred due to the failure to provide this information. The transport
28 terminal can be a freight station, a container terminal or yard, a multipurpose
29 cargo terminal, on the quay along side the vessel at the FAS port or any
30 similar receiving point.

31 (B) INTERMODAL – PLANT – POINT OF ORIGIN (POO)

32 (As designated by letter "R" preceding point of origin) — The cargo shall be
33 delivered to the Carrier and loaded on the Carrier supplied conveyance
34 (containers, trucks, trailers or rail cars) at named point of origin, free of
35 expense to the Carrier. The Carrier shall be responsible for the costs of
36 transportation from said named point of loading to the U.S. port of export and
37 the cost of loading the cargo on board the ocean going vessel. Carrier must
38 provide suitable conveyances to comply with the loading capabilities and
39 capacity at the intermodal plant. Any costs incurred including but not limited to
40 liquidated damages and storage, for failing to provide suitable conveyances
41 will be for Carrier's account. If containers are to be placed at the point of
42 origin, Carrier must ensure that the containers are placed at the
43 commencement of the shipping period and containers are supplied on a
44 continuous basis, or as otherwise mutually agreed between parties, until the
45 contract quantity is fulfilled.

46 (C) INTERMODAL – BRIDGE – POINT OF ORIGIN (POO)

47 (As designated by Letter "B" preceding point of origin) — Carrier is to provide
48 Shipper with the exact location for delivery of cargo at the named bridge point.
49 Cargo shall be delivered to the Carrier on rail cars, trucks or Carrier supplied
50 conveyance at the named bridge point, free of expense to the Carrier. Carrier
51 shall be responsible for all cargo handling and transportation expenses
52 incurred to move the cargo from said bridge point of delivery to on-board the
53 nominated ocean going vessel at a USDA approved U.S. port of export. If
54 trucks are to be used to transport the cargo to the bridge point, then the
55 freight tender must provide this information.

56 (D) INTERMODAL- LAKES – POINT OF ORIGIN (POO)

57 (MSA Sec. 17 cargo and as designated by Letter "L" preceding point of origin)
58 — Carrier is to nominate the marine cargo terminal at the named Lakes Point.
59 The Carrier's named terminal must be approved by USDA for handling MSA
60 Section 17 Lakes cargo. The cargo shall be delivered to the Carrier in rail
61 cars, trucks or trailers at the Carrier's named marine cargo terminal free of
62 cost to Carrier. The Carrier is responsible for unloading the cargo from the
63 conveyances at the named marine cargo terminal and loading the cargo onto
64 an oceangoing vessel or barge or trans-loading the cargo into oceangoing
65 containers. If the cargo is trans-loaded into containers, then the Carrier is also
66 responsible for transporting the containers to the declared USA port of exit
67 and the cost of loading the containers onto the oceangoing vessel or barge.

68 (E) PRE-POSITIONED CARGO – PORT OF LOADING (POL)

69 (As designated by Letter "P" preceding pre-position port) Cargo to be made
70 available to the Carrier at the location as specified in the freight tender (or in
71 the case of Lake Charles as provided herein). Upon notification to
72 USDA/KCCO of vessel contract award, carrier will be notified by the Shipper's
73 Agent within (2) working days as to the exact location of all cargo contracted
74 for carriage. The Carrier will then have four (4) working days to accept or
75 reject the commodity as contracted giving reasons in writing, for any
76 rejections. The commodity parcels rejected shall be identified to the port and
77 to USDA/KCCO. Cargoes rejected by the Carrier will be subject to inspection
78 by FGIS to determine final disposition. Rejected cargo may be replaced by
79 USDA/KCCO and, upon notification that same has been accomplished; the
80 Carrier will have 24 hours to inspect the replaced commodity. The Carrier (or
81 its agents or stevedores) shall sign non-negotiable dock receipts, indicating
82 acceptance of the cargoes in good order. Upon this acceptance, cargo is

83 deemed to be in a delivered position and becomes the full responsibility of the
84 contracted Carrier. The cargoes moving directly from rail cars or trucks to the
85 performing vessel or containers are considered to be FAS cargoes.

