

U.S. FOOD AID BOOKING NOTE
For Packaged Commodities – Part II

Dated November 1, 2004

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. Department of Agriculture (hereinafter "USDA") as the standard terms and conditions applicable to mark and count cargo bookings under U.S. Government funded food 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 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 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 conditions contained herein.

1 **1. LOAD/DELIVERY TERMS**

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

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

7 Cargo will be delivered to the Carrier at the first point of rest within a USDA
8 approved transport terminal within the commercial limits of the named port of
9 loading free of expense to carrier including any wharfage assessed against
10 the cargo by the governing port authority and/or receiving terminal. The
11 Carrier is to nominate the transport terminal in writing within 3 business days
12 after the Carrier has received written notification from the Shipper or its agent
13 that all subjects on the booking have been lifted. Carrier is to be liable for all
14 costs incurred due to the failure to provide this information. The transport
15 terminal can be a freight station, a container terminal or yard, a multipurpose
16 cargo terminal, on the quay along side the vessel at the FAS port or any
17 similar receiving point.

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

19 (As designated by letter "R" preceding point of origin) — The cargo shall be
20 delivered to the Carrier and loaded on the Carrier supplied conveyance
21 (containers, trucks, trailers or rail cars) at named point of origin, free of
22 expense to the Carrier. The Carrier shall be responsible for the costs of
23 transportation from said named point of loading to the U.S. port of export and
24 the cost of loading the cargo on board the ocean going vessel. Carrier must
25 provide suitable conveyances to comply with the loading capabilities and
26 capacity at the intermodal plant. Any costs incurred including but not limited
27 to liquidated damages and storage, for failing to provide suitable
28 conveyances will be for Carrier's account. If containers are to be placed at
29 the point of origin, Carrier must ensure that the containers are placed at the
30 commencement of the shipping period and containers are supplied on a
31 continuous basis, or as otherwise mutually agreed between parties, until the
32 contract quantity is fulfilled.

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

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

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

44 (MSA Sec. 17 cargo and as designated by Letter "L" preceding point of
45 origin) — Carrier is to nominate the marine cargo terminal at the named
46 Lakes Point. The Carrier's named terminal must be approved by USDA for
47 handling MSA Section 17 Lakes cargo. The cargo shall be delivered to the
48 Carrier in rail cars, trucks or trailers at the Carrier's named marine cargo
49 terminal free of cost to Carrier. The Carrier is responsible for unloading the
50 cargo from the conveyances at the named marine cargo terminal and loading
51 the cargo onto an oceangoing vessel or barge or trans-loading the cargo into
52 oceangoing containers. If the cargo is trans-loaded into containers, then the
53 Carrier is also responsible for transporting the containers to the declared
54 USA port of exit and the cost of loading the containers onto the oceangoing
55 vessel or barge.

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

57 (As designated by Letter "P" preceding pre-position port) Cargo to be made
58 available to the Carrier at the location as specified in the freight tender (or in
59 the case of Lake Charles as provided herein). Upon notification to
60 USDA/KCCO of vessel contract award, carrier will be notified by the
61 Shipper's Agent within (2) working days as to the exact location of all cargo
62 contracted for carriage. The Carrier will then have four (4) working days to
63 accept or reject the commodity as contracted giving reasons in writing, for
64 any rejections. The commodity parcels rejected shall be identified to the port
65 and to USDA/KCCO. Cargoes rejected by the Carrier will be subject to

68 accomplished; the Carrier will have 24 hours to inspect the replaced
69 commodity. The Carrier (or its agents or stevedores) shall sign non-
70 negotiable dock receipts, indicating acceptance of the cargoes in good order.
71 Upon this acceptance, cargo is deemed to be in a delivered position and
72 becomes the full responsibility of the contracted Carrier. The cargoes moving
73 directly from rail cars or trucks to the performing vessel or containers are
74 considered to be FAS cargoes.

75 For pre-position cargo loading in Lake Charles, LA the cargo will be made
76 available for loading from one to two safe berths with the following to apply:
77 Sheds 1, 2, 3, and 150 are to be considered as one berth. Sheds 4, 5, and 6
78 are to be considered as one berth. Shed 7 is to be considered as one berth.
79 Shed 8 and 9 are to be considered as one berth. Shed 15 is to be considered
80 as one berth.

