

All payments shall only be deemed paid when cleared and on deposit.

OWNER's designated bank account: _____

All Operating Costs of the Vessel incurred during the Charter Period are the responsibility of the Charterer as specifically including the following costs:

SIGNATURES

The Owner and Charterer expressly agree that **Clauses 1-30**, inclusive, form part of this Agreement, which consists of **nine (9)** pages plus any Additional Conditions or Addenda attached. Signed facsimile copies of this Agreement shall be binding. **SEE ADDITIONAL CONDITIONS – CLAUSE 30**

OWNER _____ Date _____ WITNESS _____

CHARTERER _____ Date _____ WITNESS _____

CLAUSE 1. AGREEMENT TO LET AND HIRE

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.

The Charterer agrees to hire the Vessel and shall pay, in cleared funds, the Charter Hire Fee, the Advance Provisioning Allowance, the Delivery/Re-delivery Fee, the Security Deposit and/or any other agreed charges on or before the due dates in this Agreement and to the Account specified in this Agreement.

CLAUSE 2. DELIVERY

At the beginning of the Charter Period, The Owner shall deliver the Vessel to the Port of Delivery at its designated dockage 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 and with all equipment required by the U.S. Coast Guard (including up-to-date safety and life-saving equipment and life-jackets for children in the Charterer's Party). The Vessel shall be fitted out as appropriate for a Vessel of her size and type and enabling the Charterer to use the Vessel as set out in Clause 13. The Owner does not warrant her use and comfort in bad weather conditions for all cruises or passages within the Cruising Area. The Charterer shall inspect the Vessel before beginning the charter and must immediately notify the Captain and subsequently 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 Port of Redelivery and at its designated dockage free of any debts incurred by or for the Charterer's account during the Charter Period and in as good a condition as when delivery was taken, except for normal wear and tear arising from ordinary use. If he wishes, the Charterer may re-deliver the Vessel to the Port of Redelivery at its designated dockage and disembark prior to the end of the Charter Period, but such early re-delivery shall not entitle the Charterer to any refund of the Charter Hire Fee.

CLAUSE 4. CRUISING AREA AND USE

The Charterer shall restrict the cruising of the Vessel to the Cruising Area set out on Page One of this Agreement and to regions within the Cruising Area in which the Vessel is legally permitted to cruise. The Vessel shall not navigate where it is not legally permissible due to the flag of the Vessel or restrictions on the Vessel. The Vessel shall not navigate beyond the navigational limits set forth in the Vessel's insurance policy without prior approval by the Owner and Vessel's Insurer, with any additional insurance premiums agreed to be paid by Charterer. Operation of the Vessel beyond the approved area or in violation of law is a breach of this Agreement and cause for immediate termination of this Agreement without a refund of any portion of the Charter Hire Fee.

The Charterer shall also restrict time under way to an average of six (6) hours per day, unless the Captain, at his sole discretion, agrees to exceed this time. Charter agrees that the Vessel shall be used exclusively as an Uninspected Passenger Vessel and shall not transport cargo, nor engage in trade, nor violate any laws of the United States or any jurisdiction in which the Vessel may be traveling. The Vessel shall comply with all laws, rules and regulations of government agencies of the United States, individual states, and other jurisdictions where the Vessel may travel, including federal and state parks, sanctuaries and protected areas. Captain shall be responsible for compliance and Charterer shall abide by Captain's decisions in this regard.

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 the Vessel.
- b) The Charterer shall be fully responsible for the conduct and entertainment of children taken on board the Vessel and the Charterer agrees that no member of the Crew shall be held responsible for the children's conduct, entertainment, or safety.
- c) The nature of a Charter may render it unsuitable for anyone with physical disability or undergoing medical treatment. By signature of 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 his party undertake to have all necessary visas and vaccinations for the countries to be visited.

CLAUSE 6. CAPTAIN AND CREW

Owner agrees to provide a professional Captain and Crew for the Vessel. The Captain and Crew shall be appropriately licensed, qualified, knowledgeable and familiar with the Vessel and waters of the Charter Area and approved by the Vessel's insurer. Owner shall provide insurance coverage for the Captain and Crew, including that which is required by the Jones Act. The Captain and Crew shall have sufficient expertise and experience to manage and handle the Vessel safely and competently at all times. The Captain shall operate the Vessel only for lawful purposes and shall abide by all applicable rules, regulations and laws of the United States and any other jurisdiction in which the Vessel may travel.

