

CLAUSE 12

(1) The Owners reserve the right to require the exchange of all or any of the vessels named in Part II of the Schedule hereto for an equal number of North Sands coal burners, (herein called the "substituted vessels"), and the Charterer agrees to make such exchange at the earliest dates convenient to the parties hereto but not later than October 1st, 1946, unless otherwise agreed.

(2) The substituted vessels shall be surveyed before delivery in order to determine their condition, but shall be accepted by the Charterer in the condition in which such vessels then are. The substituted vessels shall be deemed to have been placed by the Owners at the service of the Charterer upon the terms and conditions of this Agreement as from the dates on which such vessels respectively are delivered to the Charterer. An agreed inventory of all stores, both consumable and non-consumable, on board each of the substituted vessels, will be made by representatives of the Owners and the Charterer on delivery of such vessels to the Charterer.

CLAUSE 13

(1) It having been agreed separately between the Owners and the Charterer that the Charterer should purchase ten of the vessels for transfer upon purchase to the United Kingdom register, such vessels to be designated by the Charterer from the North Sands coal burners on service under this Agreement, this Agreement shall cease to apply to the said ten vessels from the time of the purchase. The remainder of the vessels not previously lost shall be redelivered as follows:—

(a) On or before 1st January, 1948, the Charterer shall give notice in writing to the Owners designating twenty of the vessels for redelivery between 1st May, 1948, and 15th November, 1948. Eight of these vessels shall be redelivered between 1st May and 30th June, 1948, six between 1st July and 30th September, 1948, and six between 1st October and 15th November, 1948, or as otherwise may be mutually agreed.

(b) On or before 1st September, 1949, the Charterer shall give notice in writing to the Owners designating the balance of the vessels not previously lost for redelivery during 1950. Of these, half of those on service on 1st January, 1950, shall (unless lost) be redelivered at intervals as may be mutually agreed between that date and 30th June, 1950, and the remainder not later than 31st December, 1950.

(2) Each vessel covered by this Agreement shall be redelivered at such port as may be mutually agreed, or failing agreement, at the port at which such vessel was delivered to the Charterer, unless such port was a non-Canadian port, in which event the redelivery shall be at a Canadian port designated by the Owners, in the same order and condition (ordinary wear and tear excepted) and with the same standing as regards Classification and Canadian Steamship Inspection as when delivered to the Charterer subject to the conditions stated below. But if the Owners so require, such vessels shall be redelivered as the vessel then lies so far as any removals, alterations and additions made by the Charterer pursuant to Article 6 of the original Agreement or Clause 5 of this Agreement are concerned. Each vessel shall be surveyed before redelivery in order to determine the vessel's condition.

(3) On redelivery of each vessel:—

(a) The Charterer will assume all Classification Society charges and the cost of repairs required by the Classification Society to put each vessel in class.