81 **2. DISCHARGE/DELIVERY TERMS**

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

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

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

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

100 (B) Delivered to port warehouse or CFS:

101 (i) Breakbulk: The cargo is to be placed into the warehouse(s)
102 within the port area.

103 (ii) Containerized: Containers are to be discharged and moved to
104 the Carrier's CFS where the Carrier is responsible to de-van the cargo
105 and to make it available to the Receiver at a place of rest in the CFS.

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

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

127 (i) Door Delivery: The cargo is to be delivered in Carrier's
128 conveyance at the door of the Receiver's/Consignee's warehouse(s)
129 located outside the port area. The Receiver/Consignee is responsible
130 for the unloading of Carrier's conveyance at the nominated
131 warehouse(s).

66 inspection by FGIS to determine final disposition. Rejected cargo may be
67 replaced by USDA/KCCO and, upon notification that same has been

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

135 **3. STOWAGE**

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

138 **4. PORT OF EMBARKATION**

139 The Carrier shall not transport under this contract must be loaded on board the
140 vessel in a United States port of embarkation, or as authorized by
141 USDA/USAID, as applicable.
142

143 **5. FAILURE TO LIFT CARGO**

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

149 **6. CARGO DISPOSAL**

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

153 **7. SUBSTITUTION**

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

157 **8. TRANSSHIPMENT**

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

165 **9. CARGO RE-LET**

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

168 **10. DEVIATION IN MODE OF DELIVERY**

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

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

181 **11. AGENTS**

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

184 **12. CUSTOM CLEARANCE AT DISCHARGE PORT**

185 The Shippers/Receivers/Consignees are fully responsible for custom
186 clearance of the cargo at the discharge port. If the cargo is to be delivered
187 under a through bill of lading, the Carrier is to be responsible for any transit
188 and/or cross border clearances; however, Shipper/Receiver/Consignee is to
189 remain responsible for the final customs clearance of the cargo for the
190 destination country.

191 **13. DELAY AT DESTINATION**

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

197 **14. NOTICES**

198 The Carrier shall notify the Shipper of the vessels position, status and ETA
199 21, 14, 7, 5 days and 24 hours prior to the scheduled load date or in

200 accordance with any other schedule as the Shipper may otherwise direct in
201 PART I of this Booking Note. Failure to provide such reports will be
202 considered a breach of this contract, and may result in cancellation of the
203 booking including application of clause 5 (in the case of the 14 and 7 day
204 notices) at the Shipper's sole discretion.

205 On completion of loading the contracted cargo and upon the vessel sailing
206 from the load port, Carrier shall provide Shipper or Shipper's agent a sailing
207 notice, stating vessel's name, commodity, quantity loaded, bill of lading date,
208 load port and estimated date of arrival at discharge port. The sailing notice is
209 to be followed by the following notices of vessel ETA at discharge port of 10,
210 7, 3 days and 24 hours.

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

214 **15. DELAY ASSESSMENTS**

215 If the Carrier determines that the vessel originally scheduled, or a substitute
216 vessel approved by the Shipper, will be unable to lift urgent cargo within five
217 (5) days of the contracted vessel's ETA at load port as per PART I of this
218 booking note, or for non-urgent cargo within ten (10) days, the Carrier shall
219 promptly notify the Shipper and propose a later load date. If such notice is
220 received not less than twenty-one (21) days before the contracted vessel
221 ETA, the Shipper shall either accept the later ETA or cancel the booking
222 without cost to the Carrier. If the notice is received less than twenty-one (21)
223 days before the contracted vessel ETA, the shipper shall either cancel the
224 booking with the Carrier and the Carrier shall be responsible for all charges
225 in accordance with clause 5 of this contract or, the Shipper may accept the
226 later vessel ETA and apply the loading delay assessment, if applicable as
227 per PART I of the Booking Note.

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

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

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

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

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

251 Discharge Port Range	Transit Time
252 Central America and Caribbean	15 Days
253 South America	25 Days
254 West Africa	40 Days
255 North Europe	25 Days
256 Mediterranean	25 Days
257 Black Sea	35 Days
258 Red Sea	40 Days
259 South/East Africa	45 Days
260 Middle East and South Asia	45 Days
261 Far East	40 Days

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

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

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

272 **16. FUMIGATION**

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

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

278 (C) If the cargo and/or the vessel is found to be infested at the discharge
279 port and provided clean bills of lading were issued, fumigation to be at
280 Carriers time, risk and expense.