The Captain shall keep a complete log of the voyage as to names of persons aboard, records of monies spent or debts incurred. The Captain shall also keep a complete log of communications made from the Vessel by the Vessel's ship radio or telephone, fax, or other method and state the name of the caller, the number called, the location of the number called, and the length of time of communication unless paid with Charterer's credit card or from Charterer's own telephone or communication system.

The Owner shall ensure that no member of the Crew shall carry or use any illegal drugs on board the Vessel or keep any firearms on board (other than those declared on the manifest).

The Captain and Crew are bound at all times to keep all information related to this Charter, the Owner, the Charterer and all Guests as confidential and no information is to be disclosed to any third party without prior permission in writing.

CLAUSE 7. CAPTAIN'S AUTHORITY

The Captain, together with the Charterer, shall direct the course of the voyage and mutually reach agreements regarding the management, operation and movement of the Vessel, wind, weather and/or other circumstances permitting.

However, the Captain shall not be bound to comply with any order or request which, in the reasonable opinion of the Captain, might result in: (1) the Vessel moving to any port or place that is not safe and proper for it to be in, (2) might result in the Charterer failing to re-deliver the Vessel upon the expiration of the Charter Period, (3) a breach of Clause 13 and/or any other clause in this Agreement. Without prejudice to any other remedy of the Owner and based on the reasonable opinion of the Captain, if the Charterer or any of his Guests fail to observe any of the provisions in Clause 13 and if such failure continues after the Captain has given immediate and specific warning in writing to the Charterer in respect of the same, then the Captain shall forthwith inform the Owner of the breach, and the Owner may terminate the Charter forthwith and/or instruct the Captain to return the Vessel to the Port of Re-delivery. The Charterer and his Guests shall immediately disembark the Vessel at its designated dockage. This Agreement and the Charter Period shall be terminated upon the Vessel's return to its designated dockage at the Port of Re-delivery. The Charterer shall settle all outstanding expenses with the Captain beforehand and the Charterer shall not be entitled to be refunded any of the Charter Hire Fee.

The Captain shall immediately notify the Owner of any Vessel breakdowns, disablements, crew changes, accidents and/or other significant incidents that occur during the Charter Period.

As referenced in Clause 16 and with particular regard to the use of water sports equipment, the Captain shall have the authority to prohibit the Charterer or any or all of his Guests from use of any particular water sports equipment if, in the Captain's reasonable opinion, the person is not competent, is unsafe, is impaired by either drugs and/or alcohol, is behaving in an irresponsible manner, or is failing to show due concern for other persons when operating this equipment.

CLAUSE 8. EXPENSES AND OPERATING COSTS

The Charter Hire Fee includes the charter of the Vessel with all its equipment in working order; tools, stores, cleaning materials and basic consumable stores for the engine room, deck, galley, and cabins; laundry of ship's linen; the crew's wages, uniforms, and crew food; the insurance of the Vessel and crew as per Clause 16. Owner shall be responsible for ordinary maintenance expenses for the Vessel, including normal wear and tear. The Charterer shall be responsible for the operating costs, as specifically defined on Page Two of this Agreement, and for the entire Charter Period for himself and his Guests. If the Charterer is required to pay the Advance Provisioning Allowance ("A.P.A.") into the Owner's Account, then the Captain shall periodically advise the Charterer as to the disbursement of the A.P.A. The Captain shall notify the Charterer if the balance remaining becomes insufficient in the light of current and anticipated expenditures and the Charterer shall pay to the

Captain a sufficient sum to maintain an adequate credit balance. The Owner shall ensure that the Captain will exercise due diligence in the expenditure of the A.P.A.

Prior to disembarkation at the end of the Charter Period and concerning the expenditure of any A.P.A., the Captain shall present to the Charterer a detailed account of expenditures with as many supporting receipts as possible. Thereafter, the Charterer shall pay to the Captain the balance of the expenses, or the Captain shall repay to the Charterer any balance overpaid, whichever the case may be.

