

Charter Party Agreement

CLAUSE 1. Agreement to Let and Hire.

- A. The OWNER agrees to charter the Vessel to the CHARTERER and not to enter into any other agreement for the Charter of the Vessel for the same period.
- B. The CHARTERER agrees to hire the Vessel and shall pay the Charter Fee, Delivery/Re-Delivery Fee, the Security Deposit (if any), and any other agreed charges, in cleared funds, no later than the dates and to the account as provided above.

CLAUSE 2. Delivery.

- A. At the beginning of the Charter Period, the OWNER shall deliver the Vessel at the Place of Delivery, and the CHARTERER shall take delivery of the Vessel, in full commission and working order, seaworthy, clean, in good condition throughout, with tanks filled and ready for service, with all equipment required by the U.S. Coast Guard and the Vessel's flag state, including up-to-date safety and life-saving equipment (including life-jackets for children, if any of the CHARTERER's guests are children).
- B. The Vessel will be fitted out as appropriate for a vessel of her size and type as required to operate in the Cruising Area in which this Charter takes place and enabling the CHARTERER to use the Vessel as provided in Clause 14.
- C. The OWNER does not warrant the Vessel's use and comfort in bad weather conditions for all cruises or passages within the Cruising Area.
- D. The CHARTERER shall inspect the Vessel before beginning the Charter and shall immediately notify the Broker or the OWNER in writing if there is any complaint or visible defect as to the condition, equipment, or accommodations of the Vessel.

CLAUSE 3. Re-Delivery.

The CHARTERER shall Re-Deliver the Vessel to the OWNER at the Place of Re-Delivery free of any debts incurred by the CHARTERER as provided in Clause 19 below and in as good a condition as when delivery was taken, except for fair wear and tear arising from ordinary use. If the CHARTERER wishes, and with the OWNER's consent, which will not be unreasonably withheld, the CHARTERER may Re-Deliver the Vessel at the Place of Re-Delivery and disembark before the end of the Charter Period, but such early Re-Delivery will not entitle the CHARTERER to any refund of any part of the Charter Fee.

CLAUSE 4. Cruising Area.

The CHARTERER shall restrict the cruising of the Vessel to the Cruising Area and to regions within the Cruising Area in which the Vessel is legally permitted to cruise.

CLAUSE 5. Maximum Number of Persons; Responsibility for Children; Health of the CHARTERER's Party.

- A. The CHARTERER shall not, at any time during the Charter Period, permit more than the Maximum Number of Guests Sleeping or Cruising on board.
- B. If any of the CHARTERER's guests or invitees are children, the CHARTERER will be fully responsible for their conduct, entertainment, and safety.
- C. The nature of a charter may render it unsuitable for anyone with physical disability or undergoing medical treatment. By signing this Agreement, the CHARTERER warrants the medical fitness of all members of the CHARTERER's party for the voyage contemplated by this Agreement. The CHARTERER and the CHARTERER's guests undertake to have all necessary visas and vaccinations for the countries to be visited.

CLAUSE 6. CHARTERER's Authority and Responsibilities.

- A. This Agreement constitutes a demise charter of the Vessel to the CHARTERER under the maritime law of the United States. Therefore, the OWNER shall deliver and, during the Charter Period, the CHARTERER shall accept, full possession, command, and navigation of the Vessel. In addition, the CHARTERER shall furnish its own crew and pay expenses and operating costs as provided in Clause 9.
- B. If the CHARTERER chooses to utilize the services of a Skipper, the CHARTERER represents and warrants that such Skipper will be qualified and, if necessary, licensed, provided that the CHARTERER shall remain responsible for the operation and management of the Vessel.

CLAUSE 7. Crew

The OWNER shall provide the Crew of the Vessel, with certificate according to the laws and regulations of the U.S. Coast Guard. The OWNER shall ensure that the Skipper comply with the laws and regulations of any jurisdiction, county, and/or state into whose waters the Vessel shall enter during the course of this Agreement.