86 For pre-position cargo loading in Lake Charles, LA the cargo will be made
87 available for loading from one to two safe berths with the following to apply:
88 Sheds 1, 2, 3, and 150 are to be considered as one berth. Sheds 4, 5, and 6
89 are to be considered as one berth. Shed 7 is to be considered as one berth.
90 Shed 8 and 9 are to be considered as one berth. Shed 15 is to be considered
91 as one berth.

92 **792. DISCHARGE/DELIVERY TERMS**

93 Cargo to be discharged at Carriers time, risk and expense with no demurrage/
94 no despatch/no detention, with the cargo being delivered to Receivers in
95 accordance with the following provisions. The applicable discharge / delivery
96 terms for each parcel are to be noted in PART I of this booking note:

97 (A) Delivered to place of rest at discharge port:

98 (i) Breakbulk: The cargo is to be delivered to Receiver/Consignee at
99 place of rest end of hook, along side vessel. If cargoes have been
100 containerized for Carrier convenience, the containers are to be
101 discharged and moved to a shed designated by the port or the Carrier's
102 container freight station (CFS), where the Carrier is responsible to de-
103 van the cargo and to make it available to the Receiver at a place of rest
104 in the CFS.

105 (ii) Containerized: Containers are to be delivered to the
106 Receiver/Consignee at place of rest at the Carrier's or port's container
107 yard (CY), as applicable. Unless otherwise stipulated in PART I of this
108 booking note, the amount of free time on containers is ten (10) calendar
109 days.

110 (B) Delivered to port warehouse or CFS:

111 (i) Breakbulk: The cargo is to be placed into the warehouse(s) within
112 the port area.
113 (ii) Containerized: Containers are to be discharged and moved to the
114 Carrier's CFS where the Carrier is responsible to de-van the cargo and
115 to make it available to the Receiver at a place of rest in the CFS.

116 (C) Warehouse delivery (Breakbulk or Containerized):

117 Delivery will be made in accordance with 2.(C)(i) or 2.(C)(ii), as specified
118 in PART I, to the Receiver's/Consignee's warehouse(s), such
119 warehouse(s) to be specified in PART I, or if the Receiver's/Consignee's
120 warehouse(s) are not specified in PART I, then such warehouse(s) are
121 to be within a radius of 25 kilometers from the center point of the city or
122 town specified as the delivery point in the contract. Should a nominated
123 warehouse exceed the distance limitation as per above, Shippers may
124 designate another warehouse within the distance limitation without
125 penalty or make arrangements with the Carrier to deliver the cargo to
126 the nominated warehouse with any additional expenses incurred by the
127 Carrier to be for the Shipper's account and payable directly to the
128 Carrier by the Shipper. After the warehouse(s) has been nominated, the
129 Carrier must advise the Shipper within 3 working days if the warehouse
130 is outside the distance limitation. If the Carrier does not advise the
131 Shipper in writing within 3 working days, then Carrier forfeits its rights
132 under this clause to request an alternate warehouse(s) that is within the
133 distance limitation or to be paid for any additional expenses incurred
134 there from. The terms contained in this paragraph apply to either of the
135 delivery options listed below.

136 (i) Door Delivery: The cargo is to be delivered in Carrier's
137 conveyance at the door of the Receiver's/Consignee's warehouse(s)
138 located outside the port area. The Receiver/Consignee is responsible
139 for the unloading of Carrier's conveyance at the nominated warehouse
140 (s).

141 (ii) Floor Delivery: The cargo is to be unloaded from Carrier's
142 conveyance and stacked into Receiver's/Consignee's warehouse(s)
143 located outside of the port area at the Carrier's expense.

144 **1313. STOWAGE**

145 Break bulk cargo shall be stowed and carried below deck unless otherwise
146 provided herein or authorized in writing by the Shipper.

147 **1344. PORT OF EMBARKATION**

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20Dated May 1, 2004

1The cargo to be transported under this contract must be loaded on board the
2vessel in a United States port of embarkation, or as authorized by
3USDA/USAID, as applicable.

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55. FAILURE TO LIFT CARGO

6In the event the vessel fails to lift all or part of the shipment as originally
7booked due to the fault or negligence of the Carrier, the carrier shall be
8responsible for all expenses resulting from such failure including but not
9limited to pier or warehouse storage, rail, truck and/or barge demurrage,
10inspection, fumigation and deterioration and re-procurement costs.