Payment for special requirements, special equipment, shore transport, shore excursions, or any other expenses not customarily considered as part of the Vessel's operating costs, may be required to be paid via the Owner's Account in advance or to the Captain upon boarding and in addition to the A.P.A. Unless specific alternative arrangements have been made in writing and in advance, all payments for operating costs, etc., shall be payable in the same currency as the Charter Hire Fee. Payment by check, credit card or other negotiable instrument is not normally acceptable and the Charterer should therefore ensure that he has sufficient funds available to cover all reasonably foreseeable expenses or arrange to deposit additional funds with the Owner.

CLAUSE 9. DELAY/FAILURE IN DELIVERY

- (a) If by reason of *force majeure* [as defined in Clause 18 (a)], the Owner fails to deliver the Vessel to the Charterer at the Port of Delivery at the commencement of the Charter Period, then Owner shall not be in default of this Agreement so long as the delivery is made within twenty-four (24) hours of the scheduled commencement date, or within one-tenth (1/10th) of the Charter Period, whichever period is the shorter. In such event, the Owner shall pay to the Charterer a refund of the Charter Hire Fee at a pro rata daily rate, or if the parties mutually agree in writing, the Owner shall allow a pro rata extension of the Charter Period.
- (b) If by reason of *force majeure*, the Owner fails to deliver the Vessel within twenty-four (24) hours or a period equivalent to one-tenth (1/10th) of the Charter Period from the due time of delivery, whichever period is the shorter, then the Owner shall be considered in default and the Charterer shall be entitled to treat this Agreement as terminated. The Charterer's exclusive remedy will be to receive repayment without interest of the full amount of all payments made by him to the Owner. Alternatively, if the parties mutually agree in writing, then the Charter Period shall be extended by a time equivalent to the delay.
- (c) If the Owner fails to deliver the Vessel at the Port of Delivery at the commencement of the Charter Period other than by reason of *force majeure*, then the Charterer shall be entitled to treat this Agreement as repudiated by the Owner. The Charterer will be entitled to repayment without interest of the full amount of all payments made by him to the Owner. In addition, and as liquidated damages, the Charterer shall be paid by the Owner an amount equivalent to twenty percent (20%) of the Charter Hire Fee. The parties hereto expressly stipulate, acknowledge and agree that the liquidated damage provision preceding herein as well as set forth below in subparagraphs (d) and (e) represent a reasonable and fair liquidated allocation of damages in circumstances where the same would otherwise be difficult, if not incapable, of ascertainment.
- (d) If prior to the commencement of the Charter Period as set out in Page One of this Agreement, the Owner tenders notice of cancellation and if such cancellation is by reason of *force majeure*, the remedy in (b) above shall apply.
- (e) If the cancellation is for any reason other than *force majeure*, the Charterer shall be entitled to repayment without interest of the full amount of all payments made by him to the Owner. In addition, Charterer shall be entitled to liquidated damages to be calculated and paid forthwith as follows:
 - (i) thirty (30) days or more before commencement of the Charter Period, an amount equivalent to zero percent (0%) of the Charter Hire Fee;
 - (ii) more than fourteen (14) days, but less than thirty (30) days before commencement of the Charter Period, an amount equivalent to five percent (5%) of the Charter Hire Fee;
 - (iii) fourteen (14) days or less before commencement of the Charter Period, an amount equivalent to ten percent (10%) of the Charter Fee.

CLAUSE 10. DELAY IN RE-DELIVERY

- (a) If Re-delivery of the Vessel is delayed by reason of *force majeure*, then Re-delivery shall be effected as soon as possible thereafter. In the meantime, the conditions of this Agreement shall remain in force, but without penalty or additional charges against the Charterer.
- (b) If the Charterer fails to Re-deliver the Vessel to the Owner at the Port of Re-delivery due to intentional delay or change of itinerary against the Captain's advice, then the Charterer shall pay forthwith to the Owner by direct wire transfer for such additional time at the daily charter rate plus forty percent (40%) of such daily rate until the Vessel is re-delivered at the agreed location. The Charterer shall also pay any additional necessary expenses incurred by Owner in effecting such delivery. If delay in Re-delivery exceeds twenty-four (24) hours, then the Charterer shall also 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, delay in delivery under any subsequent Charter of the Vessel or cancellation of any subsequent Charter of the Vessel.