281 **17. FREIGHT**

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

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

296 **18. FREIGHT PAYMENT**

297 (A) FOR SECTION 416(b), Food for Progress and Food for Education
298 Cargoes:

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

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

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

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

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

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

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

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

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

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

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

323 (d) For all containerized grain and grain product cargoes:
324 One (1) signed copy of the FGIS Container Condition inspection
325 Certificate

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

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

329 The Director/Operation Division
330 Foreign Agricultural Service
331 U.S Department of Agriculture
332 1400 Independence Ave., SW, Stop 1035
333 Washington DC 20250-1035
334 Telephone (202) 720-7736:

335 Accompanied by a four copies of a request for direct payment on the
336 carriers letterhead. All direct payments by USDA/CCC will be by
337 electronic transfer and must include on carrier's letterhead, signed by
338 an official or agent of their company:
339
340

- 341 (a) Payee's email address to receive payment advice
342 (SF1166);
343 (b) Payee's bank name, address, account number, type of
344 account being used and ABA routing code number;
345 (c) Payee's bank swift code number, as applicable;
346 (d) The company's taxpayer identification number.

347
348 (v) To receive payment in cases where the General Sales Manager
349 determines that circumstances of force majeure have prevented the
350 vessel's arrival at the first port of discharge, the Cooperating Sponsor
351 and/or the Carrier shall submit all documents required by paragraph (iii)
352 above of this section except that USDA/CCC will not pay any remaining
353 balance where this booking note requires Inland Destination Delivery or
354 services provided after discharge and circumstances of force majeure
355 have prevented the vessel's arrival at the first port of discharge or the
356 completion of the services.

357 (B) FOR PL 480 Title II Cargoes

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

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

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

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

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

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

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

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

380 (viii) Fumigation certificate when required;

381 (ix) NCB Certificate of Cleanliness;

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

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

385 **19. U.S. CARRIAGE OF GOODS BY SEA ACT**

386 It is mutually agreed that this contract is subject to all the terms and
387 provisions of the Carriage of Goods by Sea Act (46 U.S.C. 1300 et seq.)
388 unless otherwise provided in this contract. However, in case of claims for
389 loss, damage or shrinkage in transit, or any other claims against the Carrier,
390 the rules and conditions governing commercial shipments and provisions of
391 the Carriage of Goods by Sea Act of 1936 shall not apply as to the period
392 within which notice thereof shall be given to the Carriers or to the period
393 within which the claim shall be made or suit instituted. Nevertheless any
394 claim must be made or suit instituted within six (6) years of the bill of lading
395 date of the subject shipment.

396 **20. GENERAL AVERAGE**

397 Provided the Carrier has used due diligence to make the vessel seaworthy,
398 then in the event of accident, danger, damage or disaster before or after
399 commencement of the voyage resulting from any cause whatsoever, whether
400 due to negligence or not, for which, or for the consequences of which the
401 Carrier is not responsible by statute, contract or otherwise, the goods, the
402 shipper and/or consignees or owners of the goods will assign all rights and
403 responsibilities for general average and marine salvage to the Commodity
404 Credit Corporation (CCC), and CCC shall contribute with the Carrier in
405 general average to the payment of any sacrifices, losses or expenses of a
406 general average nature that may be made or incurred including salvage and
407 special charges incurred in respect to the goods. If a salving ship is owned or
408 operated by the carrier, salvage shall be paid for as fully as if the said salving
409 ship or ships belonged to strangers. General Average shall be payable
410 according to York/Antwerp Rules (1994). Cargo is to be released without
411 requiring deposits, the posting of a bond or general average security.

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412 **21. PROVISIONS OF US LEGISLATIVE ACTS**

413 All the terms and conditions of this contract are subject to the applicable
414 provisions of the Agricultural Trade Development and Assistance Act of
415 1954, as amended for PL 480 cargoes; Section 416 of the Agricultural Act of
416 1949, as amended for Sec 416(b) cargoes; Section 1110 of the Food
417 Security Act of 1985, as amended for Food for Progress cargoes; McGovern-
418 Dole International Food for Education and Child Nutrition Program, Section
419 3107 of the Farm Security and Rural Investment Act of 2002 for Food for
420 Education cargoes and regulations issued there under, as amended.