116. CARGO DISPOSAL

12The Carrier shall not dispose of the cargo in any manner except by delivery to
13receiver/consignee at the scheduled port(s) of discharge without the prior
14written approval of the Shipper.

157. SUBSTITUTION

16Vessel substitutions must be approved by the Shipper and USDA/USAID, as
17applicable, and cargo shall not be loaded onto unapproved substitute vessels.

188. TRANSSHIPMENT

19Goods shall be carried by named vessel, or approved substitute as per
20Clause 7, from loading port to destination and shall not be transhipped
21unless said service was contracted for under this booking note or prior written
22permission is received from the Shipper. If the cargo is to be transhipped, the
23originating Carrier shall issue a through bill of lading to cover the entire
24movement and agree to assume all risk and expense to final destination
25notwithstanding any provision of the bill of lading to the contrary.

269. CARGO RE-LET

27Carrier may re-let the cargo to other carriers or operators with the approval of
28the Shipper and USDA / USAID (as applicable).

2910. DEVIATION IN MODE OF DELIVERY

30Any deviation in mode of delivery (direct, relay or transshipment), without the
31prior approval of the Shipper, may result in an ocean freight revision to the
32lowest rate offered for an acceptable mode of delivery complying with the
33freight tender under which this contract was made.

34For U.S. flag vessels only: If service provided under this contract is deemed
35by the U.S. Maritime Administration not to be U.S. flag service for cargo
36preference purposes, the contracted rate to be reduced to the lowest
37responsive foreign flag rate complying with the freight tender under which this
38contract was made. Carrier also agrees to refund the reduction, or to permit
39the deduction from any sums remaining to be paid. In the event that a
40deviation is discovered after payment is made, in whole or in part
41reimbursement is to be made to USAID or USDA (as applicable).

4211. AGENTS

43Carriers are to have the right to appoint their own agents at both load and
44discharge ports.

4512. CUSTOM CLEARANCE AT DISCHARGE PORT

46The Shippers/Receivers/Consignees are fully responsible for custom
47clearance of the cargo at the discharge port. If the cargo is to be delivered
48under a through bill of lading, the Carrier is to be responsible for any transit
49and/or cross border clearances; however, Shipper/Receiver/Consignee is to
50remain responsible for the final customs clearance of the cargo for the
51destination country.

5213. DELAY AT DESTINATION

53Any expense which the Carrier may incur in connection with delivery of this
54shipment at destination as a result of delay to the vessel and/or Carrier's
55equipment due to the receiver/consignee negligence shall be for the account
56of the receiver/consignee and the Carrier shall have no recourse against the
57Shipper on that account.

5814. NOTICES

59The Carrier shall notify the Shipper of the vessels position, status and ETA
6021, 14, 7, 5 days and 24 hours prior to the scheduled load date or in
61accordance with any other schedule as the Shipper may otherwise direct in
62PART I of this Booking Note. Failure to provide such reports will be
63considered a breach of this contract, and may result in cancellation of the
64booking including application of clause 5 (in the case of the 14 and 7 day
65notices) at the Shipper's sole discretion.

66On completion of loading the contracted cargo and upon the vessel sailing
67from the load port, Carrier shall provide Shipper or Shipper's agent a sailing
68notice, stating vessel's name, commodity, quantity loaded, bill of lading date,
69load port and estimated date of arrival at discharge port. The sailing notice is

70to be followed by the following notices of vessel ETA at discharge port of 10,
717, 3 days and 24 hours.

72For containerized shipments, Carrier is to provide Shipper with the container
73location information within twenty four (24) hours of the request made by the
74Shipper.

7515. DELAY ASSESSMENTS

76If the Carrier determines that the vessel originally scheduled, or a substitute
77vessel approved by the Shipper, will be unable to lift urgent cargo within five
78(5) days of the contracted vessel's ETA at load port as per PART I of this
79booking note, or for non-urgent cargo within ten (10) days, the Carrier shall
80promptly notify the Shipper and propose a later load date. If such notice is
81received not less than twenty-one (21) days before the contracted vessel
82ETA, the Shipper shall either accept the later ETA or cancel the booking
83without cost to the Carrier. If the notice is received less than twenty-one (21)
84days before the contracted vessel ETA, the shipper shall either cancel the
85booking with the Carrier and the Carrier shall be responsible for all charges in
86accordance with clause 5 of this contract or, the Shipper may accept the later
87vessel ETA and apply the loading delay assessment, if applicable as per
88PART I of the Booking Note.