CLAUSE 11. CANCELLATION BY CHARTERER & CONSEQUENCES FOR NON-PAYMENT

(a) (i) Should the Charterer give notice of cancellation of this Agreement on or at any time before the commencement of the Charter Period, some or all of the Charter Hire Fee may be retained by the Owner which will be determined as follows:

- a. After this Agreement has been signed, but before the final installment payment is due to be paid, the Owner shall be entitled to retain the Charterer's first installment payment.
- b. After any subsequent installment payments are due to be paid by the Charterer, the Owner shall be entitled to retain the Charterer's first installment payment and any subsequent installment payments due from the Charterer.
- c. If any of the installments are due to be paid, but have not been paid, then the Owner shall have a claim against the Charterer for the amount so due.

(ii) After having been given written notice by the Owner, should the Charterer fail 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 and to recover all funds unpaid and due up to the date of repudiation.

(iii) Notwithstanding the Owner's right to receive or retain all payments referred to above, the Owner shall be under a duty to mitigate his loss and 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 Charter Hire Fee arising from the re-chartering after deduction of all consequential expenses arising from such rechartering. 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 had the Agreement not been cancelled or repudiated. The Owner shall reimburse or forgive payments received or due from the Charterer only to the extent that the net proceeds from any re-chartering during part or all of the Charter Period exceeds the amount which would have been received under this Agreement. The Owner shall use his best endeavors to re-charter the Vessel and shall not unreasonably withhold his agreement to re-charter. However, the Owner may reasonably refuse to re-charter the Vessel if the re-charter would be considered detrimental to the Vessel, its reputation, its Crew or its schedule.

(iv) If prior to the date of cancellation, the Vessel has taken on provisions for the Charter, or has utilized the Delivery/Re-delivery Fee as set out on Page One of this Agreement, then the Charterer shall pay for these expenses unless all or part can either be refunded by the supplier or transferred to the next Charter, in which case they shall be adjusted accordingly. The Captain and Owner shall be under a duty to mitigate these expenses where possible.

(b) After signature of this Agreement, if the Owner suffers financial failure, is adjudged bankrupt or becomes subject to a liquidator, or receiver or an administrator is appointed over all or part of the Owner's assets, then the Charterer shall be entitled to cancel the Charter and all monies paid to the Owner to this Agreement shall be refunded without deduction.

CLAUSE 12. BREAKDOWN OR DISABLEMENT

In the event of significant delay, breakdown or disablement during the term of the Charter, the Captain shall notify both the Charterer and the Owner and the Owner shall undertake to resolve the problem. Such circumstances include, but are not limited to, mechanical failure, fire, grounding, collision, system failures or such other cause which disables the Vessel so that it cannot safely be used in navigation or is not habitable.

After delivery, if 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 twelve (12) and twenty-four (24) consecutive hours or one-tenth (1/10th) of the Charter Period, whichever is the shorter (and the disablement has not been brought about by any act, omission or default of the Charterer or Charterer's guests), the Owner shall make a pro rata refund of the Charter Hire Fee for the Period of the disablement or, if the parties mutually agree in writing, allow a pro rata extension of the Charter Period corresponding with the period of disablement. If the Charterer wishes to invoke this clause, he shall give immediate written notice to the Captain. The Charterer shall remain liable for normal expenses during the period of disablement.

In the event of the actual or constructive total loss of the Vessel or if the Vessel is disabled as aforesaid for a consecutive period of more than twenty-four (24) hours or one-tenth (1/10th) of the Charter Period, whichever is shorter, (and such circumstances have not been brought about by any act, omission or default of the Charterer or Charterer's guests) the Charterer may terminate this Agreement by notice in writing to the Owner or to the Captain if no means of communication is available. As soon as practicable after such termination, the Charter Hire Fee shall be repaid by the Owner pro rata, but without interest, for that proportion of the Charter Period outstanding after the date and time on which the loss or

disablement occurred. In the event of such termination, the Charterer may affect Re-delivery by giving up possession of the Vessel where she lies. The Owner shall be responsible for the reasonable cost of returning the Charter Party to the Port of Re-delivery together with any reasonable accommodation expenses incurred.