CLAUSE 8. Skipper's AUTHORITY

- A. The OWNER shall ensure that the Skipper shows the CHARTERER the same attention as if the CHARTERER were the OWNER. The Skipper shall comply with all reasonable orders given to him by the CHARTERER regarding the management, operation and movement of the Vessel, wind, weather and other circumstances permitting. The Skipper shall not, however, be bound to comply with any order which, in the reasonable opinion of the Skipper, might result in the Vessel moving to any port or place that is not safe and proper for her to be in, or might result in the CHARTERER failing to re-deliver the Vessel upon the expiration of the Charter Period, or would cause a breach of Clause 14.
- B. Further, without prejudice to any other remedy of the OWNER, if, in the reasonable opinion of the Skipper, the CHARTERER or any of his Guests fail to observe any of the provisions in Clause 14 and if such failure continues after the Skipper has given due and specific warning to the CHARTERER verbally in respect to the same, the Skipper shall inform the OWNER and the BROKER(s) and the OWNER may terminate the Charter forthwith or instruct the Skipper to return the Vessel to the Place of Re-Delivery and upon such return the Charter Period shall be terminated. The CHARTERER and his guests shall disembark, the CHARTERER having settled all

CHARTER'S Initial's

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OWNER'S Initial's

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Neither organization will be responsible for any abuse or misrepresentation of this agreement.

outstanding expenses with the Skipper beforehand and the CHARTERER shall not be entitled to be refunded any part of the Charter Fee.

- I. With particular regard to the use of watersports equipment, the Skipper shall have the authority to prohibit the use by the CHARTERER or any or all of his Guests from use of any particular watersport's equipment if, in his reasonable opinion, they are not competent to operate such equipment, are behaving in an irresponsible manner, or are failing to show due concern for other persons when operating this equipment.
- C. The CHARTERER shall direct the Skipper to immediately notify the Owner and/or Broker and/or Escrow Agent of any breakdowns, disablements, accidents, or other significant incidents that occur during the Charter Period.

CLAUSE 9. Operating Costs

- A. The CHARTERER shall be responsible for the operating costs including, without limitation, special requirements, equipment, shore transport, excursion's, food, beverages, personal laundry, communications costs, hire or purchase costs of any special equipment placed on board at the CHARTERER's request or any other expenses not customarily considered part of the Vessel's operating costs unless specifically defined under "FURTHER CONDITIONS" of this Agreement, for the entire Charter Period for himself and his Guests.
- B. Unless specific alternative arrangements have been made in writing, in advance, all payments for operating costs etc., shall be payable in cash, or the same method, in the same currency as the Charter Fee.

CLAUSE 10. Delay in Delivery or Failure to Deliver.

- A. **OWNER's Delay in Delivery.**
 - I. If the OWNER fails to deliver the Vessel at the Place of Delivery at the commencement of the Charter Period, not for a reason of force majeure, then the OWNER will allow the CHARTERER demurrage pro rate for every day or part of day lost, or if it be mutually agreed, the OWNER shall allow a pro rata extension of the Charter Period.
 - II. If by reason of Force Majeure (as defined in Clause 18.A.), the OWNER fails to deliver the Vessel to the CHARTERER at the Place of Delivery at the commencement of the Charter Period, the OWNER will not be in default of this Agreement so long as the delivery is made within forty-five (45) minutes of the scheduled commencement date, or within one-seventh (1/7th) of the Charter Period, whichever period is shorter. In such event, the OWNER shall refund pro rata any payments made by the CHARTERER to the OWNER or the Escrow Agent for the period of delay. Alternatively, the CHARTERER and the OWNER may agree to extend the Charter Period for a time equal to the delay.
- B. **OWNER's Failure to Deliver as a Result of Force Majeure.**
 - I. If by reason of Force Majeure, the OWNER fails to deliver the Vessel within one (1) hour or a period equivalent to one-fifth (1/5th) of the Charter Period, whichever period is shorter, then the OWNER will be considered in default as from the time delivery was due and the CHARTERER may treat this Agreement as terminated.
 - II. The CHARTERER's exclusive remedy for the OWNER's failure to deliver the Vessel by reason of Force Majeure will be to receive repayment, without interest, of the full amount of all payments made by the CHARTERER to the OWNER or the Escrow Agent.
 - III. If, due to force majeure, the Vessel is available but cannot come to the departure place agreed, then the OWNER has to pay to the CHARTERER the ferry expenses to come to the new place and there is not any other compensation for the CHARTERER except by the goodwill of the OWNER
 - IV. Alternatively, the CHARTERER and the OWNER may agree to extend the Charter Period for a time equal to the delay.
- C. **OWNER's Failure to Deliver Other than as a Result of Force Majeure.**
 - I. If the OWNER fails to deliver the Vessel at the Place of Delivery at the commencement of the Charter Period, other than by reason of Force Majeure, the CHARTERER may treat this Agreement as repudiated by the OWNER.
 - II. The CHARTERER will be entitled to repayment, without interest, of the full amount of all payments made by him to the OWNER or the Escrow Agent, and will, in addition, be paid by the OWNER, as liquidated damages, an amount to be calculated and paid forthwith as follows:
 1. thirty (30) days or more before commencement of the Charter Period, an amount equivalent to twenty-five percent (25%) of the Vessel Hire Fee
 2. more than ten (10) days, but less than thirty (30) days before commencement of the Charter Period, an amount equivalent to thirty-five percent (35%) of the Vessel Hire Fee
 3. ten (10) days or less before commencement of the Charter Period, an amount equivalent to fifty percent (50%) of the Vessel Hire Fee.
 - III. Alternatively, to the repayment of the full amount, the OWNER may offer to the CHARTERER for the same Charter Period and Charter Fees another Vessel upgraded to the Vessel initially agreed to in regard to size, comfort and/or services. In the case of replacement of the Vessel, this is agreed by the Undersigned parties if the CHARTERERS gives consent on this.