89The Shipper may impose a loading delay assessment (LDA) in the form of a
90U.S. \$ per metric ton per day reduction in the freight rate for each and every
91day beyond the contracted load date (the contracted load date is defined as
92the date that the vessel is estimated to arrive at the specified loading port),
93plus a ten (10) day grace period that the vessel fails to present at the first or
94sole loading port to load the cargo as specified in PART I of this Booking
95Note. If a LDA is to be imposed for any parcels under this booking note, then
96the LDA is to be specified in PART I of this Booking Note.

97Fixed Day DDA – The Shipper may elect to impose a delivery delay
98assessment (DDA) in the amount stipulated in PART I of this Booking Note as
99a per metric ton reduction in the freight rate for each day (or pro-rata of a
100day) for that quantity of cargo which arrives at the discharge port or final
101delivery point, as applicable, beyond the latest delivery date specified in PART
102I of the Booking Note.

103Transit Time DDA – Alternatively, the Shippers may elect to impose a DDA in
104the amount stipulated in PART 1 of this booking note, for all cargo which
105arrives at the first port within the discharge port range, beyond the allocated
106number of days for transit, as stipulated below from the time that the vessel
107has sailed foreign from the last U.S. load port.

108In either the Fixed or Transit Time DDA's, the DDA shall continue to be
109assessed until the cargo arrives at the discharge port or alternately at the final
110delivery point, whichever is applicable.

111The following transit times are to apply to Transit Time DDA:

112Discharge Port Range	Transit Time
113 Central America and Caribbean	15 Days
114 South America	25 Days
115 West Africa	40 Days
116 North Europe	25 Days
117 Mediterranean	25 Days
118 Black Sea	35 Days
119 Red Sea	40 Days
120 South/East Africa	45 Days
121 Middle East and South Asia	45 Days
122 Far East	40 Days

123If the Shipper elects to impose a Fixed Day DDA, then no LDA can be
124imposed under this clause.

125For non-urgent cargoes, the LDA and/or the DDA shall be U.S. \$1.00 per
126metric ton per day or pro-rata and for urgent cargoes, the LDA and/or the DDA
127shall be U.S. \$2.00 per metric ton per day or pro rata. Alternatively, the
128Shipper may assess a different amount provided the amount is specified in
129PART I of the Booking Note.

130Any LDA and/or DDA will be deducted from the freight payment or reimbursed
131to USDA or USAID as applicable if the freight has already been paid.

13216. FUMIGATION

133(A) For any flour covered under this Booking Note, the provisions of
134USDA/KCCO Notice EOD-83 are to apply.

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1(B) If Shippers require the cargo covered under this Booking Note to be fumigated, then the fumigation requirements must be specified in PART I of this Booking Note.

4(C) If the cargo and/or the vessel is found to be infested at the discharge port and provided clean bills of lading were issued, fumigation to be at Carrier's time, risk and expense.

717. FREIGHT

8(A) Except as stipulated in Clause 18, paragraph A. (v), freight is earned upon loading of cargo and Carrier signing/releasing to shipper or shipper's agent, the relevant ocean bill of lading, vessel lost or not lost. The freight is payable as per the freight payment clause that follows, less any deductions that may apply under this Booking Note.

13(B) If there is any failure on the part of the Ocean Carrier to perform the contract after the vessel tendered at the loading port, the Shippers or their designated agent shall be entitled to incur all expenses which, in the judgment of the U.S. Department of Agriculture or USAID as applicable are required to enable the vessel to undertake and carry out her obligations under the booking note, including the expenses for any liens asserted against the vessel. Such expenses may be deducted from the freight earned under this booking note notwithstanding any prior assignments of freight made by the owners or operators.

2218. FREIGHT PAYMENT

23(A) FOR SECTION 416(b), Food for Progress and Food for Education

24 Cargoes:

25 (i) For Delivery at Discharge Port: Payment will be made in accordance with the terms of the Booking Note upon presentation of the required documents stipulated in paragraph (iii) below.