Alternatively, after a consecutive period of disablement of more than twenty-four (24) hours or one-tenth (1/10th) of the Charter Period, whichever is shorter, and dependent on the nature and seriousness of the disablement, if the parties mutually agree in writing, then 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.

In the event that the delay and/or disabling circumstances are due to the acts or omissions of the Charterer or Charterer's guests or invitees, then Owner shall attempt to remedy the situation so that the Charter may be completed. However, no Charter Hire Fee or other payments previously made by Charterer shall be refunded and the costs to resolve the problem and/or to re-deliver the Vessel shall be charged to and paid by Charterer. In such case where re-delivery is not possible at that time, Charterer shall be responsible for the cost of returning the Charter Party to the original point of Vessel departure or embarkation.

CLAUSE 13. USE OF VESSEL

The Charterer shall comply and shall ensure that the Guests comply with the laws and regulations of any country, state, municipality, or jurisdiction into whose waters the Vessel shall enter during the course of this Agreement.

The Charterer shall ensure that no pets or other animals are brought on board the Vessel without the written consent of the Owner. The Charterer shall ensure that the behavior of the Charter Party and Guests shall not cause a nuisance to any person or bring the Vessel into disrepute. The Charterer and Guests shall afford the Crew due respect at all times.

The Captain shall promptly draw the Charterer's attention to any infringement of these terms by himself or his Guests. If such behavior continues after this warning, then the Captain shall inform the Owner. By written notice served on the Charterer, the Owner may terminate this Agreement in accordance with Clause 7 of this Agreement.

If the Charterer or any of his Guests shall commit any offense contrary to the laws and regulations of any country, state, municipality or jurisdiction which results in any member of the Crew of the Vessel being detained, fined or imprisoned, or the Vessel being detained, arrested, seized or fined, then the Charterer shall indemnify the Owner against all loss, damage and/or expenses incurred by the Owner as a result. Thereafter and by written notice served on the Charterer, the Owner may terminate this Agreement forthwith. Charterer shall be liable for fines, penalties, damages and/or forfeitures as a result of the negligent or intentional acts of Charterer, Guests or Invitees. In addition, the Charterer shall indemnify, hold harmless and defend Owner for such acts.

The use, transport or possession of illegal drugs, narcotics or of any other contraband or the participation in any other unlawful activity, such as the transport of illegal aliens, is strictly prohibited. The participation in any of these activities by the Charterer or his Guests constitutes a breach of the Charter and shall be cause for immediate termination of the Charter without refund of Charter Hire Fee and any additional payments made by Charterer. It is also specifically understood that the possession or use of any illegal drugs, narcotics or any weapons (including particularly firearms) is strictly prohibited on board the Vessel and failure to comply shall be sufficient reason for the Owner or Captain to terminate the Charter forthwith without refund to the Charterer or recourse against the Owner.

CLAUSE 14. NON-ASSIGNMENT

The Charterer shall not assign this Agreement, sublet the Vessel or part with control of the Vessel without the Owner's written consent, which consent may be withheld for any reason or no reason or may be conditioned upon such terms as the Owner deems appropriate.

CLAUSE 15. SALE OF THE VESSEL

- (a) The Owner agrees not to sell the Vessel during the Charter Period as set out on Page One of this Agreement.
- (b) Should the Owner agree to sell the Vessel after the signing of this Charter Agreement, but before delivery to the Charterer, the Owner shall immediately give written notice of such sale to the Charterer. This information shall be kept in strict confidence by all parties to the Agreement. Should the Vessel be sold, then one of the following provisions will apply:
 - (i) The Owner shall arrange for the Buyer to take over the Charter Agreement and perform the Charter on the same terms and conditions by assignment of this Charter Agreement to the Buyer. Alternatively, the Buyer and Charterer may enter into a new Charter Agreement which will have substantially the same terms and provisions without material deviations, and the Parties will sign written cancellation of this Agreement. Where the Charter is taken over by the Buyer on the same terms and conditions there shall be no penalty against the Owner.