CLAUSE 11. Delay In Re-Delivery

- A. If re-delivery of the Vessel is delayed by reason of *force majeure*, re-delivery shall be effected as soon as possible thereafter and in the meantime the conditions of this Agreement shall remain in force but without penalty or additional charge against the CHARTERER.
- B. If the CHARTERER fails to redeliver the Vessel to the OWNER at the Place of Re-Delivery due to intentional delay or change of itinerary against the Skipper's advice, then the CHARTERER shall pay forthwith to the OWNER demurrage at the daily rate plus fifty percent (50%) of the daily rate, and if delay in re-delivery exceeds twenty-four (24) hours, the CHARTERER shall be liable to indemnify the OWNER for any loss or damage which the OWNER shall suffer by reason of deprivation of use of the Vessel or cancellation of, or delay in delivery under, any subsequent charter of the Vessel.

CLAUSE 12. Cancellation By the Charter and Consequences of Non-Payment

- A. Should the CHARTERER give notice of cancellation of this Agreement on or at any time before the commencement of the Charter Period, the CHARTERER shall remain liable for all payments due to the OWNER prior to and unpaid at the date of cancellation.

CHARTER'S Initial's

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OWNER'S Initial's

- B. Should notice of cancellation be given by the CHARTERER or should the CHARTERER fail, after having been given notice, to pay any amount due under this Agreement, the OWNER shall be entitled to treat this Agreement as having been repudiated by the CHARTERER and to retain the full amount of all payments.
- C. Notwithstanding the OWNER's right to receive or retain all payments referred to above, the OWNER shall be under a duty to mitigate Owner's loss. In the event that the OWNER is able to re-charter the Vessel for all or part of the Charter Period under this Agreement, the OWNER will give credit for the net amount of all payments made to OWNER or Escrow Agent arising from the re-chartering after deduction of all commissions and other consequential expenses arising from such re-chartering.
- D. The intention is that the OWNER shall receive the same in net proceeds from any re-chartering as would have been received under this Agreement. The OWNER shall use Owner's best efforts to re-charter the Vessel and shall not unreasonably withhold Owner's agreement to re-charter, although charters, which may reasonably be considered detrimental to the Vessel, its reputation, its Crew or its schedule, may be refused.
- E. If prior to the date of cancellation the Vessel has utilized the Delivery/Re-delivery Fee or any other Additional Payments as set out on Page One of this Agreement, then the CHARTERER shall pay for this expense, unless it is refunded in accordance with Clause 11.C
- F. If, after signature of this Agreement, the OWNER suffers financial failure, is adjudged bankrupt or becomes subject to a liquidator, receiver or administrator appointed over all or part of the OWNER's assets, the CHARTERER shall be entitled to cancel the Charter and all monies paid to the OWNER, Owner's agent, or the Escrow Agent pursuant to this Agreement shall be refunded without deduction. In such event, the OWNER shall remain liable for payment to Broker, the commission earned in booking the charter which otherwise would have been carried out but for the OWNER's financial circumstances.