26 (ii) For Inland Destination Delivery or services provided after discharge:

27 (a) Payment of not more than Eighty Five Percent (85%) of freight or as specified in the freight tender will be made in accordance with the terms of this Booking Note upon presentation of the required documents stipulated in paragraph (iii) below.

28 (b) Payment of the balance of freight will be payable upon presentation of a confirmation from Shipper that inland destination delivery or services provided after discharge has been satisfactorily provided under this Booking Note.

29 (iii) Documents required to receive payment for ocean freight:

30 (a) One (1) signed copy of completed Form CCC- 512

31 (b) Four (4) copies of the original clean, unclaused on-board bills of lading indicating the freight rate and signed by the originating carrier

32 (c) For all non-containerized grain cargoes:

33 (1) One (1) signed copy of the Federal Grain inspection Service (FGIS) Official Stowage Examination Certificate (Vessel Hold Certificate);

34 (2) One (1) signed copy of National Cargo Bureau (NCB) Certificate of Readiness (Vessel Hold inspection Certificate); and

35 (3) One (1) signed copy of the National Cargo Bureau (NCB) Certificate of Loading

36 (d) For all containerized grain and grain product cargoes:

37 One (1) signed copy of the FGIS Container Condition inspection Certificate

38 (e) One signed copy of this liner booking note Parts I and II.

39 (iv) Payment of freight is to be direct payment by USDA/CCC, all documents must be submitted to:

40 The Director/Operation Division

41 Foreign Agricultural Service

42 U.S Department of Agriculture

43 1400 Independence Ave., SW, Stop 1035

44 Washington DC 20250-1035

45 Telephone (202) 720-7736:

46 Accompanied by a four copies of a request for direct payment on the carriers letterhead. All direct payments by USDA/CCC will be by electronic transfer and must include on carrier's letterhead, signed by an official or agent of their company:

47 (a) Payee's email address to receive payment advice (SF1166);

48 (b) Payee's bank name, address, account number, type of account being used and ABA routing code number;

49 (c) Payee's bank swift code number, as applicable;

50 (d) The company's taxpayer identification number.

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74 (v) To receive payment in cases where the General Sales Manager determines that circumstances of force majeure have prevented the vessel's arrival at the first port of discharge, the Cooperating Sponsor and/or the Carrier shall submit all documents required by paragraph (iii) above of this section except that USDA/CCC will not pay any remaining balance where this booking note requires Inland Destination Delivery or services provided after discharge and circumstances of force majeure have prevented the vessel's arrival at the first port of discharge or the completion of the services.

83(B) FOR PL 480 Title II Cargoes

84 Payment will be made against the documentation specified below. The Shipper will submit this documentation to USAID as promptly as is administratively feasible after receipt from the Carrier. Further, payment to the Carrier shall be as prompt as is administratively feasible following receipt by the Shipper or their forwarder of freight amounts from USAID.

85 (i) Clean, dated, unclaused, rated, on-board bill of lading meeting the requirements of USAID Regulation 2, 22 CFR Part 202, Section 202.7;

86 (ii) Copy of vessel hold and/or inspection certificate;

87 (iii) Invoice for payment of commission to Carrier's broker (if any) marked "paid" by Carrier's broker;

88 (iv) Invoice for payment of commission to Shipper's agent marked "paid" by Shipper's agent;

89 (v) Fully signed copy of the Booking Note/Contract of Carriage;

90 (vi) Letter from the Shipper stating that the Carrier has paid (or made satisfactory arrangements to pay) all charges and expenses including Loading Delay Assessments (LDA) and/or Delivery Delay Assessments (DDA), if any, resulting from the Carrier's failure to lift cargo as scheduled in accordance with this booking note or authorizing the shipper to deduct such expenses and charges from the freight amounts;

91 (vii) Form AID 1550-1 signed by the carrier;

92 (viii) Fumigation certificate when required;

93 (ix) NCB Certificate of Cleanliness;

94 (x) One copy of Vessel Loading Observation Procedure (VLOP) Certificate;

95 (xi) Copy of Carrier's applicable tariff pages covering this shipment.