(ii) If the Buyer is unwilling or unable to fulfill the Charter Agreement, then this Charter Agreement shall be considered as having been cancelled by the Owner in accordance with Clause 9. All payments made by the Charterer shall be promptly repaid in full to him without deduction and liquidated damages calculated in accordance with Clause 9 (e) i, ii or iii, as appropriate, shall be paid.

CLAUSE 16. INSURANCE

- (a) The Owner shall insure the Vessel with first-class insurers against all customary risks for a Vessel of her size and type with coverages no less than is provided under Institute Yacht Clauses 1.11.85 or other recognized terms extended to provide Permission to Charter and to cover Third Party Liability. The insurance shall also cover War and Strikes and include insurance of Crew against injuries and/or Third-Party Liabilities incurred during the course of their employment. The Charterer shall be entitled to the benefit of the Owner's insurances.
- (b) All such insurances shall be on such terms and subject to such excess (deductible) as are customary for a Vessel of this size and type. Copies of all relevant insurance documentation shall be available for inspection by the Charterer prior to the Charter on reasonable notice to the Owner, and shall be carried on board the Vessel. The Charterer should determine whether such insurance coverages and applicable deductibles are adequate and appropriate for Charterer's purposes and, if necessary, arrange for additional coverages prior to commencing the Charter. If the Charterer chooses to arrange for separate or supplemental insurance in addition to the insurance provided by Owner, the same may be arranged with a marine insurance broker at Charterer's additional cost.
- (c) Under normal circumstances the Charterer shall only be liable for such costs or losses as may be incurred 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.
- (d) 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 void or limit the coverages provided under the Owner's insurance.
- (e) The Charterer shall be responsible for having independent insurance for Personal Effects while on board or ashore and for any Medical or Accident expenses incurred other than as covered under the Vessel's insurance.
- (f) The Charterer should be aware that neither Cancellation and Curtailment Insurance, nor Charterer's Liability Insurance is included in this Agreement, but is available subject to acceptance by Underwriters.

CLAUSE 17. SECURITY DEPOSIT

Unless otherwise provided on Page One of this Agreement, any required Security Deposit shall be held by the Owner and may be used in, or towards, discharging any liability that the Charterer may incur under any of the provisions of this Agreement. To the extent that it is not so used, the Security Deposit shall be refunded to the Charterer without interest, within three (3) business days of the end of the Charter Period or the settlement of all outstanding charges/liabilities/questions, whichever is the later.

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 the CHARTERER (including, but not limited to, strikes, lock-outs or other labor disputes, civil commotion, riots, acts of terrorism, blockade, invasion, war, fire, explosion, sabotage, storm, collision, grounding, fog, governmental act or regulation, contaminated fuel, major mechanical or electrical breakdown beyond the OWNER's control and not caused by lack of maintenance and /or the OWNER's or Crew's negligence). Shipyard delays and crew changes do not constitute force majeure.
- (b) **OWNERS AND CHARTERERS:** Throughout the Agreement, the terms "Owner" and "Charterer" and corresponding pronouns shall be construed to apply whether the Owner or Charterer is male, female, or corporate, singular or plural, as the case may be. For purposes of this Agreement, the terms Owner and Charterer shall be understood to mean the named company or individual, or any company owned or controlled by them including companies owned indirectly or via Trustees, any Director of such a company, Beneficial Owner, Nominee, Agent, or Charterer's Guest or Invitee.

CLAUSE 19. SALVAGE

During the period of the Charter, the benefits, if any, from all derelicts, salvages and towages, after paying the salvage Crew's proportion and any hire for the relevant period and expenses, shall be shared equally between the Owner and the Charterer.