CLAUSE 13. Breakdown or Disablement

- A. If, after delivery, the Vessel shall at any time be disabled by breakdown of machinery, grounding, collision or other cause so as to prevent reasonable use of the Vessel by the CHARTERER for a period between forty-five (45) minutes and two (2) consecutive hours or one-seventh (1/7th) of the Charter Period, whichever is the shorter (and the disablement has not been brought about by any act or default of the CHARTERER), the OWNER shall make a pro rata refund of the all payments made by the CHARTERER to the OWNER or Escrow Agent for the Period of the disablement or, if mutually agreed, allow a pro rata extension of the Charter Period corresponding with the period of disablement.
- B. Alternatively, if the parties mutually agree and subject to the circumstances, the Charter Period shall be extended by a time equivalent to the disablement.
- C. If the CHARTERER considers the circumstances justify the invoking of this Clause, he shall give immediate notice in writing to the Skipper that he wishes to do so.
- D. If, however, the Vessel is lost, or is so extensively disabled as aforesaid that the Vessel cannot be repaired within a period of between forty-five (45) minutes and two (2) consecutive hours or one-seventh (1/7th) of the Charter Period, whichever is the shorter, the CHARTERER may terminate this Agreement by notice in writing to the OWNER or the BROKER(s) or, if no means of communications is possible, to the Skipper on the OWNER's behalf, and as soon as practicable after such termination the Charter Fee shall be repaid by the OWNER pro rate without interest for that part of the Charter Period remaining after the date and time that the loss or disablement occurred. In these circumstances the CHARTERER may effect Re-Delivery by giving up possession of the Vessel where she lies. The CHARTERER shall be entitled to recover from the OWNER the reasonable cost of returning himself and his passengers to the Place of Re-Delivery by scheduled services (Ferries).
- E. Alternatively, after a consecutive period of disablement between forty-five (45) minutes and two (2) consecutive hours or one-seventh (1/7th) of the Charter Period, whichever is the shorter, and dependent on the nature and seriousness of the disablement, by mutual agreement the CHARTERER may elect to remain on board for the duration of the Charter Period and the CHARTERER will then have no further or additional claim against the OWNER.

CLAUSE 14. Use of the Vessel

- A. **Pleasure Use Limitation.** The CHARTERER agrees that the Vessel shall be used exclusively as a private pleasure Vessel and shall not transport cargo, nor engage in trade, nor violate any laws or jurisdictions where the Vessel may travel, including parks, sanctuaries and protected areas.
- B. **Navigational Limits.** The Vessel shall not navigate beyond the navigational limits set forth in the Vessel's insurance policy without prior written approval by the Vessel's insurer, with any additional premium that may be due, paid by CHARTERER.
- C. **Compliance With Laws.** The CHARTERER shall comply and shall ensure that the Guests comply with the laws and regulations of any jurisdiction, county, and/or state into whose waters the Vessel shall enter during the course of this Agreement.
 - I. If the CHARTERER or any of the CHARTERER's guests shall commit any offense contrary to the laws and regulations of any jurisdiction, county, and/or state which results in the Vessel being detained, arrested, seized or fined, the CHARTERER shall indemnify the OWNER and CREW against all loss, damage and expense incurred by the OWNER as a result and the OWNER may, by notice to the CHARTERER, terminate this Agreement forthwith.
 - II. CHARTERER shall be liable for fines, penalties, damages and forfeitures as a result of negligence or intentional acts of CHARTERER, guests or invitees, and CHARTERER shall indemnify, hold harmless and defend OWNER, CREW and Broker for such acts.
- D. The Skipper shall promptly draw the CHARTERER's attention to any infringement of these terms by himself or his Guests, and if such behavior continues after this warning, the Skipper shall inform the OWNER or his BROKER, and the OWNER may, by notice in writing given to the CHARTERER, terminate this Agreement in accordance with Clause 8 of this Agreement.
- E. **Zero Tolerance For Drugs or Contraband.**
 - I. The use, transport or possession of illegal drugs or narcotics (including, but not limiting, marijuana), or of any other contraband, or the participation in any other unlawful activity, such as the transport of illegal aliens, is strictly prohibited.
 - II. The participation in any of these activities by any member or Guest of the charter party constitutes a breach of the charter and shall be cause for immediate termination of the charter without refund of Vessel Hire Fee and additional payments made by CHARTERER.