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10919. U.S. CARRIAGE OF GOODS BY SEA ACT

110It is mutually agreed that this contract is subject to all the terms and provisions

111of the Carriage of Goods by Sea Act (46 U.S.C. 1300 et seq.) unless

112otherwise provided in this contract. However, in case of claims for loss,

113damage or shrinkage in transit, or any other claims against the Carrier, the

114rules and conditions governing commercial shipments and provisions of the

115Carriage of Goods by Sea Act of 1936 shall not apply as to the period within

116which notice thereof shall be given to the Carriers or to the period within which

117the claim shall be made or suit instituted. Nevertheless any claim must be

118made or suite instituted within six (6) years of the bill of lading date of the

119subject shipment.

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12020. GENERAL AVERAGE

121Provided the Carrier has used due diligence to make the vessel seaworthy,

122then in the event of accident, danger, damage or disaster before or after

123commencement of the voyage resulting from any cause whatsoever, whether

124due to negligence or not, for which, or for the consequences of which the

125Carrier is not responsible by statute, contract or otherwise, the goods,

126receiver/consignees or owners of the goods shall contribute with the Carrier in

127general average to the payment of any sacrifices, losses or expenses of a

128general average nature that may be made or incurred including salvage and

129special charges incurred in respect to the goods. If a salving ship is owned or

130operated by the carrier, salvage shall be paid for as fully as if the said salving

131ship or ships belonged to strangers. General Average shall be payable

132according to York/Antwerp Rules 1994). Cargo is to be released without

133general average security.

13421. PROVISIONS OF US LEGISLATIVE ACTS

135All the terms and conditions of this contract are subject to the applicable

136provisions of the Agricultural Trade Development and Assistance Act of 1954,

137as amended for PL 480 cargoes; Section 416 of the Agricultural Act of 1949,

138as amended for Sec 416(b) cargoes; Section 1110 of the Food Security Act of

1391985, as amended for Food for Progress cargoes; McGovern-Dole

140International Food for Education and Child Nutrition Program, Section 3107 of

141the Farm Security and Rural Investment Act of 2002 for Food for Education

142cargoes and regulations issued there under, as amended.

14322. US CUSTOMS COMPLIANCE

144In accordance with the enforced compliance program for outbound

145documentation of the U.S. Customs Service, Carrier is hereby informed that

146Carrier is responsible for the payment of any penalty assessed against the

147cargo due in whole or in part to delay by Carrier in verifying final load count

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land providing said final load count to the Freight forwarder/Shipping Agent concerned.

323. ISM AND ISPS CODE COMPLIANCE

4Carrier guarantees that this vessel, if required by the ISM (Non self-propelled
5barges are exempt), and ISPS code issued in accordance with International
6Convention for the Safety of Life at Sea (1974) as amended (SOLAS)
7complies fully with the International Safety Management (ISM) Code and the
8International Ship and Port Facilities Security (ISPS) Code and will remain so
9for the entirety of her employment under this booking note. Upon request,
10Carriers to provide Shippers with a copy of the relevant document of
11compliance (DOC) and Safety Management Certificate (SMC) in regard to the
12ISM Code and the International Ship Security Certificate (ISSC) in regard to
13the ISPS Code. Carriers are to remain fully responsible for any and all
14consequences from matters arising as a result of the Carrier or the vessel
15being out of compliance with the ISM and ISPS code.

1624. COMPLIANCE WITH SECTION 408 OF THE U.S. COAST GUARD

17 AUTHORIZATION ACT OF 1998

18Public Law 105-383 (46 U.S.C. Section 2302 (e), establishes, effective
19January 1, 1999, with respect to non-U.S. flag vessels and operators /
20owners, that substandard vessels and vessels operated by operators of
21substandard vessels are prohibited from the carriage of government impelled
22(preferred) cargo(es) for up to one year after such substandard
23determination has been published electronically. As this cargo is preference
24cargo, carrier must warrant that vessel(s) and owner / operators are not
25disqualified to carry such cargo(es).

2625 WAR RISK PREMIUM

27The Carrier is to be fully responsible for any and all War Risk Insurance
28Premium that may be assessed against the vessel during the duration of this
29contract.

3026. USDA / USAID NOTICES

31The following USDA and USAID "Notice to the Trade" are hereby incorporated
32into this booking note. The complete text of these Notices can be obtained at
33the USDA or USAID web site. In addition to the specific notices referenced
34below, any cargo booked under this booking note is subject to all relevant
35notices to the trade that have been issued by USDA and/or USAID prior to the
36date of this booking note as specified in PART I.