CLAUSE 20. ARBITRATION, APPLICABLE LAW & VENUE

Subject to the provisions herein contained and unless otherwise specified in the appropriate space on Page One or Page Two of this Agreement, any dispute in connection with the interpretation and fulfillment of this Agreement shall be decided by and in accordance with the rules and procedures of the American Arbitration Association and construed according to the maritime laws of the United States of America. In the event of any gap in the availability of such laws or where there is not applicable maritime law, then the laws of the State of residence or the principal place of business of the Owner shall apply. The Charterer and Owner expressly acknowledge that the sole and exclusive venue for any legal action pertaining to this Agreement and its enforcement or interpretation shall be in the State of the Owner's residence or principal place of business and Charterer hereby expressly agrees, consents and submits to the personal jurisdiction of the state or federal courts of that jurisdiction. The dispute shall be referred to a single Arbitrator to be appointed by the parties hereto. If the parties cannot agree upon the appointment of a single Arbitrator, the dispute shall be settled by three (3) Arbitrators, each party appointing one (1) Arbitrator, and the two (2) Arbitrators so appointed shall thereupon appoint the third.

The award rendered by the Arbitration Panel shall be final and binding upon both parties and may, if necessary, be enforced by a Court of any other competent authority in the same manner as a judgment in that same Court.

CLAUSE 21. FORCE MAJEURE

When *force majeure* is invoked in relation to breakdown or disablement, the Owner will instruct the Captain or Owner's representative to submit a detailed technical report, a copy of the vessel's maintenance log if applicable, and all relevant supporting documentation to the Charterer or Charterer's representative.

CLAUSE 22. COMPLAINTS

The Charterer shall give written notice of any complaint in the first instance to the Captain on board and the Captain shall log the time, date and nature of the Charterer's complaint in the Vessel's log book. The Captain shall inform the Owner as soon as practical.

However, if such complaint cannot be resolved on board the Vessel, then the Charterer shall give notice to the Owner as soon as practicable after the event giving rise to the complaint has taken place and in all cases 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 in writing as soon as possible (by fax, mail or email) specifying the precise nature of the complaint.

CLAUSE 23. NOTICES

Any notice given or required to be given by either Party to this Agreement shall be communicated in any written form 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 in the case of the Owner, to its address as per this Agreement, or in the case of the Charterer, to his address as per this Agreement or, where appropriate, to him/her on board the Vessel.

CLAUSE 24. ATTORNEY FEES

The prevailing party shall be entitled to costs, expenses and attorney's fees for litigation/arbitration between Owner and Charterer for disputes arising out of this Agreement or the Charter. Either party is entitled to reimbursement from the other party for costs, expenses and attorney's fees incurred while defending any third-party claims for which the other party is found to be responsible.

CLAUSE 25. INDEMNIFICATION, HOLD HARMLESS, DEFEND

Charterer agrees to indemnify, hold harmless and defend Owner from any and all claims and liabilities for loss or damage to Charterer, Guests, Invitees, and to any third parties whatsoever, which may be occasioned by the negligent, willful, wanton or intentional acts of the Charterer, and Charterer's Guests or Invitees, except to the extent such claims are covered by insurance.

CLAUSE 26. OWNER'S ASSURANCES

Upon signing this Agreement, Owner accepts full responsibility to assure that the Vessel and crew are in compliance with all charter laws of the United States (to which the Vessel is flagged) and/or the State of Florida, including vessel documentation, registration, and captain/vessel licensing, as are necessary to support the nature of this Agreement, or accepts all responsibilities as if the vessel and crew were in such compliance.

CLAUSE 27. MARITIME LIENS

Charterer shall not permit maritime liens, salvage or debts to be incurred against the Vessel or to the credit of Owner. Charterer shall not abandon the Vessel or enter into a salvage agreement without prior consent of Owner. Charterer agrees to indemnify, hold harmless and defend Owner from any and all maritime liens, salvage or debts to be incurred against the Vessel or to the credit of Owner, except to the extent such claims are covered by insurance.

CLAUSE 28. WAIVER OR MODIFICATION

This Agreement is the entire agreement of the parties. No waiver or modification of this Agreement shall be effective unless in writing and signed by the parties.

CLAUSE 29. FACSIMILE

Both parties acknowledge that this Agreement may be transmitted between them by facsimile machine and all parties intend that the faxed Agreement containing either original and/or copies of the parties' signature shall constitute a binding contract.

CLAUSE 30. ADDITIONAL CONDITIONS