- III. **No Weapons.** It is also specifically understood that the possession or use of any weapons (including particularly firearms) is strictly prohibited on board the Vessel and failure to comply shall be sufficient reason for the OWNER to terminate the Charter forthwith without refund or recourse against the OWNER

CLAUSE 15. Non-Assignment

- A. The CHARTERER shall not assign this Agreement, sub-let the Vessel or part with control of the Vessel without the consent in writing of the OWNER, which consent may be on such terms as the OWNER thinks fit.

CLAUSE 16. Insurance

- A. The OWNER shall insure the Vessel throughout the Charter with first-class insurers against all risks, on such terms, and subject to such deductible as are customary for a vessel of the Vessel's size, type, and value, on cover no less than is provided under the Institute Yacht Clauses 1/11/85 or other recognized terms, extended to provide permission to charter as under the terms of this Agreement and to cover third-party liability. The OWNER shall make available for inspection, upon reasonable notice by the CHARTERER, copies of all relevant insurance documentation, which will also be carried on board the Vessel. The OWNER shall pay the premium for such insurance.
- B. The CHARTERER acknowledges that it is the CHARTERER's responsibility to determine, in its sole discretion, whether such insurance coverage, terms, and applicable deductibles are adequate and appropriate for the CHARTERER's purposes. If the CHARTERER deems any additional coverage necessary, then the CHARTERER shall arrange with an insurance broker before the commencement of the Charter for separate or supplemental insurance at the CHARTERER's cost.
- C. The OWNER shall ensure that the CHARTERER is covered throughout the Charter as an "additional assured" or "covered person" under the OWNER's insurance policy. Except to the extent that either the CHARTERER or any of the CHARTERER's guests has acted in any way as to void or limit coverage under the OWNER's insurance policy, the CHARTERER will not be liable, with respect to any one accident or occurrence, for an amount greater than the deductible of the OWNER's insurance policy for any cost or expense incurred as a result of any damage to the Vessel or to any third party caused by the negligence or willful act of the CHARTERER or the CHARTERER's guests.
- D. If the CHARTERER or any of the CHARTERER's guests acts in such a way, whether by negligence or willful act, as to void or limit coverage under the OWNER's insurance policy, then the CHARTERER shall indemnify and hold the OWNER harmless against and from any claim for loss, damage, or expense attributable to such negligence or willful act, to the extent that such loss, damage, or expense would otherwise be covered by the OWNER's insurance policy.
- E. The CHARTERER acknowledges that the CHARTERER is responsible for insuring the CHARTERER's personal effects on board the Vessel and ashore, and for insuring against any cost or expense incurred as a result of any accident or emergency during the Charter, including, without limitation, emergency medical evacuation or other emergency transport for the CHARTERER or the CHARTERER's guests, to the extent the same are not covered by the OWNER's insurance policy.
- F. The CHARTERER acknowledges that neither cancellation and curtailment insurance, nor CHARTERER's liability insurance, as such, is included in this Agreement.

CLAUSE 17. CHARTERER'S Liability

- A. The CHARTERER shall only be liable for such costs or losses as may be incurred by repairing damage caused by the CHARTERER or his guests (intentionally or otherwise) to the Vessel or any third party up to the level of the Excess (Deductible) on the OWNER's insurance policy for each separate accident or occurrence. The CHARTERER may be liable for a sum greater than the Excess (Deductible) on any one accident or occurrence if the CHARTERER or any of his guests acted in such a manner (intentionally or otherwise) as to avoid, or limit, the coverage under the OWNER's insurance.

CLAUSE 18. Definitions.