37(A) The USDA Kansas City Commodity Office's "Container, Barge, and
38Vessel Hold Inspection Requirements Title II, PL 480 and Section 416 Export
39Donations" is fully incorporated in this contract.

40(B) USDA Kansas City Commodity Office Notice to the trade EOD-110 dated
41May 10, 2002 "Recovering Packaged Commodities for Food Aid Programs"
42is incorporated herein. A copy of the notice can be obtained from the following
43FTP site: www.fsa.usda.gov/daco/eod_notices/eod110.pdf.

44(C) USDA Kansas City Commodity Office Notice to the trade EOD-68 dated
45May 5, 2000 "Change in VLO Requirements and Procedures" is incorporated
46herein. A copy of the notice can be obtained from the following FTP site:
47<http://fsa.usda.gov/public/export/eod68.txt>. A copy of the VLO Certificate must
48be submitted as part of the freight payment package.

49(D) USDA Kansas City Commodity Office notice to the trade and USAID
50modifications to booking guidelines dated July 5, 1996, regarding changes in
51vessel loading observations procedure and clarification of FAS delivery are
52hereby incorporated into this booking note.

5327. DISPUTE RESOLUTION

54Except where USDA/CCC has retained the right to file or pursue claims,
55including but not limited to marine cargo loss and damage and General
56Average, Shippers to have the option of selecting one of the following dispute
57resolution procedures which is to be specified in PART I of this Booking Note.
58In the event that the Shipper does not select one of the following procedures,
59any dispute arising out of this Booking Note can be adjudicated by the
60Shipper or Carrier to any court of appropriate jurisdiction located in the United
61States.

62(A) Arbitration: All disputes arising out of this contract shall be arbitrated at
63New York in the following manner, and be subject to U.S. Law:
64One Arbitrator is to be appointed by each of the parties hereto and a third by
65the two so chosen. Their decision or that of any two of them shall be final and
66for the purpose of enforcing any award, this agreement may be made a rule of
67the court. The Arbitrators shall be commercial men, conversant with shipping
68matters. Such Arbitration is to be conducted in accordance with the rules of
69the Society of Maritime Arbitrators Inc. (All World Food Program bookings will
70be subject to this arbitration clause)

71(B) Federal Acquisition Regulations procedure as defined under FAR:
7252.233.

73(C) Mediation to be in accordance with the rules and procedures of the
74Society of Maritime Arbitrators or the American Arbitration Association as
75mutually agreed between Shipper and Carrier.

76Disputes involving marine loss and damage claims and related matters are
77subject to the American Carriage of Goods by Sea Act.

7828. PERFORMANCE BOND

79Shipper reserves the right to require the Carrier to post a Performance Bond.
80Said Bond to be in the form of a certified check only, drawn on a U.S. bank,
81equivalent to five (5) percent of the gross freight, in favor of the Agency for
82International Development or the United States Department of Agriculture.
83The Bond to be held until the vessel completes loading and the Carrier has
84released clean, un-claused original bills of lading or at the Shippers option
85until the vessel arrives at the discharge port. The Shipper has the right to
86cancel this booking in the event that the Carrier fails to post the Performance
87Bond within 2 working days after the cargo has been booked and all subjects
88lifted.

8929. BANNER CLAUSE

90USAID require that all vessels transporting food assistance cargo display a
91banner and/or flag as follows:
92For USAID Title II cargoes – Vessel is to display a USAID standard large size
93USAID flag and a USAID banner with the revised USAID emblem. The banner
94is approximately 16 feet wide by 16 feet tall and is to be displayed on vessels
95carrying USAID funded cargoes. Both the banner and flag are to be flown
96while the vessel enters the load/discharge ports and during cargo operations.
97Carriers are to ensure that any lightering vessel(s) employed is also to display
98the flag and banner during discharging operations. Carrier is to comply with
99this requirement at its expense.

10030. BOOKING NOTE CHANGES

101Any terms or provisions inserted in or deleted from this contract by the Carrier
102or Shipper or their agents shall be null and void unless approved in writing by
103both the Shipper and Carrier.

----- End -----