

**DEMISE CHARTER AGREEMENT
Bare Boat Charter**

This Charter Agreement entered into on this the ____ day of _____, 20____, between _____ hereinafter referred to as the Owner and _____ or their assignee (hereinafter referred to as the Charterer.)

WITNESSETH:

Whereas the Owner is the registered owner of a vessel described as:

Vessel Name	_____
GRT/NRT	_____
Class	_____
Horsepower	_____
Capacity	_____
Design speed	_____
Proposed route	_____
Period of Hire	_____
Port of Delivery	_____
Trade Limits	_____

And Whereas the Charterer wishes to charter said vessel;

NOW, THEREFORE, in consideration of the premises and covenants herein contained, the parties hereto mutually agree as follows:

1. The charter shall begin at 12:01 A.M. on the _____ and terminate at 11:59 P.M. on _____.
2. The charter shall be for a total period of _____ months.
3. The vessel shall be delivered to Charterer in the same condition as when inspected and accepted by Charterer. Owner reserves the right to have vessel surveyed as to equipment and condition and Charterer reserves the right to have vessel surveyed upon termination and redelivery to Owner at the conclusion of said charter. Said vessel shall be delivered to Charterer at the port of _____ and redelivered to Owner at the port of _____ in the same condition as when chartered excepting ordinary wear and tear.

4. The compensation for said charter shall be as follows:

CHARTER RATE: The charter rate shall _____ per day, quoted in the lawful currency of the United States of America.

SECURITY DEPOSIT: _____

DATE OF LAST CHARTER PAYMENT: _____.

Said compensation shall be paid as follows:

Payment shall be in cash, certified check or electronic bank wire transfer to _____.

5. This is a demised charter and Charterer reserves to operate said vessel lawfully and in a safe and seaworthy manner. Charterer shall conform to all laws and regulations. Charterer agrees to indemnify, protect, defend and hold harmless the Owner, the vessel, its registered owner, its master and crew, and their respective underwriters from and against the results of any breach by chartered of the obligations or any other obligations imposed by law upon the Charterer. Charterer shall maintain the vessel in good repair and maintain all classification, certificates or certificates of inspection in full force and effect during the entire course of the charter.
- A. During the course of the charter, Charterer shall maintain in full force and effect insurance in the amount of _____ USD naming the Owner as loss payee protecting the vessel for loss or damage for hull and machinery. In addition Charterer shall maintain a policy or policies of insurance providing for pollution, liability, crew and employee injury. Each policy shall name the Owner as an additional insured.
6. Charterer shall provide and pay for the master and crew of the vessel. The Charterer shall select and direct said master and crew. The duties of the crew shall be directed and controlled solely by the Charterer. The master of the vessel shall serve at the discretion of the Charterer. Charterer shall review and evaluate each licensed officer as to his ability and skill in the position employed and assure Owner as to the qualifications of the chief engineering staff.
7. Neither the Owner, its officers, directors, employees, the vessel, her owner, operators, nor the underwriters of any of the foregoing shall have any responsibility or liability for any claim involving damage to or loss of any cargo or equipment carried by the vessel; or for any injury, illness, disease or death of employees of Charterer, its subcontractors, or their employees or agents; and Charterer shall defend indemnify and hold harmless Owner its officers, directors, employees, the vessel, its owner, operators, master, and crew and the underwriters of each of the foregoing from and against any such claim, whether groundless or not, and whether caused in whole or in part by the negligence or faults of indemnities or by unseaworthiness of the vessel or equipment of Owner, Owner's property and Owner's sub-contractors' property.

8. Neither Owner nor Charterer shall be responsible hereunder for prospective profits or for special, indirect or consequential damages.
9. Neither the Owner nor the Charterer shall not create, incur, or permit any liens to be imposed upon any vessel chartered under this agreement.
10. Charterer may not assign this agreement without notice to the Owner and without his written agreement.
11. Charterer shall keep the Owner advised of the usual berth for the vessel or on voyage of the itinerary of the vessel. Failure to keep the Owner informed of the location of the vessel shall be considered to be a breach of Charterer's agreement.

Notices to the Owner shall be sent to:

Notices to the Charterer shall be sent to:

Notices so sent shall be deemed received three (3) days after mailing.

12. This agreement shall be construed in accordance with the admiralty and maritime laws of the United States of America and the State of _____.
13. Navigational Limitations.

DEFAULT

14. The Charterer may be declared in default of this charter agreement is any one of the following events occurs:
 - a) Failure to make charter payments upon the date due.
 - b) Having failed to make time payment and upon notice by the Owner having failed to correct the default within fifteen (15) days.
 - c) Failing to permit inspection of the vessel by Owner or Owner's representative and upon written notice by Owner allowing or permitting said failure to permit inspection to continue for more than five (5) days.
 - d) Failing to maintain continuous insurance coverage of the vessel in the amount agreed upon and naming Owner as loss payee.
 - e) Operating the vessel contrary to the criminal law of any nation or state in which the vessel operates.
 - f) Failing to maintain the vessel and its equipment in a seaworthy and seaman like condition. Said determination of maintenance shall be determined by annual survey. Charterer will have 30 days from the completion of the annual survey to make any repairs so designated by the surveyor.

- g) Commission of any act of bankruptcy or approval by any court of a petition or request for reorganization, arrangement, extension or other relief under any bankruptcy law; or by appointment of a receiver.
- 15. Then in case of said default, Owner may:
 - a) Declare the charter terminated.
 - b) Recover judgment for and collect out of any property Charterer may own any amount due and collect all earned charter hire and freight moneys relating to services performed by the vessel.
- 16. The Charterer shall have the right to make improvements to the vessel as per Owner's prior agreement and approval that shall not unreasonably be withheld. The Charterer shall pay for all such improvements.
- 17. The purchase option provided for in paragraph 14 shall be governed by the terms and conditions contained in the Agreement to Purchase attached here to as Exhibit 1 and incorporated herein by reference as if fully set forth.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representative, in duplicate originals, on the day and year first written above.

Dated: _____

Dated: _____

By: _____

By: _____

CORPORATE RESOLUTION

It is hereby resolved by the officers and board of directors of the undersigned corporation, the meeting having been duly called and all objections to notice and place having been waived, that _____, acting as President of _____ is hereby authorized to sell, convey and deliver all rights, title or interest, whatsoever, that this corporation has, claims or may in the future acquire to the persons or corporation appearing on the attached Bill of Sale.

_____ is hereby authorized to execute the Bill of Sale and any other documents necessary for said transaction on behalf of the corporation with our full consent and authority.

Dated this the _____ day of _____, 20_____.

President

Chairman of the Board of Directors

CORPORATE RESOLUTION

It is hereby resolved by the officers and board of directors of the undersigned corporation, the meeting having been duly called and all objections to notice and place having been waived, that _____, acting as President of _____, Inc., is hereby authorized to sell, convey and deliver all rights, title or interest, whatsoever, that this corporation has, claims or may in the future acquire to the persons or corporation appearing on the attached Bill of Sale.

_____ is hereby authorized to execute the Bill of Sale and any other documents necessary for said transaction on behalf of the corporation with our full consent and authority.

Dated this the _____ day of _____, 20_____.

President

Chairman of the Board of Directors