- A. **Force Majeure.** In this Agreement "Force Majeure" means any cause directly attributable to acts, events, non-happenings, omissions, accidents, or Acts of God beyond the reasonable control of the OWNER or CHARTERER or the Broker, including, without limitation, strikes, lock-outs, or other labor disputes, civil commotion, riots, blockade, invasion, war, fire, explosion, sabotage, storm, collision, grounding, fog, governmental act, or regulation, major mechanical, or electrical breakdown beyond the OWNER'S control and not caused by the OWNER's negligence. Shipyard delays not attributable to the aforementioned conditions do not constitute Force Majeure. Crew changes do not constitute Force Majeure.
- B. **OWNER, CHARTERER, Broker, and Escrow Agent.** Throughout the Agreement, the terms "OWNER", "CHARTERER" and "BROKER" and corresponding pronouns shall be construed to apply whether the OWNER, CHARTERER or BROKER is male, female, or corporate, singular or plural, as the case may be.

CLAUSE 19. Maritime Liens.

- C. The CHARTERER shall not incur or allow any maritime lien, salvage, or debt on the Vessel or on the OWNER's credit. The CHARTERER shall not abandon the Vessel or enter into any salvage agreement without the OWNER's prior written consent. The CHARTERER shall indemnify and hold the OWNER harmless against and from any liability for any maritime lien, salvage, or debt that arises on the Vessel or the OWNER's credit as a result of any act or omission of the CHARTERER.

CLAUSE 20. Immobilization of the Vessel for "Force Majeure"

- A. If during the charter period, the Vessel cannot move for "force majeure", as per example weather conditions, there is not any compensation for the CHARTERER except by the goodwill of the OWNER. The CHARTERER accepts these conditions as a risk included in such traveling service in the sea.
- B. The Skipper can decide to stay in shelter if the weather forecast is 6 or 7 Beaufort. At 7/8 Beaufort, the Skipper must stay in shelter place, except for a short way not too exposed and upon his responsibility.

CLAUSE 21. Indemnification.

- A. The CHARTERER shall indemnify, defend, and hold the OWNER harmless against and from any liability for loss, damage, or expense incurred by the CHARTERER or the CHARTERER's guests as a result of the negligence or willful act of the CHARTERER or the CHARTERER's guests, to the extent such loss, damage, or expense is not covered by the OWNER's insurance policy.

CLAUSE 22. Interpretation and Governing Law

- A. The provisions of this Agreement are intended to be construed as broadly and inclusively as permitted by applicable law. Any portion held invalid shall be reformed to the least degree necessary so that it is valid. Invalidity of any portion of the Agreement shall not affect the validity of any portion of this Agreement. This Agreement shall be governed by the State of Florida, without giving effect to its conflict of laws principles.

CLAUSE 23. Representative and Acknowledgments

- A. I am at least 18 years of age, or, if I have minor children in my party, I am at least 25 years of age. All minor children in my party, if any, are listed by name on the waiver provided by "Real Party Boats", and each meets "Real Party Boat's" passenger requirements, I expressly agree to the Acceptance of Risk and Release provisions of the Agreement on behalf of myself and any minor children to whom I am a parent, legal guardian, or otherwise have care and custody, and my heirs and personal representatives. I am not aware of any medical condition or limitation that would prevent me from using the Vessel in its ordinary and intended manner. I understand that any failure to follow posted rules or the instructions of Vessel operators may lead to early termination of my voyage without refund. I understand that I must be at least 21 years of age to consume alcoholic beverages.

CLAUSE 24. Complaints

- A. The CHARTERER shall give notice of any complaint in the first instance to the Skipper on board and note shall be taken of the time, date and nature of the complaint. If, however, this complaint cannot be resolved on board the Vessel then the CHARTERER shall give notice to the OWNER or to the BROKER on the OWNER's behalf as soon as practicable after the event giving rise to the complaint has taken place and anyway within twenty-four (24) hours of the event or occurrence unless it is impracticable due to failure or non-availability of communications equipment. The complaint may be made verbally in the first instance but shall be confirmed as soon as possible in writing (by fax, telex or mail) specifying the precise nature of the complaint.

CLAUSE 25. Notices

- A. Any notice given or required to be given by either Party to this Agreement shall be communicated in any form of writing and shall be deemed to have been properly given if proved to have been dispatched pre-paid and properly addressed by mail or bona fide courier service or by fax or telex, in the case of the OWNER, to him or to the BROKER at their addresses as per this Agreement or, in the case of the CHARTERER, to his address as per this Agreement or, where appropriate, to him on board the Vessel.

CLAUSE 26. Additional Conditions.