421 **22. US CUSTOMS COMPLIANCE**

422 In accordance with the enforced compliance program for outbound
423 documentation of the U.S. Customs Service, Carrier is hereby informed that
424 Carrier is responsible for the payment of any penalty assessed against the
425 cargo due in whole or in part to delay by Carrier in verifying final load count
426 and providing said final load count to the Freight forwarder/Shipping Agent
427 concerned.

428 **23. ISM AND ISPS CODE COMPLIANCE**

429 Carrier guarantees that this vessel, if required by the ISM (Non self-propelled
430 barges are exempt), and ISPS code issued in accordance with International
431 Convention for the Safety of Life at Sea (1974) as amended (SOLAS)
432 complies fully with the International Safety Management (ISM) Code and the
433 International Ship and Port Facilities Security (ISPS) Code and will remain so
434 for the entirety of her employment under this booking note. Upon request,
435 Carriers to provide Shippers with a copy of the relevant document of
436 compliance (DOC) and Safety Management Certificate (SMC) in regard to
437 the ISM Code and the International Ship Security Certificate (ISSC) in regard
438 to the ISPS Code. Carriers are to remain fully responsible for any and all
439 consequences from matters arising as a result of the Carrier or the vessel
440 being out of compliance with the ISM and ISPS code.

441 **24. COMPLIANCE WITH SECTION 408 OF THE U.S. COAST GUARD**
442 **AUTHORIZATION ACT OF 1998**

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

451 **25. WAR RISK PREMIUM**

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

455 **26. USDA / USAID NOTICES**

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

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

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

469 (C) USDA Kansas City Commodity Office Notice to the trade EOD-68
470 dated May 5, 2000 "Change in VLO Requirements and Procedures" is
471 incorporated herein. A copy of the notice can be obtained from the following
472 FTP site: <ftp://fsa.usda.gov/public/export/eod68txt>. A copy of the VLO
473 Certificate must be submitted as part of the freight payment package.

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

478 **27. DISPUTE RESOLUTION**

479 Except where USDA/CCC has retained the right to file or pursue claims,
480 including but not limited to marine cargo loss and damage and General
481 Average, Shippers to have the option of selecting one of the following dispute

482 resolution procedures which is to be specified in PART I of this Booking
483 Note. In the event that the Shipper does not select one of the following
484 procedures, any dispute arising out of this Booking Note can be adjudicated
485 by the Shipper or Carrier to any court of appropriate jurisdiction located in the
486 United States.

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

496 (B) Federal Acquisition Regulations procedure as defined under FAR:
497 52.233.

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

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

503 **28. PERFORMANCE BOND**

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

514 **29. BANNER CLAUSE**

515 USAID require that all vessels transporting food assistance cargo display a
516 banner and/or flag as follows:
517 For USAID Title II cargoes – Vessel is to display a USAID standard large size
518 USAID flag and a USAID banner with the revised USAID emblem. The
519 banner is approximately 16 feet wide by 16 feet tall and is to be displayed on
520 vessels carrying USAID funded cargoes. Both the banner and flag are to be
521 flown while the vessel enters the load/discharge ports and during cargo
522 operations. Carriers are to ensure that any lightering vessel(s) employed is
523 also to display the flag and banner during discharging operations. Carrier is
524 to comply with this requirement at its expense.

525 **30. BOOKING NOTE CHANGES**

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

----- End -----

Dated November 1, 2004

The public reporting burden for this information collection is estimated to be 10 minutes. This burden estimate includes time for reviewing instructions, researching existing data sources, gathering and maintaining the needed data, and completing and submitting the information. Send comments regarding the accuracy of this burden estimate and any suggestions for reducing the burden to: U.S. Department of Agriculture, Foreign Agricultural Service, Office of Capacity Building and Development, Food Assistance Division, Attn: OMB Number (0551-0035), 1400 Independence Avenue., S.W., Washington, DC 20250-1034. You are not required to respond to this collection of information unless a valid OMB control number is displayed.
